

Lafayette Woods

Elk River MN

Legal Documents

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LAFAYETTE WOODS

DECLARATION

THIS DECLARATION is made on this 26 day of July, 1996, by WINDSOR DEVELOPMENT, L.L.P., a Minnesota limited liability partnership, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the City of Elk River, County of Sherburne, State of Minnesota, which is more particularly described as:

See Exhibit A Attached hereto

(the "Property" or "Properties"), which Declarant intends to develop for residential uses; and

WHEREAS, Declarant desires that all of the Property shall be subject to certain uniform covenants, conditions and restrictions.

NOW, THEREFORE, Declarant hereby declares that all of the Properties described above shall be held, sold, and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

This community consists solely of separate parcels of real estate designed or utilized for single family dwellings and the association has no obligation to maintain any building containing a dwelling and is not subject to the Minnesota Common Interest Ownership Act by virtue of Minn. Stat. Sec. 515B.1-102(e)(2).

ARTICLE I.

DEFINITIONS

Section 1. "Association" shall mean and refer to Lafayette Woods Homeowners Association, Inc., a corporation formed under Chapter 317A, Minnesota Statutes, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. Where any such

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Lot is being sold by the fee owner to a contract vendee who is entitled to possession of the Lot, the contract vendee shall be considered to be the owner of the Lot if: (1) the rights of the contract vendor hereunder are delegated to the vendee under such contract for deed; and (2) the vendee shall furnish proof of such delegation to the Association.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Lot" shall mean and refer to any separately identified plot of land shown upon any recorded subdivision map or plat of the Properties which is intended to sold to the ultimate buyer as a separate property. Where appropriate, reference to "Lot" shall include all structures located upon a Lot.

Section 5. "Declarant" shall mean and refer to Windsor Development, L.L.P., a Minnesota limited liability partnership, its successors and assigns.

Section 6. "Common Elements" shall mean and refer to the entry monument signage, landscaping, and irrigation system located within the right-of-way of 195th Lane NW near its intersection with County Road No. 77, Anoka County, Minnesota, or any easement areas lying immediately contiguous thereto.

Section 7. "Eligible Mortgagee" shall mean any person owning a mortgage on any Lot, which mortgage is first in priority to any other mortgages that encumber such Lot, and which has requested the Association, in writing, to notify it regarding any proposed action which requires approval by a specified percentage of Eligible Mortgagees.

Section 8. "Dwelling" shall mean and refer to the construction of a housing unit in accordance with these Declarations on any Lot.

ARTICLE II.

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Members with the exception of Declarant and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall the vote of any Owners be split as to any Lot. In the event that the Owners fail to determine how to cast any vote, no vote shall be cast.

Class B. The Class B members shall be Declarant and shall be entitled to 3 votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes of Members outstanding in the Class A membership equal the total votes outstanding in favor of Declarant in the Class B membership; or
- (b) on December 31, 1999.

ARTICLE III.

COVENANT FOR COMMON EXPENSE AND INSURANCE PREMIUM ASSESSMENTS; INITIATION FEE

Section 1. Creation of the Lien and Personal Obligation of Assessments. Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed or contract for deed therefor, whether or not it shall be so expressed in such deed or contract, is deemed to covenant and agree to pay to the Association:

- (1) general annual assessments or charges;
 - (a) a common expense or portion thereof benefiting fewer than all of the Lots may be assessed exclusively against the Lots benefitted, on basis of (i) equality, (ii) square footage of the area being maintained, repaired or replaced, or (iii) the actual cost incurred with respect to each Lot.
- (2) assessments for master insurance premiums, which may be assessed in proportion to value, risk or coverage;
- (3) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided.

- (4) assessments levied to pay a judgment against the Association, which assessments may be levied only against the Lots existing at the time the judgment was entered, in proportion to their Common Expense liabilities.
- (5) assessments for fees, charges, late charges, fines and interest.
- (6) If any damage to the Common Elements or another Lot is caused by the act or omission of any Owner, the guests of an Owner or the occupant of any Lot, assessments for the costs of repairing the damage may be assessed exclusively against the Owner's Lot to the extent not covered by insurance.

The assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due and if more than one person was an Owner then such obligation shall be joint and several. The personal obligation for delinquent assessments shall not pass to the Owner's successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the purposes of the Association as set forth in Article IV.

Section 3. Limitation on Assessments. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual general assessment to an Owner and the Owner's Lot shall be \$100.00 per Lot.

- (a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual general assessment may be increased each year not more than 10% above the maximum assessment for the previous year without a vote of the membership of the Association.
- (b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual general assessment may be increased above 10% by a vote of 2/3 of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

- (c) The Board of Directors of the Association may fix the annual general assessment at an amount not in excess of the maximum, and the Board of Directors of the Association may modify the annual assessment upward or downward from time to time, but in no event upward beyond the maximum permitted by this Section. Written notice of any modification of the annual general assessment shall be sent to every Owner subject hereto.

Section 4. Special Assessment for Capital Improvements.

In addition to the annual general assessments, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Elements, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of 2/3 of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 and 4 shall be sent to all Owners not less than 21 days nor more than 30 days in advance of an annual meeting or not less than 7 days nor more than 30 days in advance of a special meeting. At the first such meeting called, the presence of members or of proxies entitled to cast more than 50% of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be 1/2 of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment; Alternative Assessment Program. Both general annual and special assessments on all Lots must be fixed at a uniform rate, except vacant Lots which shall be assessed at 25% of the established assessment rate except:

- (a) no assessments shall be made against any Lot which is a parcel of real estate which is not intended for separate ownership or occupancy.
- (b) any Lot owned by Declarant and which is not exempt from assessment by Section 6(a) shall be assessed at 25% of the established assessment rate, until such time as a certificate of occupancy is issued by the City of Elk River, Minnesota.

- (c) This alternative assessment program shall have no effect on the level of services for items set forth in the Association's budget.

Annual and/or special assessments may be collected on a monthly basis at the discretion of the Association.

Section 7. Date of Commencement of Assessments: Due Dates. The general annual assessment provided for herein shall commence as to all Lots on the first day of the month following the conveyance by Declarant of a Lot. Notwithstanding the foregoing to the contrary, any Lot owned by Declarant shall be assessed pursuant to the alternative assessment program set forth in Section 6.

The first general annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors of the Association shall fix the amount of such assessments against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of such assessments shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors of the Association. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an authorized representative of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment to any Member not paid within 30 days after the due date shall bear interest from the due date at a rate of 10% per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the Lien against the Property. Such Lien may be foreclosed in the same manner as a mortgage pursuant to Minnesota Statutes 1978, Chapters 580, 581 or 582, as amended, and the Association shall be entitled to recover interest at the rate of 10% per annum and its costs, expenses and disbursements, including reasonable attorney's fees, incurred in such foreclosure. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Elements or abandonment of the Owner's Lot. If the Association has provided for monthly installment payments of assessments, the Association may accelerate and the Owner shall pay the unpaid balance of an annual installment if the Owner has failed to pay any monthly installment within 30 days after the due date of a monthly installment.

Section 9. Subordination of the Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate

to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Initiation Fee. Each initial purchaser of a Lot from Declarant shall pay to the Association an initiation fee in an amount equal to two (2) times the then estimated monthly common expense assessment against the Lot. Said payment is not a deposit or advance payment of assessments which the purchaser is otherwise required in the Declarations to pay to the Association, but is rather a payment to a working capital fund established by the Association for the initial months of its operations.

ARTICLE IV.

DUTIES OF ASSOCIATION

The Association shall provide for maintenance upon the Common Elements of the following: monument entry signage and lighting, trees, shrubs, grass, walks, irrigation systems and other improvements located on the Common Elements, excluding any trees, shrubs or other plantings installed by any Owner.

In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, or guests, invitee, or lessees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject.

The Association shall enforce the covenants, conditions and restrictions set forth herein and any amendments hereto and any rules and regulations adopted by the Association. The Association may provide for trash removal services and a master or common policy of property insurance for all Lots within the Association.

The Association shall undertake, at its discretion, such further duties as determined by the Board of Directors.

ARTICLE V.

(Intentionally Omitted)

ARTICLE VI.

