

# **PINE SUMMIT**

**SINGLE FAMILY**

**HOMEOWNER'S ASSOCIATION**

**COVENANTS**

**PINE SUMMIT SINGLE FAMILY HOMEOWNERS' ASSOCIATION, INC.**

**Corporate Record Book**

**Index**

1. Certificate of Incorporation and Articles of Incorporation of Pine Summit Single Family Homeowners' Association, Inc.;
2. Bylaws;
3. Organizational Resolution of Incorporator;
4. Organizational Resolution of Board of Directors;
5. Resolution of Board of Directors;
6. Declaration;
7. Declaration of Covenants, Conditions and Restrictions.

State of Minnesota

**SECRETARY OF STATE**

CERTIFICATE OF INCORPORATION

I, Mary Kiffmeyer, Secretary of State of Minnesota, do certify that: Articles of Incorporation, duly signed and acknowledged under oath, have been filed on this date in the Office of the Secretary of State, for the incorporation of the following corporation, under and in accordance with the provisions of the chapter of Minnesota Statutes listed below.

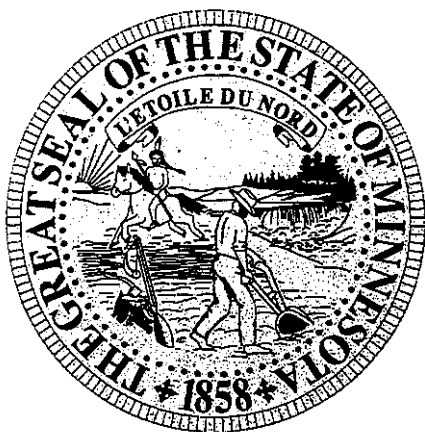
This corporation is now legally organized under the laws of Minnesota.

Corporate Name: PINE SUMMIT SINGLE FAMILY HOMEOWNERS' ASSOCIATION, INC.

Corporate Charter Number: 1W-199

Chapter Formed Under: 317A

This certificate has been issued on 09/28/2000.



*Mary Kiffmeyer*  
Secretary of State.

16-199

**ARTICLES OF INCORPORATION  
OF  
PINE SUMMIT SINGLE FAMILY  
HOMEOWNERS' ASSOCIATION, INC.**

In compliance with the requirements of Minnesota Statutes Annotated, Chapter 317A, the undersigned, all of whom are residents of Minnesota, and all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

**ARTICLE I.**

The name of the corporation is PINE SUMMIT SINGLE FAMILY HOMEOWNERS' ASSOCIATION, INC., hereinafter called the "Association."

**ARTICLE II.**

The principal office and registered office of the Association is 8421 Wayzata Boulevard, Suite 300, Golden Valley, Minnesota 55426.

**ARTICLE III.**

A. The initial registered agent of this Association is hereby appointed and named as William Pritchard, whose address is 8421 Wayzata Boulevard, Suite 300, Golden Valley, Minnesota 55426.

B. The name and addresses of the incorporator is:

William Pritchard  
8421 Wayzata Boulevard  
Suite 300  
Golden Valley, MN 55426

**ARTICLE IV.  
PURPOSE OF POWERS OF THE ASSOCIATION**

This Association does not contemplate pecuniary gain or profit (incidentally or otherwise) to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the Units and Common Elements (as said terms are defined in that certain Declaration, hereinafter called the "Declaration", applicable to the real property described on Exhibit A hereto and recorded or to be recorded in the Office of the County Recorder, Washington County, Minnesota, and as the same may be amended from time to time as therein provided, being incorporated herein as if herein set forth at length) within that certain property described on Exhibit A, and to promote the health, safety and welfare of the residents within the said property and any additions thereto as may hereafter be brought within the jurisdiction of this Association and for said purposes to:

068330

- a. exercise all of the powers and privileges and to perform all of the duties and obligations of the Association set forth in the Declaration;
- b. fix, levy, collect and enforce payment of, by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;
- c. acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;
- d. borrow money, and with the assent of two-thirds ( $\frac{2}{3}$ ) of the members entitled to vote, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- e. participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and Common Elements (as defined in Declaration), provided that any such merger, consolidation or annexation shall have the assent of two-thirds ( $\frac{2}{3}$ ) of the members;
- f. have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Minnesota by law may now or hereafter have or exercise.

#### **ARTICLE V. MEMBERSHIP**

A. Every person or entity who is a record owner of a fee or undivided fee interest in any Unit which is subject to assessment by the Association, including contract purchasers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Unit. Each Unit shall be entitled to one vote; multiple ownership of a Unit shall not increase the number of votes nor authorize the division of voting rights.

B. The members shall not be personally liable for corporate obligations, but each member shall be liable for annual assessments and special assessments. Methods of enforcement and collection of assessments are set forth at length in the Declaration.

C. The corporation does not and shall not afford pecuniary gain, incidentally or otherwise, to its members.

D. The corporation has no capital stock.

## ARTICLE VI. BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of five (5) Directors, who need not be members of the Association, provided that a majority of which, subsequent to the period of declarant control, as set forth in the Minnesota Common Interest Ownership Act, Minnesota Statute 515B, as amended, shall be members of the Association. The number of directors may be changed by amendment of the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

| <u>Term</u> | <u>Name</u>       | <u>Addresses</u>   |
|-------------|-------------------|--|
| 1 year      | Lee Johnson       | 8421 Wayzata Boulevard<br>Suite 300<br>Golden Valley, MN 55426 |
| 1 year      | Robert Stanwick   | 8421 Wayzata Boulevard<br>Suite 300<br>Golden Valley, MN 55426 |
| 1 year      | William Pritchard | 8421 Wayzata Boulevard<br>Suite 300<br>Golden Valley, MN 55426 |
| 1 year      | Vincent Burger    | 8421 Wayzata Boulevard<br>Suite 300<br>Golden Valley, MN 55426 |
| 1 year      | Ray Baird         | 8421 Wayzata Boulevard<br>Suite 300<br>Golden Valley, MN 55426 |

## ARTICLE VII. DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than eight percent (80%) of the members and the consent of at least eighty percent (80%) of the first mortgagees of the Units. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

No disposition of the assets of the Association shall be effective to divest or diminish any vested right or title of any member effective in any such assets arising under recorded covenants

and deeds applicable to such assets unless made in accordance with the provisions of such covenants and deeds.

**ARTICLE VIII.  
DURATION**

The corporation shall exist perpetually subject to the provisions of Article VII.

**ARTICLE IX.  
AMENDMENTS**

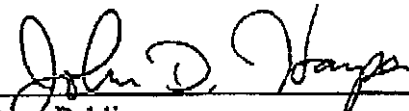
Amendment of these Articles shall require the assent of seventy-five percent (75%) of the total votes outstanding at the time of the amendment.

**IN WITNESS WHEREOF**, for the purposes of forming this Corporation under the laws of the State of Minnesota, I, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 25<sup>th</sup> day of September, 2000.

  
\_\_\_\_\_  
William Pritchard

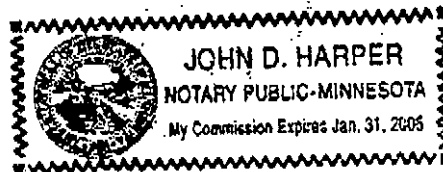
STATE OF MINNESOTA    )  
                                  )ss.  
COUNTY OF HENNEPIN    )

On this 25<sup>th</sup> day of September, 2000, personally appeared before me William Pritchard, to me personally known, who being by me duly sworn, did say that he is the person who executed the foregoing instrument and he acknowledged that he executed the same as his free act and deed.

  
\_\_\_\_\_  
Notary Public

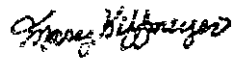
THIS INSTRUMENT WAS DRAFTED BY:

Brett A. Perry, Esq.  
MESSERLI & KRAMER P.A.  
1800 Fifth Street Towers  
150 South Fifth Street  
Minneapolis, Minnesota 55402  
(612) 672-3646



STATE OF MINNESOTA  
FILED

SEP 28 2000

  
Secretary of State

**BYLAWS  
OF  
PINE SUMMIT SINGLE FAMILY HOMEOWNERS' ASSOCIATION, INC.**

**SECTION 1.  
NAME AND LOCATION**

The name of the corporation is PINE SUMMIT SINGLE FAMILY HOMEOWNERS' ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the corporation shall be located at 8421 Wayzata Boulevard, Suite 300, Golden Valley, Minnesota 55426, but meetings of members and directors may be held at such places within the State of Minnesota as may be designated by the Board of Directors.

**SECTION 2.  
DEFINITIONS**

2.1 **Declaration.** "Declaration" shall mean and refer to the Declaration applicable to the real property described in Exhibit A to the Articles of Incorporation of the Association, recorded in the office of the County Recorder, Washington County, Minnesota.

2.2 **Capitalized Terms.** Capitalized terms not otherwise defined herein shall have the meanings given to them in Section 1 of the Declaration.

**SECTION 3.  
MEETING OF MEMBERS**

3.1 **Place.** All meetings of the Owners shall be held at the office of the Association or such other place in the State of Minnesota reasonably accessible to the Owners as may be designated by the Board of Directors in any notice of a meeting of the Owners.

3.2 **Annual Meetings.** An annual meeting of the Owners shall be held in each fiscal year on a date, and at a reasonable time and place, designated by the Board of Directors. At each annual meeting of the Owners, (i) the Persons who are to constitute the Board of Directors shall be elected pursuant to Section 6, (ii) a report shall be made to the Owners on the activities and financial condition of the Association, and (iii) any other matter which is included in the notice of the annual meeting, and is a proper subject for discussion or decision by the Owners, shall be considered and acted upon at the meeting.

3.3 **Special Meetings.** Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to cast at least 25% of all the votes in the Association.

3.4 **Notice of Meetings.** Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy

of such notice, postage prepaid, at least twenty-one (21) days, but no more than thirty (30) days, before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

3.5 **Quorum.** The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes in the Association shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

3.6 **Proxies.** At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his/her Unit.

#### **SECTION 4. ANNUAL REPORT**

4.1 The Board of Directors shall prepare an annual report on behalf of the Association to be mailed or delivered to each Owner together with the notice of the annual meeting. The report shall contain at a minimum.

- (a) A statement of any capital expenditures in excess of two percent of the current budget or \$5,000, whichever is greater, approved by the Association for the current year or succeeding two fiscal years.
- (b) A statement of the balance in any reserve or replacement fund and any portion of the fund designated for any specified project by the Board of Directors.
- (c) A copy of the statement of revenues and expenses for the Association's last fiscal year, and a balance sheet as of the end of said fiscal year.
- (d) A statement of the status of any pending litigation or judgments to which the Association is a party.
- (e) A statement of the insurance coverage provided by the Association.
- (f) A statement of the total past due assessments on all Units; current as of not more than 60 days prior to the date of the meeting.

**SECTION 5.**  
**BOARD OF DIRECTORS, SELECTION, TERM OF OFFICE, MEETING**

5.1 **Number and Qualification.** The affairs of the Association shall be governed by a Board of Directors. The first Board of Directors shall consist of the persons designated as directors in the Articles of Incorporation of the Association or appointed to replace them by the Declarant, subject to the rights of Owners to elect directors as set forth in Section 5.2. Upon the expiration of terms of the Members of the first Board of Directors, the Board of Directors shall be composed of five (5) directors, a majority of whom shall be Owners, or a duly authorized representative of the Owner if the Owner is a corporation, partnership, limited liability company, trust or other entity which has the capacity to hold title to real estate.

5.2 **Term of Office.** The terms of office of the Members of the Board of Directors shall be as follows:

- (a) Subject to Subsection (b), the terms of all directors appointed by Declarant as authorized by the Declaration shall terminate upon the earliest of (i) voluntary surrender of control by Declarant, (ii) an Association meeting which shall be held within 60 days after conveyance to Owners other than Declarant of 75% of the total number of Units authorized to be included in the common interest community or (iii) the date five (5) years following the date of the first conveyance of a Unit to an Owner other than a Declarant. The term of office of any director elected to the first Board of Directors by Owners other than the Declarant shall terminate at the same time as those appointed by Declarant.
- (b) Notwithstanding the provisions of Subsection (a), the Owners other than Declarant shall have the right to nominate and elect not less than 33-<sup>1</sup>/<sub>3</sub>% of the directors at a meeting of the Owners held within 60 days following the conveyance by Declarant of 50% of the total number of Units authorized to be included in the common interest community.
- (c) The first terms of office of the directors elected by the Owners immediately following the termination of the terms provided for in Subsection (a) shall be two years for three of the directors and three years for two of the directors. The nominee or nominees receiving the greatest numbers of votes shall fill the longer terms. Each term of office thereafter shall be two years and shall expire upon the election of a successor at a subsequent annual meeting of the Owners; provided, that a director shall continue in office until a successor is elected. A number of nominees equal to the number of vacancies, and receiving the greatest numbers of votes, shall be elected, notwithstanding that one or more of them does not receive a majority of the votes cast. A director appointed or elected to fill an uncompleted term shall serve until the natural termination of that term, unless removed in accordance with these Bylaws. There shall be no cumulative voting for directors.

5.3 **Meetings and Notices.** An annual meeting of the Board of Directors shall be held promptly following each annual meeting of the Owners. At each annual meeting the officers of the Association shall be elected.

- (a) Regular meetings of the Board of Directors shall be held at least on a quarterly basis, at such times as may be fixed from time to time by a majority of the members of the Board of Directors. A schedule, or any amended schedule, of the regular meetings shall be provided to the directors.
- (b) Special meetings of the Board of Directors shall be held when called (i) by the President of the Association, or (ii) by the Secretary within ten (10) days following the written request of any two (2) directors. Notice of any special meeting shall be given to each director not less than three (3) days in advance thereof. Notice to a director shall be deemed to be given when deposited in the United States mail postage prepaid to the Unit address of such director, or when personally delivered, orally or in writing, by a representative of the Board of Directors.
- (c) Any director may at any time waive notice of any meeting of the Board of Directors orally, in writing, or by attendance at the meeting. If all the directors are present at a meeting of the Board of Directors, no notice shall be required, and any business may be transacted at such meeting.

5.4 **Quorum and Voting.** A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting thereof. A quorum, once established, shall continue to exist, regardless of the subsequent departure of any directors. Each director shall have one vote. The vote of a majority of the directors present at any meeting at which a quorum is present shall be sufficient to adopt any action. Proxies shall not be permitted.

5.5 **Removal.** Any director may be removed from the Board of Directors, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation, or removal of a director, his/her successor shall be selected by a majority of the remaining Members of the Board of Directors and shall serve for the unexpired term of his/her predecessor. Newly created directorships resulting from an increase in the authorized number of director by amendment to these Bylaws may be filled by a two-thirds ( $\frac{2}{3}$ ) vote of the directors serving at the time of such increase; and each person so elected shall be a director until his/her successor is elected by the Members of the Association, who may make such election at their next annual meeting or at any meeting duly called for that purpose.

5.6 **Compensation.** No director shall receive compensation for any service he/she may render to the Association. However, any director may be reimbursed for his/her actual expenses incurred in the performance of his/her duties.

5.7 **Action Taken Without a Meeting.** The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

**SECTION 6.  
NOMINATION AND ELECTION OF DIRECTORS**

6.1 **Nomination.** Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members or non-Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-members.

6.2 **Election.** Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

**SECTION 7.  
POWER AND DUTIES OF THE BOARD OF DIRECTORS**

7.1 **Powers.** The Board of Directors shall have power to:

- (a) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;
- (b) suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;
- (c) declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (d) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

- (e) adopt and publish rules and regulations governing the use of the Common Elements and recreational facilities thereon and the personal conduct of the Members and their guest thereon, and to establish penalties for the infraction thereof.

7.2 **Duties.** It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is required in writing by one-fourth (1/4) of the Members who are entitled to vote;
- (b) supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to:
  - (i) fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period;
  - (ii) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
  - (iii) foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the Owner personally obligated to pay the same.
- (d) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) procure and maintain adequate liability and hazard insurance on property owned by the Association as required by the Act, the Declaration or as otherwise deemed necessary and/or prudent;
- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and
- (g) perform maintenance as more fully set forth in the Declaration.

**SECTION 8.**  
**OFFICERS AND THEIR DUTIES**

8.1 **Enumeration of Offices.** The officers of this Association shall be a President and Vice President, who shall at all times be Members of the Board of Directors, a Secretary and Treasurer, and such other officers as the Board of Directors may from time to time by resolution create.

8.2 **Election of Officers.** The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

8.3 **Term.** The officers of this Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

8.4 **Special Appointments.** The Board of Directors may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors, from time to time, may determine.

8.5 **Resignation and Removal.** Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

8.6 **Vacancies.** A vacancy in any office may be filled by appointment by the Board of Directors. The officers appointed to such vacancy shall serve for the remainder of the term of the officer he/she replaces.

8.7 **Multiple Offices.** The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 8.4.

8.8 **Duties.**

- (a) **President:** The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board of Directors are carried out; shall sign all leases, mortgages, promissory notes, deeds and other written instruments.
- (b) **Vice President:** The vice president shall act in the place and stead of the president in the event of his/her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him/her by the Board of Directors.

- (c) **Secretary**: The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; serve notice of meetings of the Board of Directors and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board of Directors.
- (d) **Treasurer**: The treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting; and deliver a copy to each of the Members.

## SECTION 9. COMMITTEES

9.1 **Appointment of Committees**. The Board of Directors of the Association shall appoint an Architectural Control Committee, a Nominating Committee, and a Maintenance Committee. In addition, the Board of Directors shall appoint other committees as it deems appropriate in carrying out its purposes. Unless otherwise provided herein, each committee shall consist of a Chairman and two or more Members and shall include a member of the Board of Directors. The Committee shall be appointed by the Board of Directors prior to each annual meeting to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each such annual meeting.

9.2 **Nominating Committee**. The Nominating Committee shall have the duties and functions described in Section 6.

9.3 **Maintenance Committee**. The Maintenance Committee shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvements to be maintained by the Association, and shall periodically review the adequacy of the insurance coverage afforded the Association and advise the Board of Directors; and shall perform such other functions as the Board of Directors, in its discretion, determines.

9.4 **Architectural Control Committee**. The Architectural Control Committee shall have the duties and functions described in the Declaration.

9.5 **Subcommittee**. Each committee shall have the power to appoint a subcommittee from among its membership and may delegate to any such subcommittee any of its powers, duties and functions.

**SECTION 10.  
BOOKS AND RECORDS**

The books, records and papers of the Association shall at all times during reasonable business hours be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at principal office of the Association, where copies may be purchased at reasonable costs.

**SECTION 11.  
BUDGET AND ASSESSMENTS**

11.1 **Budget Preparation.** Before Declarant conveys the first Unit to a Purchaser and on and before December 1 of each year, the Board shall prepare a proposed budget for the Association. The first proposed budget shall be for the period commencing on the first day of the month in which the Board anticipates that the Declarant will close on the sale of the first Unit to a Purchaser and ending on December 31 of that year. Subsequent budgets shall be for the upcoming calendar year. Proposed budgets shall set forth the Board's estimate of the Common Expenses for the budget period.

11.2 **Assessment Role Preparation.** Contemporaneously with the preparation of each budget, the Board shall prepare an assessment role. The assessment role shall allocate to each Unit, as its annual assessment for the upcoming year, an amount determined by multiplying the Association's estimated income requirements for the upcoming year, based on the proposed budget, by that Unit's Fractional Allocation, as defined in the Declaration; provided, however, the Board:

- (a) Shall assess any Common Expense associated with the maintenance, repair or replacement of a Limited Element equally against the Units to which the Limited Element is assigned;
- (b) May assess any Common Expense or portion thereof that benefits fewer than all of the Units exclusively against and equally among the benefited Units;
- (c) May assess the cost of insurance against Units in proportion to the type or amount of coverage provided to that Unit or the type of risk insured;
- (d) May assess Common Expenses for utilities against Units in proportion to usage;
- (e) May assess against a Unit any Common Expenses, including attorney's fees and court costs, incurred in connection with the collection of assessment due and payable with the collection of assessments due and payable with respect to that Unit or in connection with the enforcement of the provisions of the Declaration, Bylaws or rules or regulations against an Owner or occupant of the Unit;

- (f) May assess fees, charges, late charges, fines and interest as provided in Minnesota Statutes 515B.3-116(a);
- (g) Shall assess Common Expenses to pay a judgment against the Association only against and equally among the Units that were a part of the Common Interest Community at the time the judgment was entered;
- (h) May assess Common Expenses incurred to repair damage to the Common Elements or another Unit which is caused by the act or omission of any Owner, Unit occupancy or their invitees, and which is not covered by the Association's insurance against the Owner's or occupant's Unit.

The assessment role shall also calculate the amount of the monthly installment of the annual assessment for each Unit.

11.3 **Budget Adoption and Assessment Levy.** The Board shall provide each Owner with a copy of the proposed budget and assessment role on or before December 1 of each year. Before the Declarant conveys the first Unit to a Purchaser and between January 1 and January 31 of each year thereafter, the Board shall, by resolution, adopt an annual budget and levy annual assessments. The Board shall base the annual budget and the annual assessments on the proposed budget and the assessment role, subject to any modifications specifically set forth in the resolution adopting the annual budget and levying the annual assessments.

11.4 **Budget and Assessment Modifications.** If at any time the Board determines that the assessments levied against the Units are inadequate to pay the actual Common Expenses of the Association, the Board may, by resolution, amend the annual budget and assess any increased amounts provided for in the amended annual budget against the Units.

11.5 **Special Assessments.** In addition to the annual assessments levied on or before January 31 of each year and amendments to the annual assessments, the Board may levy special assessments at such other and additional times as the Board, in its sole judgment, determines are appropriate to meet the financial needs of the Association and for the purposes set forth in Section 11.2(a) through (h). Such special assessments shall be levied in the same manner as annual assessments and shall be due and payable as the Board determines.

11.6 **Failure to Prepare Budget.** The failure of the Board to prepare a proposed budget or to adopt an annual budget or levy annual assessments as provided herein shall not constitute a waiver or release in any manner of an Owner's obligation to pay the amounts assessed against the Owner's Unit and in the absence of any proposed or annual budget, the Owners shall continue to pay the monthly assessment established for the previous period until a new annual budget is mailed or delivered to the Owner and a new assessment is levied.

11.7 **Payment of Assessments.** Unless otherwise provided in the Board's resolution levying the assessment, annual assessments shall be payable to the Board or as the Board directs in equal monthly installments on the first day of each month of each year. Each Owner is personally liable for the annual and special assessments levied against Owner's Unit. If more than one Person

owns a Unit, all Owners of the Unit shall be jointly and severally liable for all assessments. If an Owner fails to pay any installment of any assessment, in full, within 10 days of the date due, the payment shall immediately become delinquent and shall begin to accrue interest. Interest shall accrue as of the date of such delinquency at the judgment rate of interest as determined by Minnesota Statutes 549.09. In addition, the Board may adopt a resolution establishing a late fee to be assessed against a Unit if assessment payments are not made when due. If the Owner is more than 60 days delinquent in the payment of any monthly installment of an annual assessment or any installment of a special assessment, the Board may, upon 10 days written notice to the Owner, declare the entire amount of the assessment immediately due and payable in full. The Association shall have a lien against the Unit for the amount of any unpaid assessments, fines, late fees, or interest and may foreclose the lien to the extent set forth in the Declaration and the Act. In any foreclosure of a lien or a suit to recover a money judgment for unpaid assessments, the amount due and owing shall include the amount of all unpaid regular or special assessments, interest and any late charges as described above, and all costs of collection, including actual attorneys fees.

## **SECTION 12. INDEMNIFICATION**

The Association shall, to the extent the alleged liability is not covered by insurance, indemnify every individual acting in any official capacity on behalf of the Association, pursuant to the provisions of Minnesota Statutes 317A.521.

## **SECTION 13. AMENDMENTS**

These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy.

## **SECTION 14. MISCELLANEOUS**

14.1 **Conflicts in Documents.** In the event of any conflict among the provisions of the Act, the Declaration, the Bylaws or the Rules and Regulations, the Act shall control unless it permits the documents to control. As among the Declaration, Bylaws and Rules and Regulations, the Declaration shall control, and as between the Bylaws and the Rules and Regulations, the Bylaws shall control.

14.2 **Severability.** The invalidity or unenforceability 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.

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

**ORGANIZATIONAL RESOLUTION  
OF INCORPORATOR  
PINE SUMMIT SINGLE FAMILY HOMEOWNERS' ASSOCIATION, INC.**

THE UNDERSIGNED, being the Incorporator of PINE SUMMIT SINGLE FAMILY HOMEOWNERS' ASSOCIATION, INC., a Minnesota nonprofit corporation ("Corporation"), acting pursuant to Minnesota Statutes, Section 317A, hereby adopts effective as of the 28th day of September, 2000, the preambles and resolutions hereinafter set forth with the same force and effect as if said preambles and resolutions were adopted at a meeting of the Incorporator duly called and held for that purpose.

WHEREAS, the Articles of Incorporation were filed in the office of the Secretary of State of Minnesota on September 28, 2000, and a Certificate of Incorporation, dated September 28, 2000, was issued by the Secretary of State of Minnesota; and

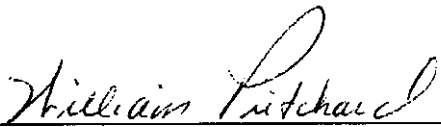
WHEREAS, in order to proceed with the formal organization of the Corporation, it is desirable to elect the first Board of Directors.

NOW, THEREFORE, BE IT

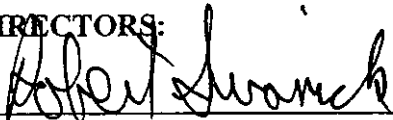
RESOLVED, that, effective with the signing of this resolution, the following persons be and they hereby are, elected directors of the Corporation to serve on the first Board of Directors until their successors shall be elected and qualify:

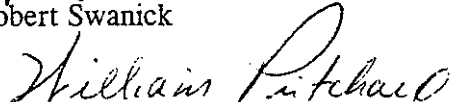
Robert Swanick  
William Pritchard  
Ray Baird

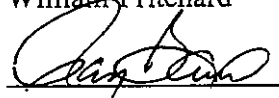
Lee Johnson  
Vincent Burger

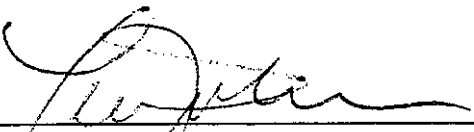
  
\_\_\_\_\_  
William Pritchard, Incorporator


**DIRECTORS:**

  
\_\_\_\_\_  
Robert Swanick

  
\_\_\_\_\_  
William Pritchard

  
\_\_\_\_\_  
Ray Baird

  
\_\_\_\_\_  
Lee Johnson

  
\_\_\_\_\_  
Vincent Burger

(Constituting all of the Directors of Pine Summit Single Family Homeowners' Association, Inc.)

**ORGANIZATIONAL RESOLUTIONS  
OF BOARD OF DIRECTORS OF  
PINE SUMMIT SINGLE FAMILY HOMEOWNERS' ASSOCIATION, INC.**

THE UNDERSIGNED, being all of the members of the Board of Directors of PINE SUMMIT SINGLE FAMILY HOMEOWNERS' ASSOCIATION, INC., a Minnesota nonprofit corporation ("Corporation"), acting pursuant to Minnesota Statutes, Section 317A, hereby adopt effective as of the 28th day of September, 2000, the preambles and resolutions hereinafter set forth with the same force and effect as if said preambles and resolutions were adopted at a meeting of the Board of Directors duly called and held for that purpose.

**Resolution 1 – Ratification of Acts of Incorporator**

WHEREAS, the Incorporator has undertaken actions on behalf of the Corporation and has incurred liabilities and expenses on behalf of the Corporation; and

WHEREAS, the Board of Directors deem it desirable and in the Corporation's best interests to approve, ratify, and confirm the actions of the Incorporator;

RESOLVED, that all actions taken or authorized by the Incorporator prior to the date of adoption of this resolution be, and they hereby are, in all respects approved, adopted, ratified, and confirmed as actions of the Corporation.

**Resolution 2 – Adoption of Bylaws**

RESOLVED, that the Bylaws attached hereto and forming a part of these resolutions be, and the same hereby are, adopted as the Bylaws of the Corporation and that the same be inserted in the minute book.

**Resolution 3 – Election of Officers**

RESOLVED, that the following persons be, and hereby are, elected officers of the Corporation to serve until their successor or successors shall be elected and qualify:

| <u>Name</u>       | <u>Offices</u> |
|-------------------|----------------|
| William Pritchard | President      |
| Robert Swanick    | Vice President |
| Vincent Burger    | Treasurer      |

#### **Resolution 4 – Corporate Bank Account and Borrowing**

RESOLVED, that the President of the Corporation is hereby authorized to designate any bank or banks for the deposit of corporate funds; to open and keep an account in said bank or banks in the name of the Corporation; to cause to be deposited to the credit of the Corporation any and all moneys, checks, notes, drafts, acceptances, or other evidences of indebtedness belonging to the Corporation; and that said bank or banks be, and they hereby are authorized to make payments from the funds of the Corporation according to check or draft signed by the President of the Corporation, who is hereby authorized to sign, endorse, accept, amend and execute any and all checks, notes, drafts and bills of exchange.

FURTHER RESOLVED, that the President of the Corporation be, and hereby is, authorized, on behalf of the Corporation, at any time or from time to time to borrow money from such banks or such other corporations or persons in such amounts, for such times, at such rate or rates of interest and upon such terms as he may see fit; to execute and deliver notes or other evidences of indebtedness of the Corporation therefor, and renewals and extensions thereof; to sell, assign, transfer, pledge, mortgage or otherwise hypothecate to said bank or other person any assets of the Corporation as security; to give guaranties; and to waive demand, presentment, protest and notice of dishonor; and to do, authorize and agree to any and all other things at any time or from time to time in connection with any of the foregoing as he may deem appropriate.

FURTHER RESOLVED, that the President of the Corporation is authorized to execute any corporate authorization forms requested by a bank which substantially complies with the authority granted hereunder.

#### **Resolution 5 – Corporate Seal**

RESOLVED, that there shall be no corporate seal.

#### **Resolution 6 – Fiscal Year**

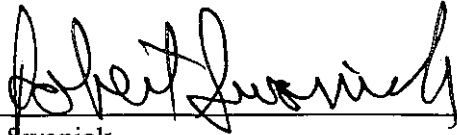
RESOLVED, that the fiscal year of the Corporation shall end on December 31 of each year.

#### **Resolution 7 – Directors' Pay**

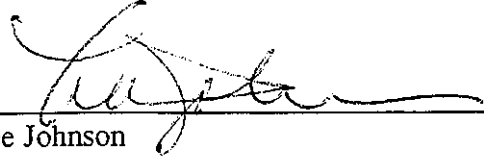
RESOLVED FURTHER that the Directors of the Corporation shall serve without pay but shall be reimbursed for necessary expenses incurred in connection with attendance at meetings of the Board.

FURTHER RESOLVED, that the Board of Directors hereby authorizes and directs the proper officers of the Corporation to take any and all action necessary or convenient for carrying out the foregoing resolutions.

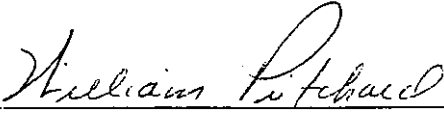
**DIRECTORS:**



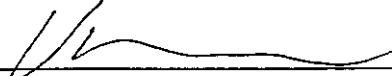
Robert Swanick



Lee Johnson



William Pritchard



Vincent Burger



Ray Baird

(Constituting all of the Directors of Pine Summit Single Family Homeowners' Association, Inc.)

**RESOLUTION OF  
BOARD OF DIRECTORS OF  
PINE SUMMIT SINGLE FAMILY HOMEOWNERS' ASSOCIATION, INC.**

THE UNDERSIGNED, being all of the members of the Board of Directors of PINE SUMMIT SINGLE FAMILY HOMEOWNERS' ASSOCIATION, INC., a Minnesota nonprofit corporation ("Corporation"), acting pursuant to Minnesota Statutes, Section 317A, hereby adopt effective as of the \_\_\_\_\_ of \_\_\_\_\_, 2000, the preambles and resolutions hereinafter set forth with the same force and effect as if said preambles and resolutions were adopted at a meeting of the Board of Directors duly called and held for that purpose.