ARCHITECTURAL CONTROL

Section 1. Structures. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to, or change or alteration therein be made until the plans and specifications

showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by an architectural control committee ("ACC") composed of three (3) or more representatives appointed by Declarant, until Declarant no longer owns any Lots or December 31, 2000, whichever is earlier, and then after, such appointments shall be made by the Board of Directors of the Association.

Section 2. Original Construction. A site plan, landscaping plan and plans and specifications for the construction of a Dwelling unit on any Lot shall be submitted to the ACC for its written approval before any construction activity is begun.

Section 3. Review of Modifications. After the completion of an original Dwelling unit on a Lot, the construction or modification of any building or structure, including fences and mailboxes or the retaining walls or monuments constructed by Declarant, shall require prior written approval by the ACC of the plans and specifications for the construction, in accordance with the standards set forth in Section 4 hereof.

Section 4. Standard of Review. The ACC may promulgate detailed standards and procedures governing its areas of responsibility and practice. In addition, the following shall apply: the plans and specifications shall be reviewed as to quality of workmanship, design and harmony of external design with existing structures, topography, and finish grade elevation. No permission or approval shall be required to repaint in accordance with an originally approved color scheme, or to rebuild in accordance with originally approved plans and specifications. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of the owners' residence or to paint the interior of the owners' residence any color desired.

Section 5. Procedure. If the ACC fails to approve or disapprove plans and specifications within thirty (30) days after the submission of the same to it, approval will be deemed to have been granted. In the event of disapproval by the ACC, the requesting Owner may give written notice that the Owner wishes to appeal the ACC decision and request a hearing by the Association's Board of Directors. Such notice must be furnished to the ACC within ten (10) days of its decision. The hearing shall be at a special meeting of the Board of Directors to be held within thirty (30) days of the receipt of the Owner's notice of appeal.

Section 6. Removal and Abatement. The ACC or the Association shall have the right to order an Owner to remove or alter any structure on any Lot erected in violation of the terms of this Declaration, and to employ appropriate judicial proceedings to compel the alteration or demolition of any non-conforming construction or other violation. Any cost incurred by the ACC shall be levied as an Individual Lot Maintenance Assessment as provided in Article V.

Section 7. Variances. Reasonable variances to the covenants, conditions and restrictions may be granted by the ACC after review, in order to overcome practical difficulties or to prevent unnecessary hardship. A variance may only be granted if it is not detrimental to other property and shall not defeat the purpose of this Declaration.

Section 8. New Construction Covenants, Conditions and Restrictions. Without limiting the broad discretion granted to the ACC by this article, the following additional covenants, conditions and restrictions shall apply to new construction, or reconstruction after demolition or casualty loss, of a Dwelling on the Lots:

- A. The ACC shall be entitled to review and approve all exterior siding and roofing materials to be used in the construction.
- B. The ACC shall require that all exterior siding and roofs be finished in tan, taupe, brown, gray or other soft earth-tone color.
- C. The ACC shall require that the minimum roof pitch on each Dwelling be seven-twelfths (7/12) with a rise of seven (7) feet in elevation for each twelve (12) feet of surface.
- D. Promptly upon completion of construction, but in no event later than six (6) months after commencement of construction, a hard-surface driveway and landscaping, including sodding of the Lot, shall have been installed.
- E. All utility meters located on the exterior of a Dwelling shall be concealed from view by landscaping or architecturally-treated to blend in with the Dwelling.
- F. During construction, all trash or debris shall be contained in approved containers to be located on each Lot during the period of construction. Soil fences shall be installed on each building site, and the front of each building site is to be swept or kept clean at the expense of the Lot owner on an as-needed basis.

G. Each Dwelling constructed on a Lot shall meet the following minimum square-footage requirements:

- Single-story structures shall contain at least 1,500 square feet of finished and heating main floor living area, exclusive of areas included within open porches, garages and basements.
- Dwellings of two stories or more shall be constructed to contain at least 1,800 square feet of finished and heated living space, exclusive of areas included within open porches, garages and basements.

H. Each Dwelling constructed on a Lot, together with Lot costs and costs of all improvements and appurtenances, shall have an appraised market value of not less than \$150,000.00.

I. The construction of all exterior components of any Dwelling must be completed within nine (9) months of commencement of construction.

ARTICLE VII.

ADDITIONAL RESTRICTIONS; RULES AND REGULATIONS

Section 1. Additional Restrictions

A. No Lot shall be used except for residential purposes, with improvements consisting of one (1) detached single-family Dwelling with one (1) attached private garage sufficient to store a minimum of two (2) motor vehicles, except that Declarant shall be entitled to maintain model homes and other sales facilities upon the Lots.

B. No sign of any kind shall be displayed to the public view on any Lot except one professional sign of not more than one (1) square foot, one sign of not more than five (5) square feet advertising the property for sale, except that Declarant shall be permitted to erect and maintain upon the Property such signs as it deems appropriate to advertising the Property until Declarant conveys the last Lot.

C. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot except that dogs, cats or other household pets may be kept, provided they are not kept, bred or maintained for any commercial purposes. No fenced dog runs or dog houses shall be allowed on any Lot.

D. No Lot shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste. Garbage, rubbish and trash shall not be kept on said premises except in sanitary containers. All incinerators or other equipment used or kept for the storage or disposal of such material shall be kept in a clean and sanitary condition.

E. No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

F. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other building shall be used on any Lot at any time as a residence, either temporarily or permanently.

G. No trailers, boats, buses, motor homes, campers, snowmobiles or other types of recreational vehicles shall be parked on any Lot for more than 48 consecutive hours unless such vehicle is parked within a garage or storage shed located on such Lot; provided that the Board of Directors of the Association grant permits to park such vehicles on Lots for limited periods of time not to exceed fourteen (14) days in any twelve (12) - month period. No such vehicles shall be parked on any Common Element.

H. No aerial, antenna or satellite dish over four feet in height, as measured from the point on the ground or on any structure to which the aerial, antenna or satellite dish is affixed, shall be permitted on any Lot.

I. No abandoned motor vehicle as defined in Minnesota Statutes Section 168B.02, subdivision 2, as amended from time to time, shall be permitted to remain upon the streets or driveways or on any Lot or parking area herein. The Association shall have the right to remove any such vehicle at any time, and assess the costs of such removal against the Lot which is owned or occupied by the person in control or possession of such vehicle.

K. Neither the Association nor any Owner shall permit any truck with a gross weight in excess of 3/4 ton to operate or travel on a regular periodic basis upon any driveway or street which is not dedicated as a public street.

L. Except as herein permitted for Declarant, no business, trade, occupation or profession of any kind,

whether carried on for profit or otherwise, shall be conducted, maintained or permitted on any Lot, except: (i) an Owner or occupant residing in a Lot may keep and maintain his or her business or professional records in such Lot and handle matters relating thereto by telephone or correspondence therefrom, provided that such uses are incidental to the residential use of the Lot; and (ii) the Association may maintain offices on the Property for management and related purposes.

M. No Lot may be leased for transient or hotel purposes. Any lease of any Lot shall be in writing which shall be expressly subject to these Declarations and any Rules and Regulations adopted by the Association and which provide that any violation of these Declarations and any Rules and Regulations shall be a default under the lease. No time shares shall be created with respect to any Lot.

Section 2. Rules and Regulations. The Association may adopt, amend and revoke rules and regulations not inconsistent with the Articles of Incorporation, Bylaws or these Declarations of the Association, as follows: (a) regulating the use of the Common Elements; (b) regulating the use of Lots and the conduct of living unit occupants, which may jeopardize the health, safety and welfare of other occupants, which involve noise or other disturbing activity, or which may damage the common elements or other living units; (c) regulating or prohibiting animals; (d) regulating changes in the appearance of the common elements and conduct which may damage the community; (e) regulating the exterior appearance of the community, including, by way of illustration and not limitation, balconies and patios, window treatments, and signs and other displays, regardless of whether inside a living unit; (f) implementing the Articles of Incorporation, Bylaws or Declarations of the Association; and (g) other rules facilitating the operation of the community. After notice and an opportunity to be heard, the Association may impose reasonable sanctions, including the levying of reasonable fines, for violations of the Declaration, Bylaws and Rules and Regulations of the Association.

ARTICLE VIII.