**Resolution 1 - Assessment Levy**

WHEREAS, pursuant to the Declaration applicable to the Corporation, dated September 25, 2000 as filed in the office of the County Recorder of Washington County, Minnesota ("Declaration"), more particularly Section 6 therein, and Section 11 of the Bylaws of the Corporation, the Corporation has the authority to levy common expense assessments against the Units (as defined in the Declaration) owned by the Members of the Corporation; and

WHEREAS, the Board of Directors deem it desirable and in the Corporation's best interests to levy common expense assessments against each Unit to provide for the payment of the expenses of the Corporation and such other matters as provided for in the Declaration and Bylaws;

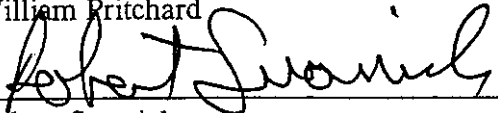
RESOLVED, that effective as of the date of these Resolutions, each Unit shall be and hereby is assessed an annual common expense assessment in the amount of \$100.00, subject to the limitations applicable to Declarant (as defined in the Declaration) set forth in the Section 6.6 of the Declaration.

FURTHER RESOLVED, that the Board of Directors hereby authorize and direct the proper officers of the Corporation to take any and all actions necessary or convenient for carrying out the foregoing resolutions.

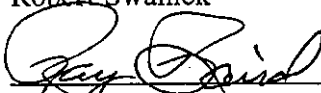
**DIRECTORS**

  
\_\_\_\_\_

William Britchard

  
\_\_\_\_\_

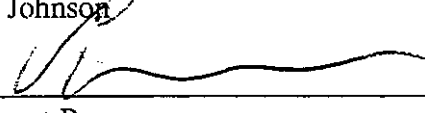
Robert Swanick

  
\_\_\_\_\_

Ray Baird

  
\_\_\_\_\_

Lee Johnson

  
\_\_\_\_\_

Vincent Burger

(Constituting all of the Directors of Pine Summit Single Family Homeowners' Association, Inc.)

**COMMON INTEREST COMMUNITY NUMBER 150**  
**(Planned Community)**

**PINE SUMMIT**  
**DECLARATION**

This Declaration is made in the County of Washington, State of Minnesota, on this 25<sup>th</sup> day of September, 2000, U. S. HOME CORPORATION, a Delaware corporation (the "Declarant"), pursuant to the provisions of Minnesota Statutes Chapter 515B, known as the Minnesota Common Interest Ownership Act (the "Act"), for the purpose of creating Pine Summit Homeowners' Association, a planned community.

WHEREAS, Declarant is the owner of certain real property located in Washington County, Minnesota, legally described in Exhibit A attached hereto and Declarant desires to submit said real property and all improvements thereon (collectively the "Property") to the Act; and

WHEREAS, Declarant desires to establish on the Property and any Additional Real Estate added thereto a plan for a permanent residential community to be owned, occupied and operated for the use, health, safety and welfare of its resident Owners and Occupants, and for the purpose of preserving the structural quality, and the original architectural and aesthetic character of the Property; and

WHEREAS, the Property is not subject to an ordinance referred to in Section 515B.1-106 of the Act, governing common interest ownership, and is not subject to a master association as defined in the Act.

THEREFORE, Declarant makes the Declaration and submits the Property to the Act as a planned community under the name "Pine Summit," initially consisting of the Units referred to in Section 2, declaring that this Declaration shall constitute covenants to run with the Property, and that the Property shall be owned, used, occupied and conveyed subject to the covenants, restrictions, easements, charges and liens set forth herein, all of which shall be binding upon all Persons owning or acquiring any right, title or interest therein, and their heirs, personal representatives, successors and assigns.

## SECTION 1. DEFINITIONS

The following words when used in the Governing Documents shall have the following meanings (unless the context indicates otherwise):

1.1 “Additional Real Estate” shall mean the real property legally described in Exhibit C attached hereto, including all improvements located thereon now or in the future, and all easements and rights appurtenant thereto, which property Declarant has the right to add in whole at any time or in part from time to time to the common interest community.

1.2 “Association” shall mean Pine Summit Single Family Homeowners’ Association, Inc., a nonprofit corporation which has been created pursuant to Chapter 317A of the laws of the State of Minnesota and Minnesota Statutes Section 515B.3-101, the members of which consist of all Owners as defined herein.

1.3 “Berm Area” shall mean fifty (50) feet of the Property adjacent to the north right of way line of 70<sup>th</sup> Street within which the Declarant has constructed a berm and as to which an easement for such purposes has been granted to the Association. Should that portion of the Additional Real Estate adjacent to 65<sup>th</sup> Street South be added to the Common Interest Community by Declarant, the term “Berm Area” shall also mean the fifty (50) foot portion thereof adjacent to the South right-of-way line of 65<sup>th</sup> Street South within which Declarant has constructed a berm and as to which an easement for such purpose has been granted to the Association.

1.4 “Board” shall mean the Board of Directors of the Association as provided for in the Bylaws.

1.5 “Bylaws” shall mean the Bylaws governing the operation of the Association, as amended from time to time.

1.6 “Center Islands” shall mean any curb enclosed area upon which grass, trees, shrubs and/or other vegetation is planted within the public streets serving the Common Interest Community.

1.7 “Common Elements” shall mean all parts of the Property except the Units and all improvements on the Units, including all improvements thereon, owned by the Association for the common benefit of the Owners and Occupants. The initial Common Elements are legally described on Exhibit B attached hereto.

1.8 “Common Expenses” shall mean all expenditures made or liabilities incurred by or on behalf of the Association that are incident to its operation, including without limitation allocations to reserves, those items specifically identified as Common Expenses in the Declaration or Bylaws.

1.9 “Common Interest Community” means Pine Summit, Common Interest Community Number 150, Washington County, Minnesota including any Additional Real Estate subsequently added to the Common Interest Community,

1.10 “Declarant” means U.S. Home Corporation, a Delaware corporation; any person who executes an amendment to the Declaration adding Additional Real Estate to the Common Interest Community, other than persons holding interest in the real estate solely as security for an obligation; or any person who succeeds under the provisions of the Act to any Special Declarant Rights, as defined in the Act;

1.11 “Dwelling” shall mean a part of a building consisting of one or more floors, designed and intended for occupancy as a single family residence, and located within the boundaries of a Unit. The Dwelling includes any garage attached thereto or otherwise included within the boundaries of the Unit in which the Dwelling is located.

1.12 “Entrance Monument” shall mean a structure identifying the Property constructed and maintained on such portion of the Property (and properties lying contiguous to Property) over which Declarant has granted an easement for such purposes to the Association.

1.13 “Governing Documents” shall mean this Declaration, and the Articles of Incorporation and Bylaws of the Association, as amended from time to time, all of which shall govern the use and operation of the Property.

1.14 “Member” shall mean all persons who are Owners as defined in this Declaration. The words “Owner” and “Member” may be used interchangeably in the Governing Documents.

1.15 “Occupant” shall mean any person or persons, other than an Owner, in possession of or residing in a Unit.

1.16 “Owner” shall mean a Person who owns a Unit, but excluding secured parties within the meaning of Section 515B.1-103(29) of the Act. The term “Owner” includes, without limitation, contract for deed vendees and holders of a life estate.

1.17 “Person” shall mean a natural individual, corporation, limited liability company, partnership, trustee, other or legal entity capable of holding title to real property.

1.18 “Plat” shall mean the recorded plat depicting the Property pursuant to the requirements of Section 515B.2-110 of the Act, and satisfying the requirements of Minnesota Statutes Chapters 505, 508 or 508A, as applicable, including any amended or supplemental Plat recorded from time to time in accordance with the Act.

1.19 “Private Driveway” shall mean that part of a Unit paved to connect the Dwelling situated on such Unit to the public street.

1.20 “Private Yard Area” shall mean that part of a Unit not covered by a Dwelling.

1.21 "Property" shall mean all of the real property submitted to this Declaration, including the Dwellings and all other structures and improvements located thereon now or in the future. The Property as of the date of this Declaration is legally described in Exhibit A attached hereto.

1.22 "Rules and Regulations" shall mean the Rules and Regulations of the Association as approved from time to time pursuant to Section 5.6.

1.23 "Special Declarant Rights" shall mean the rights reserved in Section 15 for the benefit of Declarant.

1.24 "Unit" shall mean any platted lot subject to this Declaration upon which a Dwelling is located or intended to be located, as shown on the Plat, including all improvements thereon, but excluding the Common Elements.

Any terms used in the Governing Documents, and defined in the Act and not in this Section, shall have the meaning set forth in the Act.

## SECTION 2. DESCRIPTION OF UNITS AND APPURTENANCES

2.1 Units. There are thirty-nine (39) Units which Declarant intends to develop, all of which are restricted exclusively to residential use. Each Unit constitutes a separate parcel of real estate. No additional Units may be created by the subdivision or conversion of Units pursuant to Section 515B.2-112 of the Act except in accordance with Section 7.2. The Unit identifiers and locations of the Units are as shown on the Plat, which is incorporated herein by reference, and a schedule of Units is set forth on Exhibit A. The Unit identifier for a Unit shall be its lot and block number and the subdivision name.

2.2 Unit Boundaries. The front, rear and side boundaries of each Unit shall be the boundary lines of the platted lot upon which the Dwelling is located or intended to be located as shown on the Plat. The Units shall have no upper or lower boundaries. Subject to this Section 2 and Section 3.2, all spaces, walls, and other improvements within the boundaries of a Unit are a part of the Unit.

2.3 Common Elements. Each Unit shall be the beneficiary of appurtenant easements for use and enjoyment on and across the Common Elements, subject to any restrictions authorized by the Declaration.

2.4 Other Easements. Each Unit shall be subject to and shall be the beneficiary of appurtenant easements described in Section 13.

2.5 Declarant's Easements. Declarant shall have and be the beneficiary of easements for construction and sales activities as described in Section 15.5.

2.6 Easements are Appurtenant. All easements and similar rights burdening or benefiting a Unit or any other part of the Property shall be appurtenant thereto, and shall be permanent, subject only to termination in accordance with the Act or the terms of the easement. Any recorded easement benefiting or burdening the Property shall be construed in a manner consistent with, and not in conflict with, the easements created by this Declaration.

2.7 Impairment Prohibited. No person shall materially restrict or impair any easement benefiting or burdening the Property, subject to the Declaration and the right of the Association to impose reasonable Rules and Regulations governing the use of the Property.

### SECTION 3. COMMON ELEMENTS

3.1 Common Elements. The Common Elements and their characteristics are as follows:

- a. All of the Property not included within the Units constitutes Common Elements. The Common Elements include those parts of the Property described in Exhibit B or designated as Common Elements in the Act.
- b. The Common Elements shall be subject to appurtenant easements for services, public and private utilities, access, use and enjoyment in favor of each Unit and its Owners and Occupants; subject to (i) the right of the Association to establish reasonable Rules and Regulations governing the use of the Property and (ii) conservation easements in favor of the City of Cottage Grove.
- c. Subject to Sections 5, 6 and 9, all maintenance, repair, replacement, management and operation of the Common Elements, Entrance Monuments, landscaping installed by Declarant along 70<sup>th</sup> Street and 65<sup>th</sup> Street South, if any, and Berm Easement Area shall be the responsibility of the Association.
- d. Common Expenses for the maintenance, repair, replacement, management and operation of the Common Elements, Entrance Monuments and Berm Area shall be assessed and collected from the Owners in accordance with Section 6.

### SECTION 4. ASSOCIATION MEMBERSHIP; RIGHTS AND OBLIGATIONS

Membership in the Association, and the allocation to each Unit of a portion of the votes in the Association and a portion of the Common Expenses of the Association shall be governed by the following provisions:

4.1 Membership. Each Owner shall be a member of the Association by virtue of Unit ownership, and the membership shall be transferred with the conveyance of the Owner's interest in

the Unit. An Owner's membership shall terminate when the Owner's ownership terminates. When more than one Person is an Owner of a Unit, all such Persons shall be members of the Association, but multiple ownership of a Unit shall not increase the voting rights allocated to such Unit nor authorize the division of the voting rights.

4.2 Voting. Voting rights are allocated equally among the Units except that Declarant may appoint and remove the officers and directors of the Association between the date of the first conveyance of a Unit to an Owner other than Declarant and the fifth anniversary of said date (subject to Section 15.6 herein).

4.3 Common Expenses. Common Expense obligations are allocated equally among the Units except that special allocations of Common Expenses shall be permitted as provided in Section 6.1 and except, further, that assessments against Units owned by Declarant shall be in accordance with Section 6.6.

4.4 Appurtenant Rights and Obligations. The ownership of a Unit shall include the voting rights and Common Expense obligations described in Sections 4.2 and 4.3. Said rights, obligations and interests, and the title to the Units, shall not be separated or conveyed separately. The allocation of the rights, obligations and interests described in this Section may not be changed, except in accordance with the Governing Documents and the Act.

4.5 Authority to Vote. The Owner, or some natural person designated to act as proxy on behalf of the Owner, and who need not be an Owner, may cast the vote allocated to such Unit at meetings of the Association; provided, that if there are multiple Owners of a Unit, only the Owner or other Person designated pursuant to the provisions of the Bylaws may cast such vote. The voting rights of Owners are more fully described in Section 3 of the Bylaws.

4.6 Allocation After Addition of Units. After each addition of Units pursuant to Section 20, voting rights and common expense obligations shall be reallocated in accordance with Sections 4.2 and 4.3.

## SECTION 5. ADMINISTRATION

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

5.1 General. The operation and administration of the Association and the Property shall be governed by the Governing Documents and the Act. The Association shall, subject to the rights of the Owners set forth in the Governing Documents and the Act, be responsible for the operation, management and control of the Property. The Association shall have all powers described in the Governing Documents, the Act and the statute under which it is incorporated. All power and authority of the Association shall be vested in the Board, unless action or approval by the individual Owners is specifically required by the Governing Documents or the Act. All references to the Association shall mean the Association acting through the Board unless specifically stated to the contrary.

5.2 Operational Purposes. The Association shall operate and manage the Property for the purposes of (i) administering and enforcing the covenants, restrictions, easements, charges and liens set forth in the Governing Documents and the Rules and Regulations; (ii) maintaining, repairing and replacing those portions of the Property for which it is responsible; and (iii) preserving the architectural uniformity and character of the Property.

5.3 Binding Effect of Actions. All agreements and determinations made by the Association in accordance with the powers and voting rights established by the Governing Documents or the Act shall be binding upon all Owners and Occupants, and their lessees, guests, heirs, personal representatives, successors and assigns, and all secured parties as defined in the Act.

5.4 Bylaws. The Association shall have Bylaws. The Bylaws and any amendments thereto shall govern the operation and administration of the Association.

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

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

5.7 Association Assets; Surplus Funds. All funds and real or personal property acquired by the Association shall be held and used for the benefit of the Owners for the purposes stated in the Governing Documents. Surplus funds remaining after payment of or provision for Common Expenses and reserves shall be credited against future assessments or added to reserves, as determined by the Board.

## SECTION 6. ASSESSMENTS FOR COMMON EXPENSES

6.1 General. Assessments for Common Expenses shall be determined and assessed against the Units by the Board, in its discretion; subject to the limitations set forth in Sections 6.2 and 6.3, and the requirements of the Bylaws. Assessments for Common Expenses shall include annual assessments and may include special assessments. Assessments shall be allocated among the Units according to the Common Expense allocations set forth in Section 4.3, subject to the following qualifications:

- a. Any Common Expense or portion thereof benefiting fewer than all of the Units may be assessed exclusively against the Units benefited, on the 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 Unit.
- b. The costs of insurance may be assessed in proportion to value, risk or coverage, and the costs of utilities may be assessed in proportion to usage.
- c. If any installment of an assessment becomes more than 30 days past due, then the Association may, upon 10 days written notice of the Owner, declare the entire amount of the assessment immediately due and payable in full.
- d. Assessments under Section 6.1 shall not be considered special assessments as described in Section 6.3.

6.2 Annual Assessments. Annual assessments shall be established and levied by the board, subject only to the limitations set forth in Sections 6.2 and 6.3. Each annual assessment shall cover all of the anticipated Common Expenses of the Association for that year. Annual assessments shall provide, among other things, for contributions to a separate reserve fund sufficient to cover the periodic cost of maintenance, repair and replacement of the Common Elements, Entrance Monuments, Center Islands and Berm Area, and Units for which the Association is responsible. After a Common Expense assessment is levied, the annual assessment may be subsequently increased by the Board, subject to the limitation in the next sentence. The increase in the annual assessment for any fiscal year shall not exceed 10% of the total annual assessment for the Association's previous fiscal year, unless such increase is approved by the vote of a majority of those Owners voting, in person or by proxy, at a meeting called for that purpose.

6.3 Special Assessments. In addition to annual assessments, and subject to the limitations set forth hereafter, the Board may levy in any assessment year a special assessment against all Units for the purpose of defraying in whole or in part (i) the cost of any foreseen or unbudgeted Common Expense, (ii) general or specific reserves for maintenance, repair or replacement, and (iii) the maintenance, repair or replacement of any part of the Property for which the Association is responsible pursuant to Section 9, and any fixtures or other property related thereto. Notwithstanding the foregoing, any special assessment shall be subject to approval by the vote of two-thirds (2/3) of those Owners voting, in person or by proxy, at a meeting called for that purpose.

6.4 Liability of Owners for Assessments. The obligation of an Owner to pay assessments shall commence at the later of (i) the recording of the Declaration or amendment thereto which creates the Owner's Unit, or (ii) the time at which the Owner acquires title to the Unit, subject to the alternative assessment program described in Section 6.6. The Owner at the time an assessment is payable with respect to the Unit shall be personally liable for the share of the Common Expenses assessed against such Unit. Such liability shall be joint and several where there are multiple Owners of the Unit. The liability is absolute and unconditional. No Owner is exempt from liability for payment of his or her share of Common Expenses by right of set-off, by waiver

of use or enjoyment of any part of the Property, by absence from or abandonment of the Unit, by the waiver of any other rights, or by reason of any claim against the Association or its officers, directors or agents, or for their failure to fulfill any duties under the Governing Documents or the Act. The Association may invoice the charges, sanctions and remedies set forth in Section 14, in addition to any remedies provided elsewhere in the Governing Documents or by law, for the purpose of enforcing its rights hereunder.

6.5 Working Capital Fund. Declarant shall establish a working capital fund to meet unforeseen expenditures or to purchase additional equipment or services during the period when Declarant is conducting its sales activities. There shall be contributed on a one-time basis for each Unit sold by Declarant an amount equal to two (2) month installments of the estimated Common Expense assessment for the Unit being conveyed. The contribution to the working capital fund shall be paid at the time of closing of sale of the Unit. The amounts paid into this fund are in addition to the regular monthly installments of assessments. The funds shall be deposited into the Association's account, and Declarant may not use the funds to defray any of its expenses, reserve contributions, or construction costs, or to make up any budget deficit while Declarant is in control of the Association. However, upon closing of an unsold Unit, Declarant may reimburse itself from funds collected at the closing for funds which it contributed to the working capital fund with respect to that Unit.

6.6 Declarant's Alternative Assessment Program. Notwithstanding anything to the contrary in this Section 6, if a Common Expense assessment has been levied, any Unit owned by Declarant for initial sale shall be assessed at the rate of 25% of the assessment levied on other Units of the same type until a certificate of occupancy has been issued with respect to such Unit by the municipality in which the Unit is located. There are no assurances that this alternative assessment program will have no effect on the level of services for items set forth in the Association's budget.

6.7 Assessment Lien. The Association has a lien, as provided for in Section 515B.3-116 of the Act, on a Unit for any assessment levied against that Unit as well as for fees, charges, late charges, fines and interest charges imposed by the Association pursuant to Section 515B.3-102(a)(10), (11) and (12) of the Act. Recording of the Declaration constitutes record notice and perfection of any lien under this Section, and no further recordation of any notice of or claim for the lien is required.

6.8 Foreclosure of Lien; Remedies. A lien under this Section is prior to all other liens and encumbrances on a Unit except (i) liens and encumbrances recorded before the Declaration, (ii) any first mortgage on the Unit, and (iii) liens for real estate taxes and other governmental assessments or charges against the Unit. Notwithstanding the foregoing, if (i) a first mortgage on a Unit is foreclosed, (ii) the first mortgage was recorded on or after June 1, 1994, and (iii) no Owner redeems during the Owner's period of redemption provided by Chapters 580, 581, or 582, then the holder of the sheriff's certificate of sale from the foreclosure of the first mortgage shall take title to the Unit subject to unpaid assessments for Common Expenses levied pursuant to Sections 515B.3-115(a), (h)(1) to (3), (i), and (1) of the Act which became due, without acceleration, during the six months immediately preceding the first day following the end of the Owner's period of redemption.

6.9 Enforcement. Proceedings to enforce an assessment shall be instituted within three (3) years after the last installment of the assessment becomes payable, or shall be barred.

6.10 Voluntary Conveyances; Statement of Assessments. In a voluntary conveyance of a Unit the buyer shall not be personally liable for any unpaid assessments and other charges made by the Association against the seller or the seller's Unit prior to the time of conveyance to the buyer, unless expressly assumed by the buyer. However, the lien of such assessments shall remain against the Unit until satisfied.

## SECTION 7. RESTRICTIONS ON USE OF PROPERTY

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

7.1 General. The Property shall be owned, conveyed, encumbered, leased, used and occupied subject to the Governing Documents and the Act, as amended from time to time. All covenants, restrictions and obligations set forth in the Governing Documents are in furtherance of a plan for the Property, and shall run with the Property and be a burden and benefit to all Owners and Occupants and to any other Person acquiring or owning an interest in the Property, their heirs, personal representatives, successors and assigns.

7.2 Subdivision Prohibited. Except as permitted by the Act, no Unit nor any part of the Common Elements may be subdivided or partitioned without the prior written approval of at least 75% of the Owners and at least 75% of any secured parties holding first mortgages on the Units of the approving Owners.

7.3 Residential Use. The Units shall be used by Owners and Occupants and their guests exclusively as private, single family residential dwellings, and not for transient, hotel, commercial, business or other non-residential purposes, except as provided in Section 7.5. Any lease of a Unit (except for occupancy by guests with the consent of the Owner) for a period of less than 7 days, or any occupancy which includes services customarily furnished to hotel guests, shall be presumed to be for transient purposes.

7.4 Time Shares Prohibited. The time share form of ownership, or any comparable form of lease, occupancy rights or ownership which has the effect of dividing the ownership or occupancy of a Unit into separate time periods, is prohibited.

7.5 Business Use Restricted. Subject to the prior written approval of the Board, an Owner or Occupant residing in a Unit may keep and maintain his or her business or professional records in such Unit and handle matters relating to such business by telephone or correspondence therefrom, providing that such uses are incidental to the residential use, do not involve physical alteration of the Unit and do not involve any observable business activity such as signs, advertising displays, bulk mailings, deliveries, or visitation or use of the Unit by clients, customers, employees

or independent contractors. The Association may maintain offices on the Property for management and related purposes.

7.6 Signs. No signs of any kind shall be displayed to the public view on any Unit except for 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 Declarant deems appropriate to advertise the Property until the first anniversary of the date on which Declarant owns no Unit.

7.7 Antennas/Satellite Dish. No television, radio, or other electronic towers, aerials, antennae, satellite dishes or device of any type for reception or transmission of radio or television broadcasts or other means of communication shall hereafter be erected, constructed, placed or permitted to remain on any Lot or upon any improvements thereon, except that this prohibition shall not apply to those antennae specifically covered by 47 C.F.R. Part 1, Subpart S Section 1.4000 (or any successor provision) promulgated under the Telecommunications Act of 1996, as amended from time to time. To the extent that reception of an acceptable signal would not be impaired, an antenna permissible hereunder may only be installed in a side or rear yard location, not visible from the street or neighboring property, and integrated with the dwelling and surrounding landscape. Antennae shall be installed in compliance with all state and local laws and regulations, including zoning, land-use, and building regulations.

7.8 Exterior Facilities. No playground equipment, furnishings or furniture (including basketball hoops and swing sets), whether temporary or permanent, shall be erected or placed on any Unit except as approved by the Board, or the appointed committee if so authorized by the Board, and, if so approved, shall not be altered, modified or removed except if approved by the Board or such committee. No structure of a temporary character, trailer, basement, tent, shack, garage, barn, or other building shall be used on any Unit at any time as a residence, either temporarily or permanently.

7.9 Fences. No fence, whether temporary or permanent, shall be erected or placed on any Unit except as approved by the Board, or the appointed committee if so authorized by the Board, as part of a general landscape theme to be owned and maintained by the Association. No fence shall be erected within fifty (50) feet of north right of way line of 70<sup>th</sup> Street, Meadow Grass Lane and/or 65<sup>th</sup> Street South (if the real estate situated adjacent thereto is added to the Common Interest Community pursuant to Section 20 herein) except that Declarant may erect or place a fence and/or landscaping on the Units adjacent to 70<sup>th</sup> Street. No fence, whether temporary or permanent, shall be erected or placed on any Unit except as approved by the Board, or the appointed committee if so authorized by the Board, and, (approval being conditioned, with regard to any fence along 70<sup>th</sup> Street, 65<sup>th</sup> Street South and/or Meadow Grass Lane, upon all fencing being of uniform design and color), shall not be altered, modified or removed except if approved by the Board or such committee. All fence approvals by the Board or the appointed committee are conditional upon proper future maintenance by the Owner. All fences must be installed within the boundary of the Unit and with regard to Units with berms located upon the same, must be installed on the inside of the berm. Fences are subject to removal at the expense of the Owner if any drainage or utility easement is interfered with.

7.10 Parking. Garages and parking areas on the Property shall be used only for parking of vehicles owned or leased by Owners and Occupants and their guests, and such other incidental uses as may be authorized in writing by the Association. The use of garages, driveways and other parking areas on the Property, and the types of vehicles and personal property permitted thereon, shall be subject to regulation by the Association, including without limitation the right of the Association to tow illegally parked vehicles or to remove unauthorized personal property. No boats, trailers, automobiles or other motor equipment, licensed or unlicensed, shall be stored or parked anywhere on any Unit except for short-term parking of less than 48 hours and then only on the Private Driveway of the Owner of said vehicles and equipment. Temporary guest parking and overnight parking on public streets are subject to City of Cottage Grove's parking ordinance.

7.11 Animals. No animal may be bred, kept or maintained anywhere on the Property except that two (2) dogs, two (2) cats or two (2) other household pets may be kept on the condition that they are not kept, bred or maintained for any commercial purpose and upon the further condition that they comply with the City of Cottage Grove ordinance for domestic pets. The word "animal" shall be construed in its broadest sense and shall include all living creatures except humans. The person in charge of the pet must clean up after it and the owner of the pet(s) causing any damage to the landscaping upon the Common Elements and/or Private Yard Area.

7.12 Quiet Enjoyment; Interference Prohibited. All Owners and Occupants and their guests shall have a right of quiet enjoyment in their respective Units, and shall use the Property in such a manner as will not cause a nuisance, nor unduly restrict, interfere with or impede the use of the Property by other Owners and Occupants and their guests. Nothing shall be done or kept on any Unit or part thereof which would (i) increase the rate of insurance on any other Unit over what the Owner of such other Unit, but for such activity, would pay without the prior written consent of the Board, or the appointed committee if so authorized by the Board; or (ii) which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Property or the buildings situated thereon shall be committed by any Owner or any invitee of any Owner and each Owner agrees to indemnify and hold harmless the Association and the other Owners from and against all loss resulting from any such damage or waste caused by such Owner or such Owner's invitees. No noxious, destructive or offensive activity shall be allowed on any Unit, nor shall anything be done thereon which may be or may become an annoyance or nuisance to any other Owner or any other Person at any time lawfully residing on the Property.

7.13 Trash. No Unit shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste. No part of any Unit may be used at any time for the storage or abandonment of junked automobiles or other motor equipment. Garbage, rubbish and trash shall not be kept on any Unit except in sanitary containers. All equipment used or kept for the storage or disposal of such materials shall be kept in a clean and sanitary condition inside a garage.

7.14 Compliance with Law. No use shall be made of the Property which would violate any then existing municipal codes or ordinances (including, but not limited to, the municipal 10-foot side yard setback, 30-foot front yard setback and 30-foot rear yard setback requirements), or state or federal laws, nor shall any act or use be permitted which could cause waste to the Property, cause a material increase in insurance rates on the Property, or otherwise cause any unusual liability, health or safety risk, or expense, for the Association or any Owner or Occupant.

7.15 Soil Removal. Except as approved by the Board, or the appointed committee if so authorized by the Board, no sod, soil or gravel shall be sold or removed from any Unit. All soil or gravel available from any excavation for the construction or alteration of any Dwelling or any appurtenance on any Unit and by whomsoever owned shall be hauled and disposed of to other points within the boundaries of the Property at the discretion of the Board or such committee. Except as approved by the Board, or committee thereof, the finished landscaping, sod and shrubbery shall not be removed, added to or altered in any manner.

7.16 Trees. No live trees or shrubs shall be removed, damaged or altered in appearance except in connection with initial construction by Declarant or except as approved by the Architectural Control Committee. Nothing in this section, however, shall prevent careful removal of dead trees or diseased or damaged limbs of live trees.

Nothing contained in the foregoing provisions of this Section 7 or in the following provisions of Section 8 shall be construed to limit the rights of Declarant to alter the Property or to construct or modify improvements thereon, or to limit the manner in which such improvements, alterations, or modifications may be made as to Units owned by Declarant.

## SECTION 8. ARCHITECTURAL CONTROL

8.1 Restrictions on Alterations. The following restrictions and requirements shall apply to alterations on the Property:

- a. Except as expressly provided in this Section 8, and except for alterations made by Declarant in connection with its initial sale of a Unit, no structure, building, addition, deck, patio, fence (whether of vegetation or otherwise), wall, enclosure, window, exterior door, sign, display, decoration, color change, shrubbery, material topographical or landscaping change, nor any other exterior improvements to or alteration of any Dwelling or any other part of a Unit which is visible from the exterior of the Unit (collectively referred to as "alterations"), shall be commenced, erected or maintained in a Unit, unless and until the plans and specifications showing the nature, kind, shape, height, color, materials and locations of the alterations shall have been approved in writing by the Board or a committee appointed by it. Notwithstanding the foregoing, Declarant's written consent shall also be required for alterations until Declarant no longer owns any unsold Unit and has no further rights to add Additional Real Estate to the Common Interest Community. In addition, any alteration shall comply with City of Cottage Grove building permit as applied to Property.
- b. The criteria for approval shall include and require, at a minimum, (i) substantial uniformity of color, size, location, type and design in relation to existing improvements and topography; (ii) comparable or better quality of materials as used in existing improvements; (iii) ease of maintenance and repair; (iv) adequate protection of the Property, the Association, Owners and Occupants from liability and liens arising out of the proposed

alterations; (v) compliance with governmental laws, codes and regulations; (vi) compliance of color and exterior materials with City requirements; and (vii) that the requested alteration shall not result in identical building design and/or exterior color in adjacent Units.

- c. Approval of alterations which encroach upon another Unit or the Common Elements shall create an appurtenant easement for such encroachment in favor of the Unit with respect to which the alterations are approved; provided, that any easement for a deck or patio other than as originally constructed shall be approved by resolution of the Board and a file of such resolutions shall be maintained permanently as a part of the Association's records.
- d. Alterations described in Section 16 shall be governed by that Section.

8.2 Review Procedures. The following procedures shall govern requests for alterations under this Section:

- a. Detailed plans, specifications and related information regarding any proposed alteration (the "Plans"), in form and content acceptable to the Board shall be submitted to the Board at least sixty (60) days prior to the projected commencement of construction. No alterations shall be commenced prior to approval.
- b. In the event the Board has not delivered written approval of the Plans within sixty (60) days after the Plans have been submitted to it, the Plans will be deemed to be disapproved.
- c. The Plans are required to be submitted by first class mail, registered or certified, postage prepaid and return receipt requested or delivered personally to the Board.