EASEMENTS

Section 1. In addition to the easements, covenants, restrictions and conditions herein, all Lots shall be subject to easements and covenants hereinafter specifically described for the benefit of the Properties or for the limited benefit of specified adjoining Lots, all as more fully set forth hereinafter in this Article. Within such easements, no structure, planting or other material shall be placed or permitted to remain which

may damage or interfere with the installation and maintenance of any utilities or trails or which may change the flow or drainage channels within the easements or which may obstruct, retard or change the flow of water through drainage easements. The easement area of each Lot and all improvements therein shall be maintained continuously by the Owner of the Lot, except for improvements which are the responsibility of a public authority or utility company.

Section 2. Utility Easements. Declarant has, or will by separate declaration, provide easements for utility purposes to and from all Lots in the Properties. The Association or its proper representatives shall have the right of free access to any Lot or living unit for the purpose of maintaining any utility service to any Lot on the Properties.

Section 3. Easements for Encroachment. In the event that any buildings or other structures originally constructed by Declarant or constructed or erected thereafter on any Lot in accordance with the this document encroaches upon any other Lot, or, if any such encroachment shall hereafter arise because of settling or shifting of the building or other cause, an exclusive easement appurtenant to said encroaching Lot for such encroachment and the maintenance thereof shall exist.

Section 4. Easement for Maintenance. Declarant hereby grants an easement in favor of the Association over and across each Lot for the purposes of the Association performing its duties hereunder.

ARTICLE IX.

TRASH REMOVAL

Section 1. Master Contract. The Association may contract with a single provider for the removal and disposal of garbage, trash and other solid waste from all Lots in accordance with this Declaration. Each Owner shall be obligated to purchase such services from the provider designated by the Association upon the terms, conditions and rates negotiated by the Association.

Section 2. Charges. Any charges imposed by the provider designated by the Association shall be paid by the Association and shall be included in the general assessments to Owners. In the event that any Owner requests any services not included within the basic/general charges of the provider, the Owner, upon written demand by the Association, shall reimburse the Association for any charges for such services, plus all related costs, including interest, attorney fees and administrative charges of the Association, and if not paid by Owner, such charges shall be a lien against the Lot. Any charge, lien or

claim pursuant to this Article shall not be subject to any maximum increase in general assessments.

ARTICLE X.

INSURANCE AND RECONSTRUCTION

Section 1. Insurance. The Association shall procure and maintain the following insurance coverage:

- (a) Fidelity coverage against dishonest acts on the part of Directors, Managers, trustees, employees or volunteers responsible for handling funds collected and held for the benefit of the Owners. The fidelity bond or insurance shall name the Association as the named insured and shall be written in an amount sufficient to provide protection which is in no event less than one and one-half times (1-1/2) the Association's estimated annual operating expenses and reserves. An appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if said policy would not otherwise cover volunteers.
- (b) A comprehensive policy of public liability insurance covering the Common Property in an amount not less than one million dollars. Such insurance shall contain a "severability of insurance" endorsement which shall preclude the insurer from denying the claim of the Owner because of negligent acts of the Association or other owners. The policy shall include such additional coverages, endorsements or limits as may be required by regulations of the Federal Housing Administration, ("FHA"), or the Federal National Mortgage Association, ("FNMA"), as a precondition to their insuring, purchasing or financing a mortgage on a Lot.
- (c) Workers Compensation insurance as required by law.
- (d) Directors and officers liability insurance with such reasonable limits and coverages as the Board of Directors may determine from time to time.
- (e) Such other insurance as the Board of Directors may determine from time to time to be in the best interests of the Association and the Owners.

Section 2. Deductibles. As to any deductibles under any insurance coverages obtained by the Association, the Board of Directors may:

- (a) pay the deductible as a general common expense;

- (b) assess the deductible against any Owner and the Owner's Lot if the loss was caused by the act or omission of the Owner, or the Owner's agents, employees, invitee, guests or any one occupying the Lot with the expressed or implied permission of the Owner.

ARTICLE XI.

RIGHTS OF ELIGIBLE MORTGAGEES

Section 1. Consent to Certain Amendments. The written consent of eligible mortgages representing at least fifty-one (51.0%) percent of the Lots that are subject to first mortgages held by Eligible Mortgagees, (based upon one vote per first mortgage owned), shall be required for any amendment to the Declaration, Articles of Incorporation or Bylaws of the Association which causes any change in the following: (a) voting rights; (b) increases in assessments that raise the previously assessed amount by more than 25%, assessment liens or priority of assessment liens; (c) reductions in reserves for maintenance, repair and replacement of Common Elements; (d) responsibility for maintenance and repairs; (e) reallocation of interests in the Common Elements or right to their use; (f) redefinition of any Lot boundaries; (g) convertability of Lots into Common Elements or vice versa; (h) expansion of the Property or the addition or withdrawal of property to or from the Property; (i) hazard or fidelity insurance requirements; (j) leasing of Lots; (k) imposition of any restrictions on the leasing of Lots; (l) restoration or repair of the Property, (after a hazard damages or partial condemnation) in a manner other than that specified in the Declaration; (m) any action to terminate the legal status of the community after substantial destruction or condemnation occurs; or (n) any provisions that expressly benefit mortgage holders, or insurers or guarantors of mortgages. Notwithstanding the foregoing, implied approval of a proposed amendment shall be assumed when an Eligible Mortgagee fails to submit a response to any written proposal for an amendment within 30 days after it receives proper notice of the proposal, provided that the notice was delivered by certified mail with a return receipt.

Section 2. Consent to Certain Actions. The written consent of Eligible Mortgagees representing at least sixty-seven (67.0%) percent of the Lots that are subject to first mortgages, (based upon one vote per first mortgage) shall be required to abandon or terminate the community.

Section 3. Consent to Subdivision. No Lot may be partitioned or subdivided without the prior written approval of the Owner Eligible Mortgagee thereof, and the Association.

Section 4. No Right of First Refusal. The right of an Owner to sell, transfer or otherwise convey his or her Lot shall

not be subject to any right of first refusal or similar restrictions.

Section 5. Priority of Lien. Any holder of a first mortgage on a Lot or any purchaser of a first mortgage at a foreclosure sale, that comes into possession of a Lot by foreclosure of the first mortgage or by deed or assignment in lieu of foreclosure, takes the Lot free of any claims for unpaid assessments or other charges or liens imposed against the Lot by the Association which have accrued against such Lot prior to acquisition of possession of the Lot by said first mortgage holder or purchaser; except that any unpaid assessments or charges with respect to the Lot may be reallocated among all Lots in accordance with their interests in Common Elements.

Section 6. Priority of Taxes and Other Charges. All taxes, assessments and charges which may become liens prior to the first mortgage under state law shall relate only to the individual Lots and not the Property as a whole.

Section 7. Priority for Condemnation Awards. No provisions of the Declaration or the Articles of Incorporation or Bylaws of the Association shall give an owner, or any other party, priority over any rights of the Eligible Mortgagee of the Lot pursuant to its mortgage in the case of a distribution to such Owner of condemnation awards for losses to or a taking of the Lot and/or the Common Elements. The Association shall give written notice to all Eligible Mortgagees of any condemnation or eminent domain proceeding affecting the Property promptly upon receipt of notice from the condemning authority.

Section 8. Management Agreements. The term of any agreement for professional management of the Property may not exceed two (2) years. Any such agreement must provide at a minimum for termination without penalty or termination fee by either party (i) with cause upon thirty (30) days prior written notice; and (ii) without cause, upon ninety (90) days prior written notice.

Section 9. Access to Books and Records. Eligible Mortgagees shall have the right to examine the books and records of the Association upon reasonable notice during normal business hours, and to receive free of charge, upon written request, copies of the Association's annual reports and other financial statements. Financial statements, included those which are audited, shall be available within one hundred twenty (120) days of the end of the Association's fiscal year. If a request is made by FNMA or any institutional guarantor or insurer of a mortgage loan against a Lot for an audit of the Association's financial statements, the Association shall cause an audit to be made and deliver a copy to the requesting party.

Section 10. Notice Requirements. Upon written request to the Association, identifying the names and address of the holder, insurer or guarantor of a mortgage on a Lot, and the Lot number or address, the holder, insurer or guarantor shall be entitled to timely written notice of:

- (a) a condemnation loss or any casualty loss which affects a material portion of the Property of the Unit securing the mortgage.
- (b) a 60-day delinquency in payment of assessments or charges owed by the Owner of a Lot on which it holds a mortgage.
- (c) a lapse, cancellation or material modification of any insurance policy maintained by the Association.
- (d) a proposed action which requires the consent of a specified percentage of Eligible Mortgagees.

ARTICLE XII.

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner shall have the right to enforce, by any proceeding by law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. 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.

Section 2. Severability. Invalidity of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land and shall be perpetual. This Declaration may be amended by an instrument signed by the Owners representing Lots to which not less than 67% of votes have been allocated. Any amendment must be recorded.

Section 4. Annexation. Additional residential or commercial property and Common Elements may be annexed to the property with the consent of Declarant or 3/4 of each class of members.

Section 5. Tender of Claims. In the event that any incident occurs which could reasonably give rise to a demand by the Association against Declarant for indemnification, the Association shall promptly tender the defense of the action to

its insurance carrier, and give Declarant written notice of such tender, the specific nature of the action and an opportunity to defend against the action.

Section 6. Conflicts Among Documents. In the event of any conflict among the provisions of the Declaration, the Bylaws of the Association or any Rules and Regulations adopted by the Association, the documents shall control in the following order of priority: (i) the Declaration, (ii) the Bylaws and (iii) the Rules and Regulations.

WINDSOR DEVELOPMENT, L.L.P.,
a Minnesota limited liability
partnership

By Ronald L. Bastyr
Ronald L. Bastyr
Its Partner

STATE OF MINNESOTA)) ss.
COUNTY OF Hennepin)

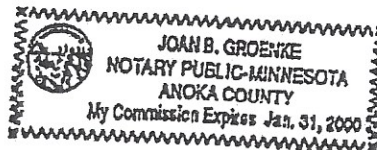
The foregoing instrument was acknowledged before me this 26 day of July, 1996, by Ronald L. Bastyr, a Partner of Windsor Development, L.L.P., a Minnesota limited liability partnership, on behalf of said partnership.

Jean B. Greene
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:

Barna, Guzy & Steffen, Ltd.
400 Northtown Financial Plaza
200 Coon Rapids Boulevard
Minneapolis, MN 55433 (JSJ)

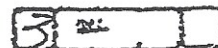
jsj\allen\windsor.dec



3 2 9 7 9 0

COUNTY REGISTER
CHERBURNE CO., MINN.
PAT RASMUSSEN
BY D. H. H. H. DEPUTY

'96 JUL 31 AM 11 38



329790

EXHIBIT A TO DECLARATION

LAFAYETTE WOODS

Legal Description

Lots 1 through 13, Block 1;
Lots 1 through 12, Block 2;
Lots 1 through 4, Block 3;
Lots 1 through 14, Block 4;
Lots 1 through 9, Block 5;
Lots 1 through 11, Block 6;
Lots 1 through 4, Block 7;
Lots 1 through 6, Block 8;
Lots 1 and 2, Block 9;

all in Lafayette Woods, Sherburne County, Minnesota.

State of Minnesota
County of Sherburne
Certified to be a true and
correct copy of Instrument

329790

consisting of 20 pages.
MICHELLE ASHE COUNTY RECORDER

Shawn SA
Deputy

CONSENT TO DECLARATION

IN WITNESS WHEREOF, Norwest Bank Minnesota, National Association, has executed this Consent this 26 day of July, 1996.

Its Vice President

visi@allenlafayette.com

BYLAWS

OF

Lafayette Woods Homeowners Association
A MINNESOTA NON-PROFIT CORPORATIONARTICLE I
INCORPORATION

Section 1. Name. The name of the corporation is Lafayette Woods Homeowners Association, ("Association"). The Association is formed pursuant to Chapter 317A, Minnesota Statutes, known respectively as the Minnesota Non-Profit Corporation Act.

Section 2. Date of Incorporation. The Articles of Incorporation of the Association were filed in the office of the Secretary of State of the State of Minnesota on October 21, 1996.

Section 3. Membership and Voting. The membership of the Association shall consist of the Lot Owners of lots within Lafayette Woods, Sherburne County, Minnesota (hereinafter referred to as the "Lafayette"), which was created by the filing of the Declaration of the Lafayette in the office of the County Recorder, Sherburne County, Minnesota, (the "Declaration"). Membership in the Association shall be appurtenant to, and shall not be separated from, Lot ownership in the Lafayette. A person shall cease to be a member of the Association at such time as that person ceases to be a Lot Owner of a Lot. Each Lot shall have one vote. Where there is more than one Lot Owner of a Lot, all of such Lot Owners shall be members of the Association and the vote allocated to that Lot in accordance with the Declaration and these Bylaws shall be cast as the Lot Owners among themselves may determine and signify in writing to the Association, but in no event shall more than one vote be cast with respect to any Lot nor shall the vote allocated to a Lot be split or otherwise cast separately by the Lot Owners. Where there is more than one Lot Owner of a Lot, the Lot Owners thereof shall notify the Secretary of the Association in writing of the name of the Lot Owner who has been designated to cast the vote attributable to that Lot, on behalf of all the Lot Owners of that Lot. If the Owners of a Lot cannot agree on the Lot Owner who is to be designated to cast the vote attributable to the Lot owned by such Owners, or on the manner in which such vote is to be cast, the Lot Owners shall submit such dispute to the Board of Directors of the Association. The Board of Directors shall resolve such dispute in the manner determined by the Board of Directors to be fair and equitable and such determination shall be binding on said Lot Owners. Membership in the Association shall automatically pass when the ownership of a Lot is transferred in any manner.

ARTICLE II
MEMBERS

Section 1. Place of Meeting. Meetings of members and directors of the Association may be held at such places within the State of Minnesota, County of Sherburne, as may be designated by the Board of Directors.

Section 2. Annual Meetings. The first annual meeting of the members shall be held within sixty (60) days following the expiration of the period of Declarant Control as set forth in the Declaration or within sixty (60) days if called by the Board of Directors or within sixty (60) days following the resignation or expiration of a term of a Director. Each subsequent regular annual meeting of the members shall be held at least once each year on the same day of the same month of each year thereafter (unless the Board of Directors designates a different date for annual meetings), at such hour as may be designated by the Secretary in the notice of said meeting, as hereinafter provided. At each annual meeting, the members shall, subject to the provisions of Section 2 of Article III hereof, appoint members to the Board of Directors from among themselves and shall transact such other business as may properly come before the meeting.

Section 3. Special Meetings. Special meetings of the members may be called for any purpose at any time by the President or by the Board of Directors, on their own initiative or upon the delivery of a written request signed by Lot Owners of Lots to which are assigned twenty-five percent (25%) or more of the votes in the Association to either the President or the Secretary, stating the purpose or purposes of the special meeting. No business shall be transacted in a special meeting of the members except as stated in the notice of the meeting, as hereinafter provided.

Section 4. Notice of Meetings. At least twenty-one (21) days in advance of any annual or regularly scheduled meeting, and at least seven (7) days in advance of any other meeting, the Secretary of the Association shall send to each Lot Owner a written notice of the time, place and complete agenda of the meeting which is the subject of such notice. Such notice shall be hand delivered or sent by United States mail to all Lot Owners of record at the address of their respective Lots and to such other addresses as any Lot Owner may have designated in writing to the Secretary. Lot Owners of record shall be those Lot Owners who are registered with the Secretary as provided in Article I Section 4 on a date specified by the Board of Directors (the "Record Date"). Such Lot Owners of record shall be entitled to notice of any duly called meeting of the Members provided that the Board of Directors may not specify a Record Date which is more than thirty-five (35) days prior to the date of an annual meeting or more than twenty (20) days prior to the date of a special meeting. A Lot Owner may at any time waive notice of any meeting by a signed writing or by attendance at the meeting.

Section 5. Quorum and Adjournment. The presence of members in person or represented by proxy who have the authority to cast ten percent (10%) of the total of the votes of all members of the Association shall be requisite for and shall constitute a quorum at all meetings of the Association for the transaction of business except that of adjourning the meeting to reconvene at a subsequent time and except as otherwise provided by law. If, however, such percentage

shall not be present or represented at any such meeting, the members entitled to vote thereat, present in person or by proxy, shall have power to adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be present, at which time any business may be transacted which might have been transacted at the meeting as initially called had a quorum then been present. The quorum, having once been established at a meeting, shall continue to exist for that meeting, notwithstanding the departure of any member previously in attendance in person or by proxy.