8.3 Remedies for Violations. The Association may undertake any measures, legal or administrative, to enforce compliance with this Section and shall be entitled to recover from the Owner causing or permitting the violation all attorneys' fees and costs of enforcement, whether or not a legal action is started. Such attorneys' fees and costs shall be a lien against the Owner's Unit and a personal obligation of the Owner. In addition, the Association shall have the right to enter the Owner's Unit and to restore any part of the Dwelling or Unit to its prior condition if any alterations were made in violation of this Section, and the cost of such restoration shall be a personal obligation of the Owner and a lien against the Owner's Unit.

## SECTION 9. MAINTENANCE

9.1 Common Area and Center Islands. The Association shall provide for all maintenance, repair or replacement (collectively referred to as "Maintenance") of the Common Elements, Entrance Monuments, Center Islands and Berm Area (except for any landscaping

materials which are installed by any Owner within the Berm Area, the maintenance of which shall be the responsibility of the Owner). With regard to the Center Islands, the Association's maintenance obligations shall continue until such time as the City of Cottage Grove directs the Association to discontinue the same, there exists no vegetation to maintain or upon the request of the Association, the City of Cottage Grove granting the Association permission to discontinue the maintenance of the Center Islands.

9.2 Maintenance by Owner. Except for the exterior maintenance to be provided by the Association under Section 9.1, all maintenance of the Dwellings and Units shall be the sole responsibility and expense of the Owners thereof. The Association may require that any exterior maintenance to be performed by the Owner be accomplished pursuant to specific uniform criteria established by the Association.

#### **SECTION 10. DECLARANT'S LANDSCAPING REQUIREMENT**

Prior to the initial sale of any Unit, Declarant shall cause to be installed in the front yard of each Unit landscaping materials with a minimum of a retail value of \$1,000.00. After said initial installation, Declarant shall have no responsibility for the maintenance of said landscaping materials (subject to applicable warranties).

#### **SECTION 11. INSURANCE**

11.1 Required Coverage. The Association shall obtain and maintain, at a minimum, a master policy or policies of insurance in accordance with the insurance requirements set forth in the Act. The Association may also obtain and maintain the following types of insurance:

- a. Fidelity bond or insurance coverage against dishonest acts on the part, of directors, officers, manager, trustee, employees or persons responsible for handling funds belonging to or administered by the Association if deemed to be advisable by the Board.
- b. Workers' Compensation insurance as required by law.
- c. Directors and officers liability insurance with such reasonable limits and coverages as the Board shall determine from time to time.
- d. Such other insurance as the Board may determine from time to time to be in the best interests of the Association and the Owners.

11.2 Premiums; Improvements; Deductibles. All insurance premiums shall be assessed and paid as a Common Expense.

**SECTION 12.**  
**RECONSTRUCTION, CONDEMNATION AND EMINENT DOMAIN**

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

12.2 Approval of Board. If a Unit is partially or totally damaged or destroyed by fire or other casualty, no such reconstruction shall be commenced without the written approval of the plans and specifications therefor by the Board.

**SECTION 13.**  
**EASEMENTS**

13.1 Easement for Maintenance, Repair, Replacement and Reconstruction. Each Unit, and the rights of the Owners and Occupants thereof, shall be subject to the rights of the Association to an exclusive, appurtenant easement on and over the Units for the purposes of maintenance, repair, replacement and reconstruction of the Units, utilities serving the Units, landscaping, waterways, lawn sprinkling, signage and monuments, to the extent necessary to fulfill the Association's obligations under the Governing Documents.

13.2 Berm Easement. The Property shall be subject to a non-exclusive easement in favor of the Association over the Berm Area to construct, maintain, repair and replace a berm.

13.3 Entrance Monument Easement. Lot 1, Block 2, Pine Summit 1<sup>st</sup> Addition ("Lot 1") shall be subject to a non-exclusive easement in favor of the Association over that portion of Lot 1 legally described on Exhibit D and graphically depicted on Exhibit D-1 to construct, maintain, repair and replace the Entrance Monument.

13.4 Continuation and Scope of Easements. Notwithstanding anything in this Declaration to the contrary, in no event shall an Owner or Occupant be denied reasonable access to his or her Unit or the right to utility services thereto. The easements set forth in this Section shall supplement and not limit any easements described elsewhere in this Declaration or recorded, and shall include reasonable access to the easement areas through the Units and the Common Elements for purposes of maintenance, repair, replacement and reconstruction.

**SECTION 14.**  
**COMPLIANCE AND REMEDIES**

Each Owner and Occupant, and any other Person owning or acquiring any interest in the Property, shall be governed by and comply with the provisions of the Act, the Governing Documents, the Rules and Regulations, the decisions of the Association, and such amendments thereto as may be made from time to time. A failure to comply shall entitle the Association to the relief set forth in this Section, in addition to the rights and remedies authorized elsewhere by the Governing Documents and the Act.

14.1 Entitlement to Relief. The Association may commence legal action to recover sums due, for damages, for injunctive relief or to foreclose a lien owned by it, or any combination thereof, or an action for any other relief authorized by the Governing Documents or available at law or in equity. Legal relief may be sought by the Association against any Owner, or by an Owner against the Association or another Owner, to enforce compliance with the Governing Documents, the Rules and Regulations, the Act or the decisions of the Association. However, no Owner may withhold any assessments payable to the Association, or take (or omit) other action in violation of the Governing Documents, the Rules and Regulations or the Act, as a measure to enforce such Owner's position, or for any other reason.

14.2 Consensus for Association Action.

- a. Notwithstanding anything contained herein to the contrary and except as provided in this Section, the Association may not commence a legal proceeding or an action under this Section without the approval of at least two-thirds of the Members. A Member representing Units owned by Persons other than the Member shall not vote in favor of bringing or prosecuting any such proceeding unless authorized to do so by a vote of Owners of two-thirds of the total number of Units represented by the Member. This Section shall not apply, however, to (i) actions brought by the Association to enforce Governing Documents (including, without limitation, the foreclosure of liens); (ii) the imposition and collection of assessments; (iii) proceedings involving challenges to ad valorem taxation; or (iv) counterclaims brought by the Association in proceedings instituted against it.
- b. Notwithstanding anything contained herein to the contrary and prior to the Association or any Member commencing any proceeding to which Declarant is a party, including, but not limited to an alleged defect of any improvement, Declarant shall have the right to be heard by the Members, or the particular Member, and to access, inspect, correct the condition of, or redesign any portion of any improvement as to which a defect is alleged, or otherwise correct the alleged dispute.

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

- a. Commence legal action for damages or equitable relief in any court of competent jurisdiction.
- b. Impose late charges of up to 15% of each late payment of an assessment or installment thereof.

- c. In the event of default of more than 30 days in the payment of any assessment or installment thereof, all remaining installments of assessments assessed against the Unit owned by the defaulting Owner may be accelerated and shall then be payable in full if all delinquent assessments, together with all costs of collection and late charges, are not paid in full prior to the effective date of the acceleration. Reasonable advance written notice of the effective date of the acceleration shall be given to the defaulting Owner.
- d. Foreclose any lien arising under the provisions of the Governing Documents or under law, in the manner provided for the foreclosure of mortgages by action or under a power of sale.

14.4 Alternative Method for Resolving Disputes. Declarant, its officers, directors, employees and agents; the Association, its officers, directors and committee members; all Persons subject to this Declaration; any builder, its officers, directors, employees and agents; and any Person not otherwise subject to this Declaration who agrees to submit to this Section (each such entity being referred to as a "Bound Party") agree to encourage the amicable resolution of disputes, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit those claims, grievances or disputes described in Section 14.5 (collectively, "Claims") to the procedures set forth in Section 14.6.

14.5 Claims. Unless specifically exempted below, all Claims between any of the Bound Parties regardless of how the same might have arisen or on what it might be based including, but not limited to Claims (a) arising out of or relating to the interpretation, application or enforcement of the Governing Documents or the rights, obligations and duties of any Bound Party under the Governing Documents; (b) relating to the design or construction of improvements; (c) based upon any statements, representations, promises, warranties, or other communications made by or on behalf of any Bound Party shall be subject to the provisions of Section 14.6.

Notwithstanding the above, unless all parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 14.6:

- a. any suit by the Association against any Bound Party to enforce the provisions of Section 6 (Assessment for Common Expenses);
- b. any suit by the Association or Declarant to obtain a temporary restraining order or injunction (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to act under and enforce the provisions of Section 7 (Restrictions on Use of Property) or Section 8 (Architectural Control);
- c. any suit between or among Owners, which does not include Declarant, a builder or the Association as a party, if such suit asserts a claim which would constitute a cause of action independent of the Governing Documents; and

- d. any suit in which any indispensable party is not a Bound Party.

With the consent of all parties hereto, any of the above may be submitted to the alternative dispute resolution procedures set forth in Section 14.6.

#### 14.6 Mandatory Procedures.

- a. Notice. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") (the Claimant and the Respondent referred to herein being individually as a "Party," or collectively as the "Parties") shall notify each Respondent in writing (the "Notice"), stating plainly and concisely:
  - (i) the nature of the Claim, including the persons involved and Respondent's role in the Claim;
  - (ii) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);
  - (iii) the proposed remedy; and
  - (iv) the fact that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.
- b. Negotiation and Mediation.
  - (i) The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the parties in negotiation.
  - (ii) If the Parties do not resolve the Claim within 30 days after the date of the notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), Claimant shall have 30 days to submit the Claim to mediation under the auspices of the American Arbitration Association ("AAA") in accordance with the AAA's Commercial or Construction Industry Mediation Rules, as appropriate.
  - (iii) If Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to any Person other than the Claimant.

- (iv) Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the Parties. If the Parties do not settle the Claim within 30 days after submission of the matter to the mediation, or within such other time as determined by the mediator or agreed to by the Parties, the mediator shall issue a notice of termination of the mediation proceeding ("Termination of Mediation"). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.

Each Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall share equally all charges rendered by the mediator. If the Parties agree to a resolution of any Claim through negotiation or mediation in accordance with Section 14.6 and any Party thereafter fails to abide by the terms of such agreement, then any other Party may file suit or initiate arbitration proceedings to enforce such agreement without the need to again comply with the procedures set forth in Section 14.6. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement, including without limitation, attorneys' fees and court costs.

c. Binding Arbitration.

- (i) Upon Termination of Mediation, Claimant shall thereafter be entitled to initiate final, binding arbitration of the Claim under the auspices of the AAA in accordance with the AAA's Commercial or Construction Industry Arbitration Rules, as appropriate. Such Claim shall not be decided by or in a court of law. Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction over such Claim. If the Claim amount exceeds \$250,000.00, the dispute shall be heard and determined by three arbitrators. Otherwise, unless mutually agreed to by the parties, there shall be one arbitrator. Arbitrators shall have expertise in the area(s) of dispute, which may include legal expertise if legal issues are involved.
- (ii) Each Party shall bear its own costs and expenses and an equal share of the arbitrator's and administrative fees of arbitration. Notwithstanding the foregoing, if a Party unsuccessfully contests the validity or scope of arbitration in a court of law, the non-contesting party shall be awarded reasonable attorneys' fees and expenses incurred in defending such contest. All decisions respecting the arbitrability of any Claim shall be decided by the arbitrator(s).

- (iii) The award of the arbitrator(s) shall be accompanied by detailed written findings of fact and conclusions of law. Except as may be required by law or for confirmation of an award, neither a Party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of the other Parties.

14.7 Costs of Proceeding and Attorneys' Fees. With respect to any collection measures which the Association takes, whether or not finally determined by a court or arbitrator, the Association may assess the violator and his, hers, or its Unit with any expenses incurred in connection with such enforcement, including, without limitation, fines or charges previously imposed by the Association, reasonable attorneys' fees, and interest (at the highest rate allowed by law) on the delinquent amounts owed to the Association.

14.8 Amendment of Article. Without the express prior written consent of Declarant, this Section may not be revoked and/or amended for a period of twenty (20) years from the effective date of this Declaration.

## SECTION 15. SPECIAL DECLARANT RIGHTS

Declarant hereby reserves exclusive and unconditional authority to exercise the following Special Declarant Rights within the meaning of Section 515B.1-103(31) of the Act for as long as it owns a Unit, or for such shorter period as may be specifically indicated:

15.1 Complete Improvements. To complete all the Units and other improvements indicated on the Plat, or otherwise included in Declarant's development plans or allowed by the Declaration, and to make alterations in the Units and Common Elements to accommodate its sales facilities.

15.2 Relocate Boundaries and Alter Units. To relocate boundaries between Units and to otherwise alter Units owned by it, to the extent permitted by Section 16.

15.3 Sales Facilities. To construct, operate and maintain a sales office, management office, model Units and other development, sales and rental facilities within the Common Elements and any Units owned by Declarant from time to time, located anywhere on the Property.

15.4 Signs. To erect and maintain signs and other sales displays offering the Units for sale or lease, in or on any Unit owned by Declarant and on the Common Elements.

15.5 Easements. To have and use easements, for itself, its employees, contractors, representatives, agents and prospective purchasers through and over the Common Elements for the purpose of exercising its Special Declarant Rights.

15.6 Control of Association. To control the operation and administration of the Association, including without limitation the power to appoint and remove the members of the

Board pursuant to Section 515B.3-103 of the Act, until the earliest of: (i) voluntary surrender of control by Declarant, (ii) an Association meeting which shall be held within 60 days after conveyance to Owners other than a Declarant of 75% of the total number of Units authorized to be included in the Property or (iii) the date five (5) years following the date of the first conveyance of a Unit to an Owner other than a Declarant. Notwithstanding the foregoing, the Owners other than a Declarant shall have the right to nominate and elect not less than 33 1/3% of the directors at a meeting of the Owners which shall be held within 60 days following the conveyance by Declarant of 50% of the total number of Units authorized to be included in the Property.

15.7 Consent to Certain Amendments. As long as Declarant owns any unsold Unit, Declarant's written consent shall be required for any amendment to the Governing Documents or Rules and Regulations which directly or indirectly affects or may affect Declarant's rights under the Governing Documents.

15.8 Add Additional Real Estate. Add Additional Real Estate to the Property as described in Section 20 herein.

## **SECTION 16. RIGHTS TO RELOCATE UNIT BOUNDARIES AND ALTER UNITS**

16.1 Rights to Relocate Boundaries and Alter Units. Existing or future Units may be altered and Unit boundaries may be relocated only in accordance with the following conditions:

- a. Combining Units. An Owner may make improvements or alterations to such Unit or, may, after acquiring an adjoining Unit, remove or alter any intervening partition or create apertures therein in accordance with Section 515B.2-113 of the Act and Subsection d of this Section.
- b. Relocation of Boundaries. The boundaries between adjoining Units may be relocated in accordance with Section 515B.2-114 of the Act and Subsection d of this Section.
- c. Subdivision or Conversion. No additional Units may be created by the subdivision or conversion of a Unit (within the meaning of the Act) into two or more Units, nor into other Units or Common Elements except in accordance with Section 7.2.
- d. Requirements. The alteration, relocation of boundaries or other modification of Units or the Dwellings or other structures located therein (collectively referred to herein as "alteration" or "alterations") pursuant to this Section, Section 8, and the Act may be accomplished only in accordance with the following conditions:
  - (i) No Unit may be altered if, thereafter, the Dwelling located therein, or any other Dwelling affected by the alteration, would no longer be habitable or practicably usable for its intended purpose or would

violate any law, code or ordinance of any governmental authority having jurisdiction over the Property.