Section 6. Voting Register. At the beginning of each meeting of the members, the Secretary shall deliver to the chairman for the meeting a written list of the Lot numbers, the respective name or names of the Lot Owners entitled to notice of such meeting, and the respective name of the person (in the case of multiple Lot Owners) authorized to vote.

Section 7. Order of Business. The order of business at annual meetings of the members, and at such other membership meetings of the members as may be practical, shall be as follows:

- a. Presenting of Voting Register, proxy certification and establishment of a quorum.
- b. Reading or distribution of minutes of the preceding meeting of the Members.
- c. Reports of officers.
- d. Reports of committees.
- e. Appointment by the Chairman of inspectors of election as determined by the Chairman or when requested by a member of the Board of Directors.
- f. Election of members of the Board of Directors.
- g. Unfinished business.
- h. New business.
- i. Adjournment.

Section 8. Manner of Voting. Proxies shall be in writing, signed by the member giving the Proxy, and filed with the Secretary of the Association prior to the meeting. All elections and all questions shall be decided by the concurring vote of the members who are entitled to cast a majority of the votes represented by all members present in person or by proxy at a meeting, except as otherwise specifically provided in the Declaration, these Bylaws or the Act. Cumulative voting shall not be permitted. Every proxy shall be revocable and shall automatically cease upon the expiration of eleven (11) months from the date of its execution, upon the

conveyance by the member of his Lot or upon the member's personal attendance at the meeting.

No vote in the Association shall be deemed to inure to any Lot during the time when the Lot Owner thereof is the Association.

Section 9. Action Taken Without A Meeting. Any action which might be taken at a meeting of the Lot Owners may be taken without a meeting if authorized in a writing or writings signed by all of the Lot Owners.

ARTICLE III BOARD OF DIRECTORS

Section 1. Number and Qualification. The first Board of Directors shall consist of the persons designated as directors in the Articles of Incorporation of the Association, who need not be Lot Owners. Upon the ending of the terms of the first Board of Directors, the Board of Directors shall be composed of five (5) Directors, all of whom shall be Members; or, in the case of ownership of a Lot by a fiduciary, partnership or corporation, shall be officers, partners or employees of such fiduciary, partnership or corporation.

Section 2. Term of Office. Notwithstanding the right to remove a director under Section 9 of this Article III, and notwithstanding anything else herein contained, Declarant may elect the members of the Board of Directors of the Association during the period from the date of the first conveyance of a Lot to a Lot Owner other than Declarant until that date which is five (5) years after the date of recording of the Declaration; or until that date which is sixty (60) days after the conveyance of seventy-five percent (75%) of the Lots (including any Lots which have then or may thereafter be added to the Lafayette pursuant to Section 8 of the Declaration establishing the Lafayette) to Lot Owners other than Declarant; or a recording of a written surrender of control of the Association by the Declarant, whichever first occurs. Upon the happening of the earliest of said events, all Directors elected by the Declarant shall resign from the Board of Directors. Notwithstanding the foregoing, however, not later than sixty (60) days after conveyance of fifty percent (50%) of the Lots (including Lots which have then or may thereafter be added to the Lafayette pursuant to Section 8 of the Declaration) to Lot Owners other than Declarant, one-third (1/3) of all of the members of the Board of Directors shall be elected by Lot Owners other than the Declarant. Upon the resignation from the Board of Directors of all Directors elected by the Declarant, five (5) directors shall be elected, three (3) for a two-year term, and two (2) for a one-year term. At each annual meeting thereafter, three (3) or two (2) (as the case may be) directors shall be elected, to a two-year term, as successors to the three (3) or two (2) (as the case may be) directors whose terms are then ending. The term of a member of the Board of Directors shall expire upon the election of a successor at an annual meeting of the Members. A director shall hold office until he shall resign and his resignation shall have become effective, or until a qualified successor has been elected and shall have accepted the office, or until the director has been removed in accordance with the provisions of these Bylaws. The Board of Directors elected by the

Declarant shall have the power to adopt these Bylaws of the Association, to elect officers, to establish a schedule of assessments and shall have generally the powers and duties of the Board of Directors as set forth herein and in the Declaration.

Section 3. Election. The five (5) directors being elected upon the resignation from the Board of Directors of all Directors elected by the Declarant shall be elected in one voting. Each Lot shall be entitled to cast up to five (5) votes. Such votes may not be used cumulatively and, if cast, must be cast for separate candidates. At the initial election of directors, the candidates receiving the first, second and third highest number of votes shall be elected to two-year terms and the candidates receiving the fourth and fifth highest number of votes shall be elected to a one-year term. Thereafter, the three (3) or two (2) (as the case may be) directors being elected at any annual meeting shall be elected in one voting. Each Lot shall be entitled to cast three (3) or two (2) (as the case may be) votes. Such votes may not be used cumulatively and such three (3) or two (2) (as the case may be) votes, if cast, must be cast for three (3) or two (2) (as the case may be) separate candidates. After the initial election of directors, all directors elected at any annual meeting shall be elected to two-year terms.

Section 4. General Powers. The Board of Directors shall manage the property, affairs and business of the Association. Specifically, and without limiting the generality of the foregoing, the Board of Directors shall have the power to:

a. Adopt and publish administrative rules and regulations governing the operation and the use of the Common Elements, the use and occupancy of the Lots and the personal conduct of the members and their tenants and guests thereon and therein, parking, matters of aesthetics affecting the Lafayette or any part thereof and such other matters as are necessary or desirable to the harmonious use and enjoyment of the Lafayette by the Lot Owners, copies of all of which rules and regulations shall be made available to all Lot Owners;

b. Supervise the operation, maintenance, repair and replacement of the Common Elements and the making of any additions or improvements thereto;

c. Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by law or by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;

d. Authorize the making of any contracts, leases, management contracts, employment contracts or leases of recreational areas or facilities on behalf of the Association, engage the services of and discharge a manager, managing agent, independent contractor or other employees as they deem necessary, and determine the duties and compensation of such persons. No such lease or contract shall be entered into on behalf of the Association whose term exceeds two (2) years, and any contract for professional management of the Property or any other contract providing for services by the Declarant, shall be terminable by the Association or the other party thereto on 90 days written notice without cause and without the imposition of any penalty or termination fee and shall be terminable for cause by the

Association on 30 days' written notice;

e. Lease or purchase and mortgage a Lot, Lots or other residential quarters for management and maintenance personnel. All rental or debt service paid by the Association pursuant to such lease agreement or mortgage shall be a general Common Expense;

f. Determine what shall constitute Common Expenses required for the affairs of the Association, which shall include all ordinary or extraordinary and necessary expenses for the operation and the repair, replacement and maintenance of the Real Estate, and the establishment of a reserve for future repair, replacement and maintenance of those portions of the Common Elements which must be repaired, replaced or maintained on a periodic basis;

g. Levy and collect the Common Expenses from the Lot Owners;

h. Open bank accounts on behalf of the Association and designate signatories required therefor;

i. Obtain insurance for the Lafayette pursuant to the provisions of the Declaration; and

j. Dedicate or transfer easements for public utilities or other public purposes consistent with the intended use of the Common Elements over any part of the Common Elements to any governmental subdivision or public agency or public utility.

Section 5. General Duties. In addition to and without limitation of the powers and duties assigned to the Board of Directors elsewhere herein, by the Declaration or by the Act, it shall be the duty of the Board of Directors to:

a. Contract for labor and materials needed to maintain, repair and replace the Common Elements, pay for insurance, utilities and other expenses of operating the Common Elements and of performing the other duties of the Association as provided by law, the Declaration or herein, and assess the costs thereof against the members of the Association in the manner provided for by the Act, herein and in the Declaration. The Board shall include in the Annual assessments such amount as is necessary to accumulate an adequate reserve for the maintenance, repair and replacement of those Common Elements that must be replaced, repaired or maintained on a periodic basis, and may accumulate an additional reserve from time to time in anticipation of extraordinary Common Expenses.

b. Cause to be kept detailed, accurate records in chronological order, of the receipts and expenditures affecting the Common Elements, specifying and itemizing the maintenance repair and replacement expenses of the Common Elements and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for examination by the Lot Owners during normal business hours.

c. Prepare or cause to be prepared an annual report, a copy of which shall be provided to each Lot Owner with the notice of each annual meeting and shall be available to each Lot Owner at the annual meeting, showing the financial affairs of the Association, and containing at a minimum the following:

- (i) A statement of any capital expenditures in excess of 2% of the current budget or \$5,000.00, whichever is greater, approved by the Association for the current fiscal year or succeeding two (2) fiscal years;
- (ii) A statement of the balance of any reserve or replacement fund and any portion of the fund designated by the Board for any specified project;
- (iii) A copy of the statement of revenues and expenses for the Association's last fiscal year and a balance sheet as of the end of said fiscal year;
- (iv) A statement of the status of any pending litigation or judgments in which the Association is a party;
- (v) A detailed description of the insurance coverage provided by the Association, including a statement as to which, if any, of the items referred to in Section 515.3-113, subsection (b) if the Act are insured by the Association; and
- (vi) A statement of the total past due assessments on all individual Lots, current as of not more than 60 days prior to the date of the meeting.

Any member of the Association shall have the right, upon reasonable notice to the Treasurer, to review the accounts and financial records of the Association. If the Association does not elect to include an audit as a part of the Common Expenses, one or more members may call for an audit of the affairs of the Association by written notice to the President. If the audit shall disclose errors of three percent (3%) or greater in any figures contained in the most recent statements issued by the Board, the Association shall bear the expense of the audit. If no such error of three percent (3%) or greater shall be established by the audit, the member or members requesting the audit shall bear the entire expense thereof, which shall be a lien upon their individual Lots until paid.

Section 6. Limitation of Authority. Anything herein or in the Declaration to the contrary notwithstanding, unless specifically authorized herein or in the Declaration, the Board of Directors shall have no authority, except as may specifically be granted by the majority (or such higher number as may otherwise be required hereunder by the Declaration) of the members present in person or by proxy at a meeting thereof, to do any of the following:

a. Purchase any Lot except that the Board of Directors may accept any Lot surrendered to it for unpaid assessments and may purchase a Lot at any sale held pursuant to foreclosure for unpaid assessments provided that the Board of Directors shall not, unless authorized by the members, bid, at any such foreclosure sale, any amount in excess of the total of the delinquent assessment on account of which the foreclosure sale is being held, any interest thereon and other costs related thereto which are, pursuant to the Declaration, and hereunder, collectible from the Lot Owner of such Lot.

b. Levy or assess as a Common Expense the cost of any capital improvement or acquisition, other than the repair or replacement of an existing portion of the Real Estate unless specifically authorized by not less than 2/3 of the total voting power of the Association.

Section 7. Resignation. A Director of the Association may resign at any time by giving thirty (30) days written notice to the Board of Directors, such resignation to take effect at the time of receipt of such notice or at any later date or time specified therein. Unless otherwise specified therein, acceptance of a resignation shall not be necessary to make it effective.

Section 8. Vacancy. A vacancy on the Board of Directors caused by resignation, death, disqualification, removal or any inability to act shall be filled by the Board of Directors and such action shall be valid notwithstanding the fact that the number of Directors then in office is less than the number specified herein.

Section 9. Removal. Any Director or all Directors, except the members of the first Board of Directors, may be removed at any time with or without cause by a majority vote of a quorum of the Owners at any annual or special meeting of the Association. A Director shall be automatically removed without a meeting or other action of the Owners on the date of closing of any sale or transfer of his Lot or on the date of transfer of possession thereof in connection with any such sale or transfer, whichever occurs earlier.

Section 10. Regular Meeting. The regular annual meeting of the Board of Directors shall be held without notice at the place, and immediately following the adjournment of the annual meeting of the members of the Association, to transact such business as may properly come before the Board.

Section 11. Special Meetings of the Board of Directors. Special meetings of the Board of Directors shall be held upon written request of the President or of any Director, stating the purpose or purposes thereof. Notice of such meeting shall be given by personal delivery or by mail or facsimile transmission to each Director addressed to him at his residence or usual place of business at least three (3) days before the day on which such meeting is to be held. Every such notice shall state the time, place and purpose of the meeting. No business other than that stated in the notice shall be transacted at said meeting without the unanimous consent of the Directors.

Section 12. Quorum and Manner of Acting. Except as otherwise provided by statute, the Declaration or these Bylaws, a majority of the Directors in office at the time of any meeting of the Board of Directors shall constitute a quorum for transaction of business at such meeting and the act of a majority of the Directors present at any such meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum, a majority of the Directors present may adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum be had.

Section 13. Waiver of Notice. Notice of a special meeting may be waived by any member of the Board of Directors in writing and shall be waived by attendance at such meeting in person.

Section 14. Action Taken Without A Meeting. Any action which might be taken at a meeting of the Board of Directors may be taken without a meeting if authorized in a writing or writings signed by all of the Directors.

Section 15. Fidelity Bonds. The Board of Directors shall require that all officers, directors, employees and representatives of the Association, and all officers, employees and agents of any management agent employed by the Association, handling or responsible for the Association funds shall furnish adequate fidelity bonds. Such fidelity bonds shall be in such amount as the Board of Directors deems appropriate but not less than the amount required by the Act or less than three times the estimated monthly assessments plus the amount of any reserves. Such bonds shall name the Association as an obligee, shall contain waivers of defenses based on exclusion of persons serving without compensation and shall provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least 10 days' prior written notice to the Association and each holder of a first mortgage on any Lot. The premiums on such bonds shall be a Common Expense.

Section 16. Compensation. No Director shall receive compensation for any service he may render in his capacity as a member of the Board of Directors unless such compensation is approved at a meeting of the members. However, any Director may be reimbursed by resolution of the Board of Directors, for his actual expenses incurred in the performance of his duties as a Director.

ARTICLE IV OFFICERS AND THEIR DUTIES

Section 1. Officers. The officers of the Association shall be a President, Vice President, a Secretary and a Treasurer and such assistant or other officers as the Board of Directors may designate. Each officer shall be selected by a majority vote of the Board of Directors. One person may hold the office and perform the duties of any two of said officers, provided, however, that the same person shall not at the same time hold the offices of President and Secretary. The President shall be selected from among the Board of Directors. Each officer shall continue in office until:

- a. The next annual meeting of the Board and thereafter until a successor is elected; or
- b. He shall resign and his resignation shall have become effective; or
- c. He shall no longer be a member of the Association (provided that officers selected by the first Board of Directors need not be members of the Association); or
- d. He shall be removed as hereinafter provided.

Vacant offices shall be filled by the Board.

Section 2. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for that purpose.

Section 3. Duties of Officers. The officers shall have the duties and responsibilities normally pertaining to their respective offices together with such specific duties as may be specified by the Articles of Incorporation, these Bylaws or the Board of Directors. The President shall preside over the meetings of the Board of Directors and of the Association of Lot Owners, shall have all of the general powers and duties which are normally vested in the office of President of a corporation and shall have the power to execute contracts and similar documents on behalf of the Association. In the absence of the President, the Vice President shall assume and perform the duties of the President. The Secretary shall keep the minute book of the Association wherein minutes of all meetings and all resolutions, proceedings and votes of the members and of the Board of Directors shall be recorded, and shall keep a record of the name and mailing address of each Lot Owner, and the Lot or Lots in which he has an interest and shall give all notices required by the Articles of Incorporation of the Association, these Bylaws, or the Declaration. The Treasurer shall keep the financial records and books of account of the Association. The Treasurer shall have custody of all intangible property of the Association, including funds, securities and evidences of indebtedness. The Treasurer shall deposit all moneys and other valuable effects in the name of or to the credit of the Association in such depositories as may be designated by the Board of Directors and shall disburse the funds of the Association as ordered by the Board of Directors and shall perform all other duties incident to the office of Treasurer, including the annual review of the financial statements of the Association. He shall furnish upon request of any Lot Owner a statement as to the current account of the Lot Owner upon the assessment rolls of the Association. Officers shall serve without compensation except for reimbursement for out-of-pocket expenses incurred in the performance of their duties. If desired by the Board, administrative tasks of the officers may be performed by a managing agent selected by the Board.