- (ii) No alteration may be made which adversely affects the structural or functional integrity of any building system or the structural support or weather-tight integrity of any portion of any building or other structure.
- (iii) The prior written consent of the Association shall be required for any alteration, except alterations by Declarant. Where required, such consent shall be requested in writing by each Owner whose Unit is proposed to be altered, accompanied by such explanation, drawings and specifications relating to the proposed alterations as may be reasonably required by the Association or the first mortgagee of the Unit. The Association shall give such Owner(s) notice in an expeditious manner, granting, denying or qualifying its consent.
- (iv) As a precondition to consenting to alterations the Association may require, among other things, the following: (i) that all alterations will be done in a workmanlike manner and without impairing the structural, mechanical or weather-tight integrity of the Building; (ii) that the Common Elements and altered Units will be repaired and/or restored in the future as required by the Association; (iii) that the construction of the alterations will not create dangerous conditions for any Owners or Occupants; (iv) that the Property, the first mortgagees and the Owners and Occupants will be protected from liens and other liability arising from the alterations; and (v) that the alterations will be done in compliance with the applicable laws, regulations and ordinances of the governmental authorities having jurisdiction over the Property.
- (v) The Association may require that the Owners of the Units to be altered pay all costs of processing and documentation for the request and the preparation and recording of any necessary amendment to the Governing Documents, including without limitation such costs as filing, architects' and attorneys' fees incurred by the Association in connection with the alterations.

#### **SECTION 17. AMENDMENTS**

Except for amendments which the Declarant may execute to add Additional Real Estate to the Common Interest Community, this Declaration may be amended by the consent of (i) Owners of Units to which are allocated at least sixty-seven percent (67%) of the votes in the Association and (ii) the consent of Declarant to certain amendments as provided in Section 15.7. Consent of the Owners may be obtained in writing or at a meeting of the Association duly held in accordance

with the Bylaws. Consent of Declarant shall be in writing. Any amendment shall be subject to any greater requirements imposed by the Act. The Amendment shall be effective when recorded as provided in the Act. An affidavit by the Secretary of the Association as to the outcome of the vote, or the execution of the foregoing agreements or consents, shall be adequate evidence thereof for all purposes, including, without limitation, the recording of the amendment.

## SECTION 18. MISCELLANEOUS

18.1 Severability. If any term, covenant or provision of this instrument or any exhibit attached hereto is held to be invalid or unenforceable for any reason whatsoever, such determination shall not be deemed to alter, affect or impair in any manner whatsoever any other portion of this instrument or exhibits.

18.2 Construction. Where applicable the masculine gender of any word used herein shall mean the feminine or neutral gender, or vice versa, and the singular of any word used herein shall mean the plural, or vice versa. References to the Act, or any section thereof, shall be deemed to include any statutes amending or replacing the Act, and the comparable sections thereof.

18.3 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 pursuant to the Act, 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.

18.4 Notices. Unless specifically provided otherwise in the Governing Documents or the Act, all notices required to be given by or to the Association, the Board, the Association officers or the Owners or Occupants shall be in writing and shall be effective upon hand delivery, or mailing if properly addressed with postage prepaid and deposited in the United States mail.

18.5 Conflicts Among Documents. In the event of any conflict among the provisions of the Act, the Declaration, the Bylaws or any Rules or Regulations approved by the Association, the Act shall control. As among the Declaration, Bylaws and Rules and Regulations, the Declaration shall control, and as between the Bylaws and the Rules and Regulations, the Bylaws shall control.

## SECTION 19. TERMINATION

The Common Interest Community may be terminated, in whole or in part, only by the affirmative vote of 80% of the Owners, and the consent of at least 80% of the first mortgagees of the Units (each mortgagee having one vote per Unit financed). All procedures, appraisals and disposition of proceeds following any termination of the Common Interest Community shall be governed by the applicable provisions of the Act.

**SECTION 20.**  
**ADDITIONAL REAL ESTATE**

20.1 Right. Declarant reserves the right to record one or more amendments to this Declaration adding all or any part of the Additional Real Estate to the Common Interest Community. The right to add Additional Real Estate will expire on the date which is seven (7) years after the date Declarant records this Declaration. If, prior to the expiration of the seven (7) year period, Declarant determines that will not add all or any portion of the Additional Real estate to the Common Interest Community, Declarant may record a statement to that effect in the office of the County Recorder of Washington County, and upon the recording of the statement Declarant's right to add the Additional Real Estate described in the statement to the Common Interest Community will terminate.

20.2 Additions. Declarant may add portions of the Additional Real Estate at different times. Declarant makes no assurances regarding the configuration or boundaries of the portions of the Additional Real Estate which Declarant may add to the Common Interest Community. Declarant makes no assurances as to the order in which Declarant will add portions of Additional Real Estate to the Common Interest Community. Declarant makes no assurances that Declarant will add any of the Additional Real Estate to the Common Interest Community.

20.3 Number of Units. Declarant may create a maximum of two hundred fifty (250) Units on the Additional Real Estate. All Units created on the Additional Real Estate shall be restricted to residential use subject to Section 7.

20.4 Compatibility. Any and all buildings and Units on the Additional Real Estate, when and if added, will be compatible with the other buildings and Units in the Common Interest Community in terms of the quality of construction. In recognition of ongoing developments in the field of housing construction and energy supply, and changes in consumer demand for housing, Declarant makes no assurance with regard to the architectural style, the principal materials which may be employed in the construction or the size of the Units or buildings, if any, erected upon the Additional Real Estate when and if the Additional Real Estate is added to the Common Interest Community.

20.5 Restrictions. All restrictions contained in this Declaration which affect the use, occupancy or alienation of Units will apply to all Units created on any Additional Real Estate which Declarant adds to the Common Interest community. An amendment which adds Additional Real Estate to the Common Interest Community may contain additional restrictions as may be necessary to reflect the different character of the Additional Real Estate which is the subject of the amendment. Any additional restrictions contained in an amendment to this Declaration shall affect only the Additional Real Estate described in the amendment.

20.6 Notice. Before recording an amendment adding Additional Real Estate to the Common Interest Community, Declarant shall serve notice of its intention to add Additional Real Estate as provided for in the Act. If Declarant complies with the Act and the Declaration, Declarant may add the Additional Real Estate without the approval or consent of the Association or any Owner. Any assurances set forth in this Declaration regarding Additional Real Estate shall not



**COMMON INTEREST COMMUNITY NO. 150**

**PINE SUMMIT**

**EXHIBIT A TO DECLARATION**

**SCHEDULE OF UNITS/LEGAL DESCRIPTION OF PROPERTY**

Lots 1 through 6, inclusive, Block 1;  
Lots 1 through 19, inclusive, Block 2;  
Lots 1 through 14, inclusive, Block 3;  
All in Pine Summit 1<sup>st</sup> Addition, Washington County, Minnesota.

**NOTE:** Each Unit's unit identifier is its lot and block number and the subdivision name.

**COMMON INTEREST COMMUNITY NO. 150**

**PINE SUMMIT**

**EXHIBIT B TO DECLARATION**

**LEGAL DESCRIPTION OF COMMON ELEMENTS**

NONE

**COMMON INTEREST COMMUNITY NO. 150**

**PINE SUMMIT**

**EXHIBIT C TO DECLARATION**

**LEGAL DESCRIPTION OF ADDITIONAL REAL ESTATE**

Outlots A, B, D, H, I and J, Pine Summit 1<sup>st</sup> Addition,  
Washington County, Minnesota;

**COMMON INTEREST COMMUNITY NO. 150**

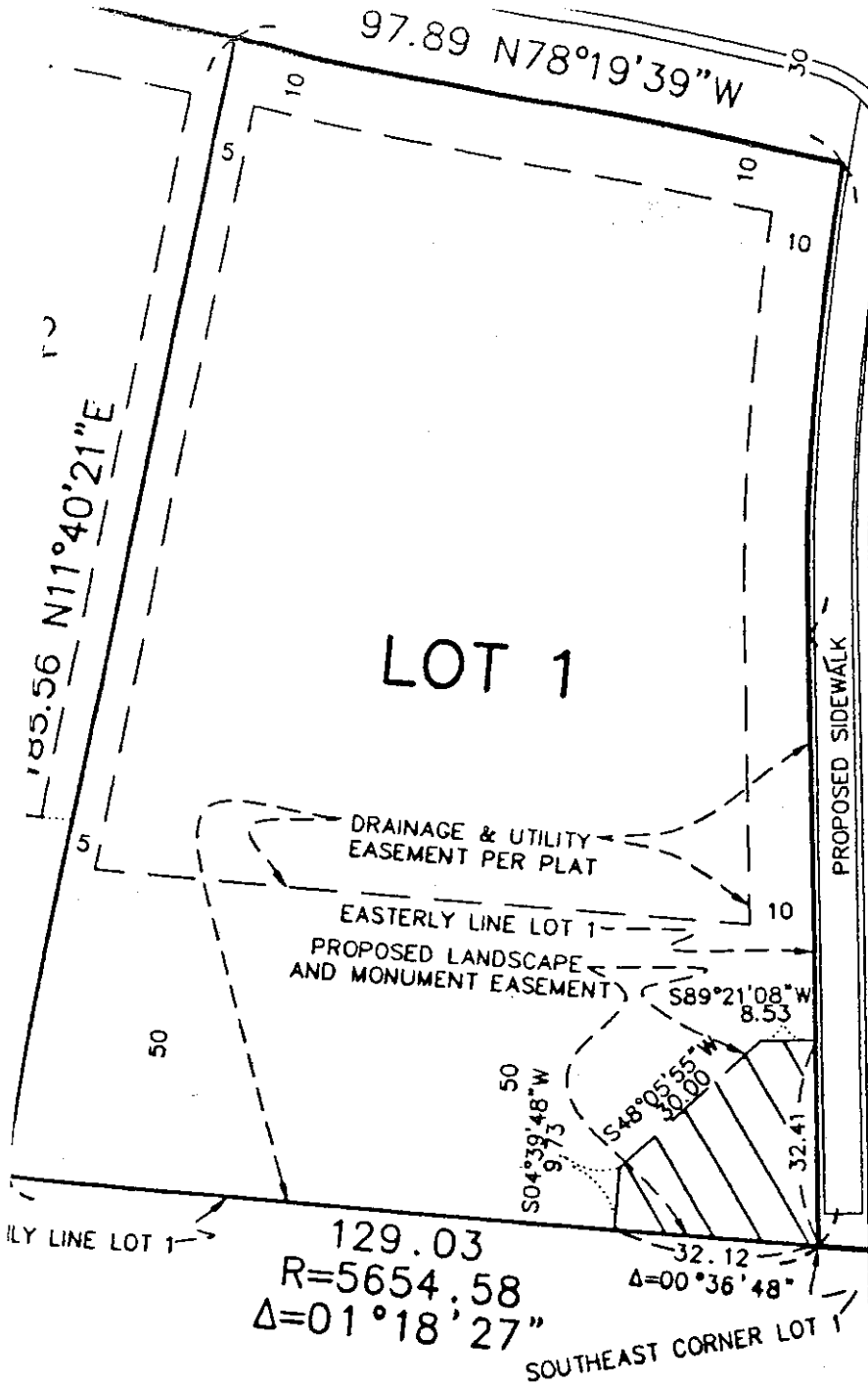
**PINE SUMMIT**

**EXHIBIT D TO DECLARATION**

**LOT 1 ENTRANCE MONUMENT LEGAL DESCRIPTION**

That part of Lot 1, Block 2, Pine Summit 1st Addition, Washington County, Minnesota, described as follows:

Beginning at the southeast corner of said Lot 1; thence North 00 degrees 38 minutes 52 seconds West, assumed bearing along the easterly line of said Lot 1, a distance of 32.41 feet; thence South 89 degrees 21 minutes 08 seconds West a distance of 8.53 feet; thence South 48 degrees 05 minutes 55 seconds West a distance of 30.00 feet; thence South 04 degrees 39 minutes 48 seconds West a distance of 9.73 feet to the southerly line of said Lot 1; thence easterly along said southerly line a distance of 32.12 feet to the point of beginning.



LOT 1

97.89 N78°19'39"W

185.56 N11°40'21"E

75.89  
R=420.00  
Δ=10°21'10"

AVENUE Δ=17°39'36"  
R=360.00

DRAINAGE & UTILITY  
EASEMENT PER PLAT

EASTERLY LINE LOT 1  
PROPOSED LANDSCAPE  
AND MONUMENT EASEMENT

PROPOSED SIDEWALK

97.68 N00°38'52"W

GRANADA

117.16 S00°38'52"E

129.03  
R=5654.58  
Δ=01°18'27"

SOUTHEAST CORNER LOT 1

SOUTHWEST CORNER  
OF OUTLOT J

EXHIBIT  
D-1

70TH STREET SOUTH

(C.S.A.H. NO. 22)  
(WASHINGTON COUNTY HIGHWAY RIGHT OF WAY PL

**DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS**

U.S. HOME CORPORATION, a Delaware corporation ("Declarant"), does hereby declare, establish and impose upon the following described premises, to-wit: The tract of land lying and being in the County of Washington and State of Minnesota, described as follows, to-wit:

Outlot J, Pine Summit 1<sup>st</sup> Addition, Washington County,  
Minnesota (the "Encumbered Property")

the following covenants, conditions, restrictions and reservations, which are for the benefit of each platted single family residential lot ("Lot") subject to that certain Declaration dated September \_\_\_, 2000, executed by Declarant, and establishing the planned community (CIC No. 150) Pine Summit (the "Development"), and shall inure to and operate as restrictions, covenants and conditions running with the land and passing with the conveyance of the Encumbered Property as a servitude in favor of Pine Summit Single Family Homeowners' Association, a Minnesota nonprofit association (the "Association), and every Lot, and shall be binding upon the Declarant, and upon its successors and assigns:

1. Landscaping and Maintenance Responsibility. The Association is hereby granted a non-exclusive easement to, at its own cost and expense, maintain any landscaping materials (including without limitation grass, trees, shrubs, and other plantings) and any sign and monument, improvements and fencing constructed within the real property legally described on attached Exhibit A and graphically depicted on attached Exhibit B (the "Monument Area"), by Declarant or its respective agents (collectively the "Improvements").

2. Removal. The owner of the Encumbered Property shall not remove, relocate or destroy any of the Improvements located within, on or about the Monument Area.

3. Limitations. Notwithstanding anything contained herein to the contrary, the covenants, conditions and restrictions herein do not give any person except the Association and/or its employees, agents or contractors the right of access to the Encumbered Property and/or Monument Area.

4. Term of Covenants, Conditions and Restrictions. The covenants, conditions and restrictions stated herein and the obligations thereunder shall run with the land and be binding upon any owner of the Encumbered Property, and such owner's heirs, assigns and successors in interest.



## EXHIBIT A

### Monument Area Legal Description

That part of Outlot J, Pine Summit 1<sup>st</sup> Addition, Washington County, Minnesota described as follows:

Beginning at the Southwest corner of said Outlot J; thence North 00 degrees 38 minutes 52 seconds West, assumed bearing along the westerly line of said Outlot J, a distance of 29.28 feet; thence North 89 degrees 21 minutes 08 seconds East a distance of 9.82 feet; thence South 43 degrees 02 minutes 58 seconds East a distance of 30.00 feet; thence South 03 degrees 21 minutes 52 seconds West a distance of 9.29 feet to the southerly line of said Outlot J; thence westerly along said southerly line a distance of 29.48 feet to the point of beginning.



**DISCLOSURE STATEMENT**

**PINE SUMMIT**  
**Common Interest Community Number 150**  
**(Planned Community)**  
**Cottage Grove, Minnesota**  
**Orrin Thompson Homes**  
**A Division of U.S. Home Corporation**  
**(Seller and Declarant)**  
**8421 Wayzata Boulevard, Suite 300**  
**Golden Valley, MN 55426**

The information in this Disclosure Statement is accurate as of \_\_\_\_\_, 2000.

**ATTACHMENTS**

Declaration and any Amendments thereto  
Bylaws  
Articles of Incorporation  
Balance Sheet and Projected Annual Budget during the year Unit was first conveyed to a purchaser  
Current Annual Budget  
Copy of M.S. 515B.4-112, 515B.4-113, 515B.4-114, 515B.4115 and 327A  
U.S. Home Warranty

**RECEIPT**

I (We) hereby acknowledge receipt of a copy of the booklet containing the foregoing disclosure documents and information for Pine Summit.

DATED: \_\_\_\_\_

UNIT: \_\_\_\_\_

This Disclosure Statement is furnished pursuant to the requirements of the Minnesota Common Interest Ownership Act, Minnesota Statutes Section 515B.4-102. Prospective Purchasers are not to construe the contents of this Disclosure Statement or any pages appended hereto or any communication in connection herewith as legal or tax advice. Each Purchaser should consult his own counsel and tax adviser as to legal and tax matters and related matters concerning this purchase.