ARTICLE V
OPERATION OF THE PROPERTY

Section 1. Budget; Levy. The Board of Directors shall from time to time, and at least annually in advance of the beginning of the Association's fiscal year, prepare a budget of Common Expenses for the Association and shall allocate, assess and levy such Common Expenses among the Lot Owners in accordance with the fractional interests specified in Exhibit A to the Declaration. Upon the vote of the Board of Directors adopting a resolution which sets forth the budget of Common Expenses and the allocation thereof to the Lot Owners, the amount so allocated to the Lot Owners of each Lot shall, without further resolution by the Board of Directors, be levied as the annual assessment against such Lot, payable in one (1) annual payment due 30 days after Dues Statement is mailed. The Common Expenses shall include those Common Expenses set forth in the Declaration and these Bylaws and may include such other amounts as the Board of Directors may deem proper for the operation and maintenance of the Property, provided, however, that the assessment for Common Expenses shall include an adequate reserve fund for maintenance, repair and replacement of those Common Elements that must be replaced on a periodic basis, and shall, when practicable, be payable in regular installments. Contributions to any reserve funds established by the Association may not be withdrawn by any Lot Owner. The Board of Directors shall advise all Lot Owners in writing prior to the beginning of the period covered by the budget as to the amount of the Annual assessment payable by each of them, and shall, upon request by the Lot Owner, furnish copies of each budget on which such Common Expenses and the assessment are based to such Lot Owner and to his First Mortgagee. The total of any budget shall be in the amount of the estimated Common Expenses for the period covered thereby, including a reasonable allowance for contingencies and reserves, less the amounts of any unneeded Common Expense account balances existing from the previous period's budget, and less any estimated payments to be received by the Association from rental, licensing or other payments for the purpose of defraying the costs of the use of the Common Elements. If a budget is not made by the Board of Directors as required, an Annual assessment in the amount required by the last prior budget shall be due upon each Annual assessment payment date until changed by a new budget. In the event an annual or other budget proves to be insufficient, or in the event of extraordinary or unforeseen Common Expenses, the budget and monthly assessments based thereon may be amended, or a special assessment levied, at any time by the Board of Directors. Any special assessment shall be assessed against the Lot Owners, shall be a lien on the Lots and shall be enforceable in the same manner as the monthly assessments. Special assessments shall be payable in installments or lump sum, all as designated by the Board of Directors.

Section 2. Payment of Common Expenses. All Owners shall be obligated to pay the Common Expenses assessed and levied by the Board of Directors pursuant to Section 1 of this Article V. An Owner may not avoid assessment for Common Expenses by failing or waiving the right to use or enjoyment of the Common Elements. Monthly assessments shall be due as provided in Section 1 of this Article V and special assessments shall be due when designated by the Board of Directors. Any mortgagee acquiring a first mortgage interest from any Owner of a Lot and

its appurtenant undivided interest in Common Elements may, as a condition of the loan, include in the mortgage note or deed a requirement that the mortgagor, upon execution of the mortgage deed, make a monthly deposit with the mortgagee of an amount each month sufficient to pay when due and payable all Common Expenses attributable to that Lot. The mortgage note or deed may further provide that a default in making such deposit shall be a default under the terms of the mortgage deed. In the event that mortgagee collects the monthly installments, such mortgagee shall remit the installments monthly on a current basis to the Association.

Section 3. Assessment Roll. The assessments against all Owners shall be set forth upon a roll of the Lots which shall be available in the office of the Association or of any managing agent retained by the Association for inspection at all reasonable times by Owners or their duly authorized representatives. Such roll shall indicate for each Lot the name and address of the Owner or Owners, the assessments for all purposes, and the amounts of all assessments paid and unpaid.

Section 4. Default in Payment of Common Expenses. In the event any Owner does not make payment of a Common Expense assessment on or before the date when due, such Owner shall be obligated to pay interest on such assessment from the date due at the rate specified from time to time by the Board of Directors which shall not exceed the highest rate of interest which may be charged thereon pursuant to either the Act or the laws of the State of Minnesota relative to usury. In addition, such Owner shall be obligated to pay all expenses, including reasonable attorneys' fees incurred by the Board in any proceeding brought to collect any such unpaid assessment, whether or not an action has been commenced with respect thereto. The right of a Lot Owner to pay the annual assessment in monthly installments is hereby made conditional on the prompt payment when due of such monthly installments. In the event of a default in the prompt payment of the monthly installments, the Board of Directors may, by written notice given to the defaulting Owner, accelerate the entire unpaid portion of the annual assessment, whereupon the same shall become immediately due and payable. Additionally, the Board of Directors shall have the right to withhold services from any defaulting Owner. The Board of Directors shall have the right and duty to attempt to recover all assessments for Common Expenses, together with interest thereon and the expenses of the proceeding, including reasonable attorneys' fees, in an action to recover the same brought against an Owner, by foreclosure of the lien on a Lot pursuant to the Declaration, or by another remedy available.

Section 5. Records. The Board of Directors shall cause to be kept at the registered office of the Association or at such other place as the Board of Directors may determine, records of the actions of the Board of Directors, minutes of the meetings of the Board of Directors, minutes of the meetings of the Members of the Association, names of the Lot Owners and names of any First Mortgagees who have requested the notice of default described in the Declaration and the Lot on which such First Mortgagee holds a mortgage, and detailed and accurate records, in chronological order, of the receipts and expenditures affecting the Common Elements. Such records shall be available for examination by the Owners or Mortgagees at convenient hours of

weekdays. Separate accounts shall be maintained for each Lot setting forth the amount of the assessments against the Lot, the date when due, the amount paid thereon and the balance remaining unpaid.

ARTICLE VI AMENDMENT TO BYLAWS

Section 1. These Bylaws may be amended only in the same manner and to the same extent as the Declaration.

ARTICLE VII INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. The Association shall indemnify and hold harmless every Director and officer, his heirs, executors and administrators, against all loss, cost, judgment and expense, including attorneys' fees, which may be imposed upon or reasonably incurred by him in connection with or arising out of the defense or settlement of any claim, action, suit or proceeding to which he may be made a party by reason of his being or having been a director or officer of the Association whether or not he is an officer or director at the time of incurring such loss, cost, judgment or expense, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to have been guilty of willful or fraudulent conduct detrimental to the best interests of the Association. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Board of Directors has agreed on behalf of the Association that the person to be indemnified has not been guilty of willful or fraudulent conduct detrimental to the best interests of the Association in the performance of his duty as such director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such director or officer may be entitled. All liability, loss, damage, costs and expenses incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as a Common Expense. Nothing in this Section shall be deemed to obligate the Association to indemnify any Owner who is or has been a director or officer of the Association with respect to any duties or obligations assumed or damage or liabilities incurred by him solely in his capacity as an Owner.

ARTICLE VIII MISCELLANEOUS

Section 1. Notices. All notices required hereunder to be given to the Association or the Board of Directors shall be sent by U.S. mail to the Board of Directors at the office of the Association or to such other address as the Board of Directors may hereafter designate from time to time by written notice given in the manner hereinafter prescribed. All notices to any Lot Owner Member, or Occupant entitled to any notice, shall be sent by U.S. mail to his Lot

address or to such other address as may be designated by him in writing from time to time to the Association. All notices to First Mortgagees of Lots shall be sent by U.S. mail to their respective addresses as designated by them from time to time in writing to the Association. All notices shall be deemed to have been given when deposited in the U.S. mail postage prepaid, except notices of change of address, which shall be deemed to have been given when received.

Section 2. Invalidity. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of these Bylaws or the intent of any provision hereof.

Section 4. Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 5. No Corporate Seal. The Association shall have no corporate seal.

Section 6. Election Under Internal Revenue Code. The Board shall make and file all elections and documents required pursuant to the Internal Revenue Code, and any other applicable statute or regulation, in order to exempt from taxation, insofar as possible, the income of the Association consisting of assessments paid by Lot Owners.

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

Section 8. Supplemental to Law. The provisions of these Bylaws shall be in addition to and supplemental to the Act and to all other provisions of law.

Section 9. Definition of Terms. As used in these Bylaws, any words or terms defined in the Act shall have the meaning there ascribed to them. The singular shall be deemed to include the plural wherever appropriate and each reference to a male pronoun shall include the female and neutral; and unless the context clearly indicates to the contrary, any obligation imposed shall be joint and several.