The following information is provided pursuant to the requirements of the Minnesota Common Interest Ownership Act, Minnesota Statutes Section 515B.4-102.

(a) Name and principal address of the Declarant ("Seller"):

Orrin Thompson Homes  
A Division of U.S. Home Corporation  
8421 Wayzata Boulevard, Suite 300  
Golden Valley, Minnesota 55426

Address, name and number of Common Interest Community ("CIC"):

Pine Summit  
(Planned Community)  
CIC No. 150  
Cottage Grove, Minnesota

(b) General description of the Common Interest Community:

The Planned Community CIC shall initially contain thirty-nine (39) residential single family detached units. The buildings shall be of new construction and will be one or two-story and of frame construction. The exteriors will be sheathed in maintenance free siding. At least two-car garages for each residential unit are to be built within the building. There are no recreational facilities, common rooms, or similar amenities. No unit shall have been previously occupied, except any unit which was used as a model unit or otherwise used by Declarant for sales purposes. Any roads, trails or utilities located on the common elements that the Association will be required to maintain are shown on the CIC Plat.

It is contemplated, subject to construction delay, that the initial structure should be completed by January, 2001. Each unit will be substantially completed at the time of conveyance to Purchaser. If each unit were not so completed, Declarant would be responsible for completing and paying for the construction of the unit. The project may be expanded to include the additional real estate noted within the Declaration as sales progress. There is no further fixed schedule for construction of additional units at this time. There is no representation made herein that any such additional buildings or units, beyond the initial building, will be constructed.

All of the items which are shown on the Floor Plans as in existence or as "must be built" (as part of each phase) will be completed substantially contemporaneously with the last completed unit (in that phase) subject to weather or seasonal restrictions. No units may be added to the CIC beyond those included in the Declaration.

All units are to be used exclusively for residential use. Any improvements within any additional real estate added to the CIC will be similar to and compatible with the initial buildings in the CIC in terms of architectural style, floor plan, quality of construction, principal materials employed in construction and size, except that the Declarant reserves the right to employ different materials and designs as may be required by law or as may economically facilitate construction and/or in the face of changing market conditions.

- (c) The CIC will initially consist of thirty-nine (39) units. The CIC may be expanded to include the additional real estate noted within the Declaration. If all presently planned dwellings are constructed, the CIC will consist of a total of Two Hundred Eighty-Nine (289) units.

The Declarant has no present intention to rent or market blocks of units to investors, but reserves the right to do so in the face of changing market conditions.

- (d) Copies of the Declaration, Bylaws of the Association and Articles of Incorporation for the Association are attached hereto. There are no additional rules and regulations, although the Directors of the Association have the right to promulgate the same. There are no contracts or leases to which the unit owners or Association will be subject and which may not be canceled upon 30 days notice by the Association except such as have been included with this package.
- (e) A projected budget for the Association for the first full or partial year during which a unit is conveyed to a unit owner other than Declarant is attached hereto. No projected budget for future years has been adopted by the Association. The project budget was prepared by Declarant.
- (f) There are no supplies and services not reflected in the budget or projected budget referred to above which the Declarant provides, or expenses which it pays and which it expects may become at any subsequent time, a common expense of the Association.
- (g) At closing the Purchase Agreement provides that the Association dues shall be prorated and that Purchaser shall deposit into the working capital fund established by Declarant an amount equal to two (2) months' Association assessments (said amounts shall not be credited towards future monthly Association assessments due from Purchaser). Purchaser will be billed annually by the Association for dues. The initial projected annual Association assessment is \$100.00.

- (h) There shall be no assessments levied against any model unit(s) of Declarant until the later of (i) the end of the period of Declarant control or (ii) the date of the conveyance of the model unit to a purchaser other than Declarant; if as a result of the foregoing exemption of Declarant's model units from assessment there shall be a deficiency of assets necessary to pay common expenses, Declarant shall contribute to the Association all funds in excess of the levied assessments which shall be necessary to pay common expenses. Declarant's contribution, if any, for the calendar year during which Declarant's control terminates shall be prorated to the date of such termination. For purposes thereof, the establishment of reserves pursuant to the Declaration does not constitute payment or incurring of costs by the Association and Declarant's deficiency contribution shall not be required to be applied to the establishment of reserves.

If a Common Expenses Assessment has been levied, any unit owned by Declarant for initial sale shall be assessed at the rate of 25% of the assessment levied on other units of the same type until a certificate of occupancy has been issued with respect to such unit by the municipality in which the unit is located. There are no assurances that this alternative assessment program will have no effect on the level of services for items set forth in the Association's budget.

- (i) The liens, defects or encumbrances on or affecting the title to the CIC after the contemplated conveyance shall be as follows:
- i) Existing roads and utilities;
  - ii) Utility and drainage easements as shown on recorded plat;
  - iii) The provisions of Minnesota Common Interest Ownership, Minnesota Statutes Sections 515B.1-101 to 515B.4-118, including the reservation to the Association of a maintenance easement over portions of certain Units;
  - iv) The provisions of the Declaration, Bylaws and Common Interest Community Plat (and any amendments thereto) of record as of the date of closing;
  - v) The lien of real estate taxes against the unit (including installments of special assessments and interest thereon payable therewith, if any), due and payable in the year of closing and thereafter and special assessment hereafter levied;
  - vi) Applicable building and zoning laws and other regulations and ordinances;
  - vii) The rights of Purchaser therein, if any, and any liens, encumbrances, or other interests created or suffered to be created due to act or omission of Purchaser;

- viii) Mineral rights of the State of Minnesota;
- ix) Any other matter noted on the Common Interest Community Plat (or any amendments thereto); and
- x) Subdivision Agreement with the City of Cottage Grove.
- (j) There are no delinquent real estate taxes for the unit or any real property owned by the Association, if any. The real estate taxes, including special assessments have not been separately assessed against each unit.
- (k) To the best of Declarant's actual knowledge, after reasonable inquiry, there are no unsatisfied judgments or lawsuits to which the Association is a party.
- (l) Financing, if any, offered by Declarant at the date of this statement is described in any attachment. If no such description is attached, no such financing is then offered.
- (m) Any earnest money paid in connection with the purchase of a unit will be held by Declarant in an escrow account until closing or until termination of the Purchase Agreement, and will be returned to the Purchaser, subject to the terms set forth in the Purchase Agreement, if the Purchaser cancels the Purchase Agreement pursuant to Minnesota Statutes Section 515B.4-106. If the Purchaser elects to cancel a Purchase Agreement pursuant to that section, the Purchaser may do so by giving written notice to Declarant either in person or by first class mail in an envelope addressed to Declarant, postage prepaid. Cancellation is without penalty and all payments made by the Purchaser before cancellation shall be refunded promptly.

Declarant shall act as escrow agent for all earnest money paid by Purchaser. Declarant's address is as follows:

Orrin Thompson Homes  
8421 Wayzata Boulevard, Suite 300  
Golden Valley, Minnesota 55426

- (n) The insurance provided for the CIC is as set forth in Section 11 of the Declaration, a copy of which is attached hereto.
- (o) There are no current or expected fees or charges other than assessments for Common Expenses, to be paid by unit owners for the use of Common Elements or any other improvements or facilities.
- (p) Declarant acknowledges that it is bound by the terms of Minnesota Common Interest Ownership Act, Section 515A.4-112 (express warranties) and 515B.4-113 (implied warranties) and 515B-4.114 (exclusion or modification of implied warranties), 515B.4-115 (statute of limitations for warranties) and Minnesota

Statutes Chapter 327A (statutory warranties), copies of which are reproduced and attached hereto, along with a copy of information regarding the U.S. Home Warranty. Declarant hereby disclaims any express representation or warranty except with respect to description of the quantity or extent of the real estate comprising the CIC, subject to customary tolerances.

- (q) The CIC has not received any final project approval from the following governmental agencies:

|              |   |
|--------------|---|
| <u>  X  </u> | Federal National Mortgage Association (FNMA)    |
| <u>  X  </u> | Federal Home Loan Mortgage Corporation (FHLMC)  |
| <u>  X  </u> | Department of Housing & Urban Development (HUD) |
| <u>  X  </u> | Department of Veteran Affairs (VA)              |

- (r) No special financing arrangements have been made to provide for completion of all improvements that the Declarant is obligated to build pursuant to the Minnesota Common Interest Ownership Act.
- (s) The Pine Summit Single Family Homeowners' Association, Inc. will not be a member of a master association.
- (t) Please note the following:

#### STATUTORY NOTICES

##### Cancellation.

- i) Within 10 days after receipt of a Disclosure Statement, a Purchaser may, prior to conveyance, cancel any Purchase Agreement of a unit from Declarant (Orrin Thompson Homes);
- ii) If a Declaration fails to provide a Disclosure Statement in substantial compliance with the Minnesota Statutes to a Purchaser before conveying a unit, that Purchaser may recover from the Declarant the amount of \$1,000.00, in addition to any damages or other amounts recoverable under the Minnesota Common Interest Ownership Act; and
- iii) If a Purchaser receives the Disclosure Statement more than 10 days before he/she signs a Purchase Agreement, he/she cannot cancel the agreement.
- iv) The following notice is required by Minnesota Statutes. The Declarant has reserved in the Declaration certain rights to add additional real estate. These rights allow Declarant to add units or

common elements to a common interest community and to make other changes to the community over a specified period of time. These changes may have a substantial effect upon the units or rights of units owners by changing relative voting power and share of common expenses, by increasing the number of persons using the common elements, by altering the size and appearance of the common interest community, and by making other changes which may affect the value or utility of the units. A purchaser of units in this common interest community should consider the possible effects of the Declarant's rights reserved for this project. Declarant's right to add additional real estate is contained in Section 20 of the Declaration.

- (u) The Declarant shall promptly amend this Disclosure Statement to reflect any material change in the information required by Minnesota Statutes Section 515B.4-102.
- (v) Pursuant to the Declaration, an owner's ability to alter a unit is limited. The Board of Directors of the Association or a committee appointed by it, may establish guidelines for architectural control for such items, but not limited to, as flowers, gardens, additional landscaping, trees and shrubs. These guidelines may be subject to change depending on future actions of the Board of Directors, the architectural control committee appointed by it, if any, and/or the unit owners.

428984\_1



**Architectural Guidelines**  
**For**  
**Pine Summit**  
**Homeowner Association**

# Homeowner Association Architectural Control

Several documents were recorded on your lots when you bought your home. One in particular specified general conditions as to the exterior appearances of your home and lots. It also defined property rights, association membership, voting rights, assessments and maintenance of common areas. And it described architectural control and a committee responsible for enforcing it.

## Section 8

### Architectural Control

8.1 Restrictions on Alterations. The following restrictions and requirements shall apply to alteration on the Property:

- a) Except as expressly provided in this Section 8, and except for alterations made by Declarant in connection with its initial sale of a Unit, no structure, building, addition, deck, patio, fence (whether of vegetation or otherwise), wall, enclosure, window, exterior door, sign display, decoration, color change, shrubbery, material topographical or landscaping change, nor any other exterior improvements to or alteration of any Dwelling or any other part of a Unit which is visible from the exterior of the unit (collectively referred to as "alterations"), shall be commenced, erected or maintained in a Unit, unless and until the plans and specifications showing the nature, kind, shape, height, color, materials and locations of the alterations shall have been approved in writing by the Board or a committee appointed by it. Notwithstanding the foregoing, Declarant's written consent shall also be required for alterations until Declarant no longer owns any unsold Unit and has no further rights to add Additional Real Estate to the property.
- b) The criteria for approval shall include and require, at a minimum, (I) substantial uniformity of color, size, location, type and design in relation to existing improvements and topography, (ii) comparable or better quality of materials as used in existing improvements, (iii) ease of maintenance and repair, (iv) adequate protection of the Property, the Association, Owners and Occupants from liability and liens arising out of the proposed alterations, and (v) compliance with governmental laws, codes and regulations.
- c) The criteria set forth are guidelines to protect the harmony and beauty of the Pine Summit sub-division. These guidelines are meant to be flexible; meaning they can be changed by the Board of Directors at any time.

# Understanding The Application Process

Before you submit your application to the Architectural Control Committee, please make sure you consult the City of City of Cottage Grove. Cottage Grove and the State of Minnesota have strict ordinances on exterior structures and landscaping. Things like buildings, pools and decks may also require a city permit and inspection before, during and after you build them. Please contact the City's Planning Department (651-458-2800) to get the information and approval you'll need.

The Architectural Control Committee will not consider your application unless you have paid in full all Association dues for the present year and do not owe outstanding dues from previous years. Please contact the Association Treasurer if you are not sure you have fulfilled this important obligation.

Although your neighbors do not have the authority to approve or deny your plans, the Architectural Control Committee strongly urges you to notify your immediate neighbors. While each owner has the property right to make changes in your home and lot, your neighbors have to live with the changes too.

Your application must consist of (1) an application form, (2) detailed plans and pictures and (3) a maintenance agreement when required. Often, sales brochures of the product you intend to install will help the Committee members when they review your application. If you are hiring professionals, you should include their plans and drawings as well.

After completing the application, send it an all accompanying documentation to the Architectural Control Committee:

c/o Orrin Thompson Homes  
Attn: Pine Summit Architectural Control Committee  
8421 Wayzata Boulevard, Suite 300  
Golden Valley, MN 55426

You must use certified mail. For your protection, all correspondence with the Architectural Control Committee should be via certified mail.

The Architectural Control Committee has sixty (60) days to respond to your application. If it does not, your application is deemed not approved per the homeowner documents. You may get a call from the Architectural Control Committee to schedule a visit by its members. This gives you the opportunity to show your plans to them in person and how your project will eventually appear.

After reviewing your application, the committee may take one of three actions: it may approve; it may deny; or it may approve your application with recommendations and conditions.

If the Committee approves your application, you will have two years to complete it unless it says otherwise. **You may not proceed with your changes without Association approval.** Under the Covenants and By-laws of the Association, the Association may use its legal right to remove any changes to your house or property (at your expense) that have not been approved, if required, by the Architectural Control Committee.

## Some Definitions

Here are some definitions you'll need as you read this section.

**approval required:** You must submit an application to the Control Committee for your architectural change.

**covenant:** A legal restriction, condition or easement recorded on a lot in the development. All lots are bound by the covenants. Changes to the covenants require the approval of seventy five percent the Association membership.

**guideline:** The guidelines are to help clarify the homeowner documents. Remember that these are only guidelines and may be subject to changes. Also, future Boards of Directors and/or homeowners may change these guidelines and/or add additional guidelines. Orrin Thompson Homes and/or future Boards of Directors cannot guarantee that these guidelines may not change and/or be revised.

**maintenance agreement:** An agreement stating that you will maintain the improvement. If you fail to do so the Association can maintain it and charge the costs to you.

# Guidelines

## Clothesline Poles



**Approval:** You may not install a permanent clothesline pole. Temporary clotheslines do not require approval.

**Guidelines:** You may use a temporary clothesline or clothesline pole if you take it down after each use.

## Landscaping



**Guidelines:** Your front yard must be sodded or seeded. Check with Cottage Grove's ordinances for easement areas requiring drainage, traffic and utility obstructions.

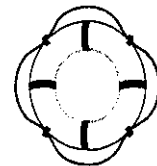
## Mailboxes



**Guidelines:** Standard mailboxes will be provided and installed by Orrin Thompson Homes. Homeowner is responsible for care and maintenance.

## Pools:

**Approval:** Required



Maintenance

Agreement: Required

Guidelines: All pools must be no closer than ten (10) feet from all property lines, behind your home and below grade. The City of Cottage Grove requires that all pools be enclosed by a fence that is at least 4 feet high and not to exceed 6 feet (see restrictions on fences). The fence must also have a self closing and self latching gate with provisions for locking. Must also meet with the approval of the City of Cottage Grove.

Others The Committee reserves the right to deny approval for size, location, materials and shape. Above-ground pools are not allowed except wading pools for children. Landscaping may be required and must be installed one (1) year after pool has been installed.