Section 10. Administration. The administration of the Lafayette shall be in accordance with the provisions of the Act, the Declaration, and these Bylaws of the Association. In the event of any conflict among the provisions of the Declaration, these Bylaws of the Association or any Rules and Regulations adopted by the Association, the documents shall control in the following order of priority:

- a. the Declaration;

- b. these Bylaws; and
- c. the Rules and Regulations.

The undersigned hereby certify that the foregoing Bylaws were adopted as the Bylaws of Lafayette Woods Homeowner's Association, a non-profit corporation under the laws of the State of Minnesota, by action of the Board of Directors at the first meeting thereof, effective this ___ day of _____, 200_.

Secretary

THIS INSTRUMENT WAS DRAFTED BY:

BARNA, GUZY & STEFFEN, LTD.
400 Northtown Financial Plaza
200 Coon Rapids Boulevard
Minneapolis, MN 55433
(763) 780-8500 (TJA)

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**LAFAYETTE WOODS
RULES AND REGULATIONS
TABLE OF CONTENTS**

- 1. GENERAL USE REGULATIONS**
- 2. EXTERIOR ALTERATIONS/DISPLAYS**
- 3. VEHICLES AND PARKING REGULATIONS**
- 4. GROUNDS MAINTENANCE**
- 5. ANIMALS**
- 6. PET CONTAINMENT**
- 7. NOISE**
- 8. VIOLATIONS OF RULES AND REGULATIONS**

RULES AND REGULATIONS LAFAYETTE WOODS

INTRODUCTION

It is important that we preserve the living and architectural style that Lafayette Woods represents. The goal of these Rules and Regulations is to provide reasonable, practical guidelines for the operation of Lafayette Woods. All residents and guests are obligated to comply with (i) these Rules and Regulations; (ii) the Governing Documents of Lafayette Woods. The Board of Directors of the Association may approve Rules and Regulations based upon authority Declaration of Covenants, References to the Association means the Board acting for and on behalf of the Association. The terms used in these Rules and Regulations have the same meanings as set forth in the Declaration.

1. GENERAL USE REGULATIONS

- a. Owners and Occupants are responsible for the behavior of their families, guests and tenants while at Lafayette Woods and Occupants should be aware of children's welfare and safety in the use of the property, particularly with respect to vehicular traffic.
- b. Owners and Occupants are obligated to comply with all applicable laws, ordinances and regulations of any governmental authority. If charged with a violation by a governmental authority, the Owner or Occupant shall indemnify, defend and hold the Association, and other Owners and Occupants, harmless from all fines, penalties, costs, attorney's fees or prosecution resulting from the violation.
- c. For health reasons, garbage and refuse should be placed in leak proof trash bags and deposited in appropriate trash receptacles. Trash receptacles shall not be placed on city streets. Municipal regulations regarding garbage pickup apply.
- d. Flammable substances may not be kept on the Property except in safe containers. No inherently dangerous items such as explosives may be kept on the Property.
- e. Lafayette Woods is designed to be a residential community. Business or commercial activity may not be conducted at Lafayette Woods, except for the limited, incidental activities described in the Declaration.
- f. Firearms, air guns and other devices designed to fire a potentially lethal projectile may not be discharged or carried on the Property, except to and from a vehicle for purposes of transporting the device.
- g. Vendors who provide services to the Association are required to take direction only from the Board or Association officers. Comments regarding services or actions of persons performing work for the Association should be directed to the Board or to the management company.

2. EXTERIOR ALTERATIONS/DISPLAYS

- a. Identification, signs or displays of any kind may not be placed anywhere on the Property except as permitted in the Declaration or as otherwise approved by the Board.
- b. Owners and Occupants have the responsibility for obtaining approval from the Board prior to the installation of exterior fixtures and accessories. If any such fixture or accessory is installed without approval by the Board, the Association has the right to remove the unapproved items at the expense of the violating Owner.

3. VEHICLES AND PARKING REGULATIONS

- a. No person shall perform maintenance, repair or restoration work on any vehicle on the Property except their own vehicles, and then only within garages or for emergency repairs. Outside storage of trailers, watercraft, recreational vehicles and all other personal property is prohibited.
- b. Inoperative or unlicensed vehicles or recreational equipment may not be kept at Lafayette Woods, except in the owner's garage. All vehicles required by law to be licensed or registered must have current registration and license tags, as applicable.

4. GROUNDS MAINTENANCE

- a. MOWING AND TRIMMING
 - i. All turf areas are to be mowed to a maximum height of 3 inches.
 - ii. Trimming of all turf areas around buildings, landscape beds, trees and other objects are required at all time of mowing to assure a manicured appearance.
 - iii. Grass clippings are to be blown off of sidewalks, front and rear patios and drive surfaces at the time of mowing. Excess clippings will be blown or removed from turf areas as needed, to ensure a neat appearance after mowing.
 - iv. Trees and Shrubs are to be trimmed and maintained.
- b. WEEDING
 - i. Weeds shall be eliminated from all turf areas, landscape beds, sidewalks and curb lines either manually or by chemical means to present a clean and well maintained property.
- c. LAWN COLOR & WATERING
 - i. All turf areas are to be watered regularly to maintain a green appearance.
- d. TOYS, SPORTS AND PLAY EQUIPMENT
 - i. All toys, sports and play equipment shall not be left on any lawn or driveway area overnight.

5. ANIMALS

- a. Small, domesticated common house pets such as dogs, cats, fish, rabbits or birds ("Permitted Pets") may be kept by an Owner or Occupant in his/her Dwelling, subject to these Rules and Regulations.. Birds, fish, rabbits and other small household pets (other than dogs and cats) shall be kept in appropriate cages or tanks in the Owner's Dwelling.
- b. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot except that dogs, cats or other household pets may be kept, provided they are not kept, bred or maintained for any commercial purposes. No fenced dog runs or dog houses shall be allowed on any Lot.
- c. Owners are responsible to pay for any damage to the Property caused by their pet, and are obligated to hold harmless and indemnify the Association, and its officers and directors, against any loss, claims or liability arising out of any act of the pet.

6. PET CONTAINMENT

- a. No Permitted Pet may be left outdoors, in an approved enclosure, unless an Owner or Occupant is present in the Unit.

- b. Broken Boundaries/Free Roaming Policy – If complaints are submitted to the Board regarding a dog leaving the home owners property unattended and roaming freely on more than three (3) occasions, the Board will request the homeowner improve or install a new containment method.
- c. Permitted Pets shall not be allowed to relieve themselves on the Property, except on the Owner's Unit. Solid waste left on the Property shall be promptly disposed of by the pet's owner
- d. Pets displaying a pattern of aggressive behavior should be kept out of public spaces. Ongoing issues with aggressive animals should be brought to the attention of the proper authorities.

7. NOISE

- a. No pet shall be allowed to make an unreasonable amount of noise (i.e. barking or howling).

8. GARBAGE CANS

- a. Garbage cans are not allowed to be left out in the front of your home. They must be stored in your garage or behind your home. ONLY on the night before and the day of garbage day they can be out at the end of your driveway.

Lafayette Woods Homeowners Association

Rule and Regulations

Violations

This violation schedule replaces all previous schedules and is effective January 1, 2020

FIRST VIOLATION – The Board's letter will be a warning letter without a fine. This will be a courtesy notice and a friendly reminder about the policy regarding Rules and Regulations. The homeowner must comply with Rules and regulations standards within 5 days of receipt of violation notification.

SECOND VIOLATION – Any violation by the same rule by any member, tenant and guest will be subject to a fine of \$25.00. Compliance within 5 days will continue to be the standard and expectation.

THIRD VIOLATION – A third violation by same rule by any member, tenant and guest will be subject to a fine of \$50.00, in addition to previous fines. Compliance within 5 days will continue to be the standard and expectation.

FOURTH VIOLATION – A fourth violation by the same rule by any member, tenant and guest will be subject to a fine of \$75.00, in addition to previous fines. Compliance within 5 days will continue to be the standard and expectation.

FIFTH VIOLATION - A fifth violation by the same rule by any member, tenant and guest will be subject to a fine of \$150.00, in addition to previous fines. Compliance within 5 days will continue to be the standard and expectation. An additional fine of \$150 will accrue every five days thereafter until compliance is achieved.