**Hot Tubs**



Approval: Required

Maintenance

Agreement: Required

Guidelines: Your hot tub must be no closer than ten feet from your property lines, covered and secured when not in use, behind your house and must meet professional standards of quality and workmanship. Must also meet with the approval of the City of Cottage Grove.

Other: The Committee reserves the right to deny approval for size, location, materials and shape. Additional landscaping may be

required and must be installed one (1) year after hot tub has been installed.

### **External Antennas**

**Guidelines:** You may not install any external antenna on your house or property.



### **Satellite Dishes**

**Approval:** Required

**Guidelines:** Only satellite dishes no greater than 18 inches in diameter are allowed.

### **Sheds**



**Approval:** Required

**Maintenance**

**Agreement:** Required

**Guidelines:** Must meet with the City of Grove's ordinances and permitting. Sheds must be no higher than 10 feet and no more than 100 square feet large. Must be built on a concrete pad, match existing siding and shingles and have one overhead door of no larger than 6 feet by 8 feet. All sheds must be no closer than 10 feet to any property

line and be behind your home. All shed applications must be accompanied by a maintenance agreement binding the owner of the shed to maintain it and the landscaping around it.

The Committee may require landscaping or a landscape plan as part of your shed application. You have one year from the time you install your shed to complete the landscaping.

### **Patios**



Approval: Required

Guidelines: Your patio must be located behind your house, be level, and meet professional standards of quality and workmanship, no more than 120 sq. ft. in size.

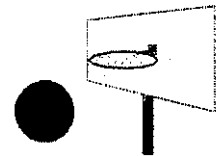
### **Decks**



Approval: Required

Guidelines: Must meet with the City of Cottage's ordinances and permitting. All decks must be painted, stained or constructed of a maintenance free material (vinyl is acceptable).

### **Basketball Poles**

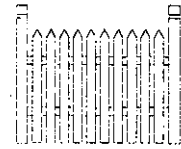


Approval: Required

Pole Guidelines: Pole can be placed in front yards next to asphalt driveway.  
Pole can not be mounted to homes. Poles are not allowed in rear yards.

Other: The Association reserves the right to require the homeowner to maintain poles.

## **Fences**



Approval: Required

### **Maintenance**

Agreement: Required

Guidelines: Your fence must have a maximum height of four (4) feet, and must be constructed of cedar, green treated lumber, maintenance free vinyl or a vinyl chainlink which is green or black in color. Any paintable material must be painted white or stained an earth tone shade. It also must be in your rear yard and meet professional standards of quality and workmanship. All fences must be installed by a professional contractor and cannot have privacy slats. No privacy fences allowed. Special condition for fences around pools will be required, per City of Cottage Grove ordinance (see guidelines for pools).

Other Fences on corner lots must have a minimum setback of 20 feet from the side-yard property line. Fencing along 65<sup>th</sup>, 70<sup>th</sup> and major collector roads shall be constructed of materials that are uniform in color and design. The selected material will be black vinyl coated chain link. A signed maintenance agreement

is required. All fence applications must be accompanied by a maintenance agreement binding the owner of the fenced property to maintain the fence and the landscaping around it.

The Committee may require landscaping or a landscape plan as part of your fence application. You have one year from the time you install your fence to finish your landscape plan.

## **Play Equipment**

Approval: Required

Guidelines: Children's play equipment is allowed only in rear yards. Play equipment must be maintained. Play equipment does not include any baseball, tennis or other "courts".

## **Kennels**



Approval: Required.

Guidelines: Animal kennels must be adjacent to the rear of the house, kept clean, no more than forty square feet in area, have a concrete slab and black or gray vinyl coated chain-link fence with a maximum height of six (6) feet, and adjacent to the rear portion of your home. Landscape adjacent to kennels may be required for screening. All kennels must have a concrete slab.

MAINTENANCE AGREEMENT

Improvements shall be maintained in accordance with the following conditions and rules:

(a) If, in the opinion of the Homeowner Association, the owners of Lot have failed to provide: adequate maintenance and repair of any fence within the property; adequate control of surface water drainage; adequate construction and/or maintenance and repair, including staining or painting, of any fence which is the responsibility of owners of Lot; then duly authorized agents of the Association may enter upon Lot and perform such: maintenance, staining, painting and repair of said fence; control of surface water drainage; as the Association shall have deemed necessary.

(b) If the Homeowner Association performs maintenance or makes repairs pursuant to this Declaration, then the Association may assess the cost of said maintenance and/or repairs directly against the owner of Lot, which payment will be paid promptly to the Association. The Association's rights to remedy said payment shall be the same effect of nonpayment of Assessment as provided in Section 13, Compliance and Remedies.

In witness whereof, the undersigned, being the owners of Lot \_\_\_\_ Block \_\_\_\_  
Preserve \_\_\_\_ Addition has hereunto set its hands as of the \_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_.

By \_\_\_\_\_

By \_\_\_\_\_

# Pine Summit

11/19/06

Dear Homeowner:

The following are the updated Board Approved Rules and Regulations for the Pine Summit Single Family Homeowners Association (PSSFHOA). Please insert these Rules and Regulations into your PSSFHOA binder and remove the current section titled Architectural Guidelines. Please make sure to keep these Rules and Regulations for future reference. It is the Homeowners responsibility to make sure that the proper forms are submitted, and approval is received from the PSSFHOA, prior to work being done to your home/property as is described in the Rules and Regulations. New Architectural Application and Maintenance Agreement forms, with the address to our new management company, are enclosed.

Thank You.

Pine Summit Single Family Homeowners Association Board

# Pine Summit

Architectural Rules and Regulations  
For  
Pine Summit Single Family  
Homeowners Association, Inc.

Cottage Grove, MN

# Homeowners Association

## Architectural Control

Several documents were recorded on your lot when you bought your home. One in particular, The Declaration, specified general conditions as to the exterior appearances of your home and lot. It also defined property rights, association membership, voting rights, assessments, and maintenance of common areas. This document also described architectural control and a committee responsible for enforcing it. Below is a copy of this document from The Declaration.

### Section 8

#### Architectural Control

8.1 Restrictions on Alterations. The following restrictions and requirements shall apply to alteration on the property:

- a) Except as expressly provided in this Section 8, and except for alterations made by Declarant in connection with its initial sale of a Unit, no structure, building, addition, deck, patio, fence (whether of vegetation or otherwise), wall, enclosure, window, exterior door, sign, display, decoration, color change, shrubbery, material topographical or landscaping change, nor any other exterior improvements to or alteration of any Dwelling or any other part of a Unit which is visible from the exterior of the unit (collectively referred to as "alterations"), shall be commenced, erected or maintained in a Unit, unless and until the plans and specifications showing the nature, kind, shape, height, color, materials and locations of the alterations shall have been approved in writing by the Board or a committee appointed by it. Notwithstanding the foregoing, Declarant's written consent shall also be required for alterations until Declarant no longer owns any unsold Unit and has no further rights to add Additional Real Estate to the property.
- b) The criteria for approval shall include and require, at a minimum, (i) substantial uniformity of color, size, location, type and design in relation to existing improvements and topography, (ii) comparable or better quality of materials as used in existing improvements, (iii) ease of maintenance and repair, (iv) adequate protection of the Property, the Association, Owners and Occupants from liability and liens arising out of the proposed alterations, and (v) compliance with governmental laws, codes and regulations.
- c) The criteria set forth are guidelines to protect the harmony and beauty of the Pine Summit Single Family Homeowners sub-division. These guidelines are meant to be flexible; meaning they can be changed by the board of Directors at any time.

## The Application Process

Before you submit your application to the Architectural Control Committee, please make sure you consult the City of Cottage Grove. Cottage Grove and the State of Minnesota have strict ordinances on exterior structures and landscaping. Things like buildings, pools, and decks may require a city permit and inspection before, during and after you build them. In addition to submitting your application with the Architectural Control Committee, please contact the City's Planning Department (651-458-2800) to get information and approval that you will need from them.

The Architectural Control Committee will not consider your application for approval unless you have paid in full all Association dues for the present year and do not owe outstanding dues from previous years. Please contact the Association's Management Company if you are not sure that you have fulfilled this obligation.

Although your neighbors do not have the authority to approve or deny your plans, the Architectural Control Committee strongly urges you to notify your immediate neighbors. While each owner has the property right to make changes to their property and home, your neighbors do have to live with the changes too.

Your application must consist of (1) an application form, (2) detailed plans and pictures in the form and content acceptable to the Board and (3) a maintenance agreement when required. Often, sales brochures of the product you intend to install will help the Committee members when they review your application. If you are hiring professionals, you should include their plans and drawings as well.

After completing the application, send it and all accompanying documentation to the Architectural Control Committee at the address listed on the application. For your protection, all correspondence with the Architectural Control Committee should be via certified mail.

The Architectural Control Committee has sixty (60) days to respond to your application. If it does not, your application is deemed not approved per the homeowner documents. You may get a call from the Architectural Control Committee to schedule a visit by its members. This gives you the opportunity to show your plans to them in person and explain how your project will eventually appear.

After reviewing your application, the committee may take one of three actions: it may approve the application as is, approve the application with recommendations and conditions, or deny application.

If the committee approves your application, you will have two years to complete the project, unless the application states otherwise. **You may not proceed with changes without Architectural Committee approval.** Under the Covenants and By-laws of the Association, the Association may use its legal right to remove any changes to your house or property (at homeowner expense) that have not been approved, if required, by the Architectural Control Committee.

## Some Definitions

Here are some definitions you'll need as you read this section.

**Approval required:**

You must submit an application to the Architectural Control Committee for your architectural change. Contact the Association's Management Company or Board of Directors for an application.

**Covenant:**

A legal restriction, condition, or easement recorded on a lot in the development. All lots are bound by the covenants. Changes to the covenants require the approval of seventy-five percent (75%) of the Association membership. The rules and regulations that follow, may be changed at any time by the board with no required approval by the membership.

**Rules & Regulations:**

The Rules & Regulations are to help clarify the homeowner documents. The Board of Directors for the Association may change these and/or add additional Rules & Regulations. Future Boards of Directors cannot guarantee that these Rules & Regulations may not be changed and/or be revised.

**Maintenance Agreement:**

An agreement stating that you will maintain the improvement. If you fail to do so the Association can maintain it and charge the costs to you.

# Rules and Regulations

## Landscaping and Outdoor Structures



**Approval:** Required for any landscaping plans altering the topography of your yard and/or adding outdoor structures (retaining walls, gazebos, ponds, fountains, etc.).

**Maintenance Agreement:** Required

**Guidelines:** Your yard must be sodded or seeded. Check with Cottage Grove's ordinances for easement areas requiring drainage, traffic and utility obstructions. Please refer to Section 7.15, 7.16, and 8.1 of the Declaration for further details.

## Mailboxes



**Guidelines:** Initially, standard mailboxes will be provided and installed by Orrin Thompson Homes. The homeowner is responsible for the care and maintenance of box and replacement, if necessary (must be replaced with the same standard mailbox). If the post should become damaged and/or need to be replaced, the Association should be notified (through their management company).

## External Antennas

**Guidelines:** You may not install any external antenna on your house or property. Please refer to section 7.7 of the Declaration for further details.

## Satellite Dishes



**Approval:** Required

**Guidelines:** Only satellite dishes no greater than 18 inches in diameter are allowed. It must be placed on the back or side of your home and may not be seen from the street. Please refer to section 7.7 of the Declaration for further details.

## Patios

Approval: Required



Guidelines: Your patio must be level and meet professional standards of quality and workmanship.

## Decks

Approval: Required



Maintenance Agreement: Required

Guidelines: Must meet the City of Cottage Grove's ordinances and permitting. All decks must be painted, stained, or constructed of a maintenance free material (vinyl is acceptable).



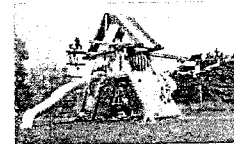
## Kennels

Approval: Required

Guidelines: Animal kennels must be adjacent to the rear portion of the home, kept clean, no more than forty (40) square feet in area, have a concrete slab and black or gray vinyl coated chain-link fence with a maximum height of six (6) feet. Landscape adjacent to kennel may be required for screening.

## Play Equipment

Approval: Required



Maintenance Agreement: Required

Guidelines: Children's play equipment is allowed only in rear yards. Play Equipment must be maintained. Constructed playhouses must meet the same requirements as sheds. Please refer to section 7.8 of the Declaration for further details.

## Sports Facilities

Approval: Required



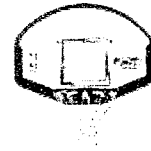
Guidelines: No sports facility, whether temporary or permanent in nature, may be erected on the property. This includes, but is not limited to, rinks, courts, batting cages, etc.

## Basketball Poles

Approval: Required

Maintenance Agreement: Required

Guidelines: Basketball poles can be placed in front yards next to an asphalt driveway. The pole/backboard cannot be mounted to any part of the home. Poles of a temporary or permanent nature may not be placed in rear yards. Please refer to section 7.8 of the Declaration for further details. The Association reserves the right to require the homeowner to maintain pole and backboard.



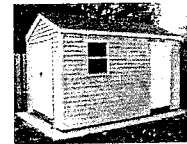
## Sheds

Approval: Required

Maintenance Agreement: Required

Guidelines: Must meet the City of Cottage Grove's ordinances and permitting. Sheds must be no higher than ten (10) feet and no more than one hundred (100) square feet large. Sheds must be built on a concrete pad, match existing siding and shingles, and have a door no larger than six (6) feet by eight (8) feet. All sheds must be no closer than ten (10) feet to any property line and behind your home. All shed applications must be accompanied by a maintenance agreement binding the owner of the shed to maintain it and the landscaping around it. Constructed playhouses need to meet these same requirements.

The Committee may require landscaping or a landscape plan as part of your shed application. You have one year from the time you install your shed to complete the landscaping.



## Clothesline Poles

Approval: You may not install a permanent clothesline pole. Temporary clothes lines do not need approval.

Guidelines: You may use a temporary clothesline or clothesline pole if you take it down after each use.

## Pools

Approval: Required



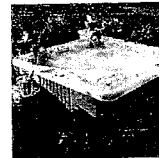
Maintenance Agreement: Required

Guidelines: All pools must be no closer than ten (10) feet from all property lines, behind your home and below grade. The City of Cottage Grove requires that all pools be enclosed by a fence that is at least four (4) feet high and not to exceed six (6) feet. Please see further restrictions in the fence section of the rules and regulations. The fence must also have a self closing and self latching gate with provisions for locking. Must also meet the approval of the City of Cottage Grove.

The Committee reserves the right to deny approval for size, location, materials and shape. Above-ground pools are not allowed except wading pools for children. Landscaping may be required and must be installed within one (1) year after the pool has been installed.

## Hot Tubs

Approval: Required



Maintenance Agreement: Required

Guidelines: Your hot tub must be no further than fifteen (15) feet from your home, no closer than ten (10) feet from your property lines, or located underneath a deck, covered and secured when not in use, behind your house, and must meet professional standards of quality and workmanship. Must also meet the approval of the City of Cottage Grove.

Any privacy screens/fencing must also meet the approval of the Committee. Please see the fence section of the Rules and Regulations for further restrictions.

Other: The Committee reserves the right to deny approval for size, location, materials and shape. Additional landscaping may be required and must be installed within one (1) year after hot tub has been installed.

## Fences

Approval: Required

Maintenance Agreement: Required



### Yard Fence Guidelines:

Your fence must have a maximum height of four (4) feet, and must be constructed of cedar, maintenance free vinyl, black vinyl coated chain link, or other board approved systems which are submitted for review along with neighbor approval in writing. Any paintable material must be painted white or stained an earth tone shade within one (1) year of installation. Fences must be in your rear yard and meet professional standards of quality and workmanship. All fences must be installed by a professional contractor and cannot have privacy slats. No privacy fences are allowed. Special condition for fences around pools may be necessary per the City of Cottage Grove ordinance (see pool fence section). In addition to the cities ordinances, approval must be obtained from the Association Board.

### Fencing - Specific lots:

- 1) Lots along 70th Street:  
Fences may extend out to the easement lines. Fencing for these lots shall be black vinyl coated chain link.
- 2) Lots on Wildflower along 65th Street:  
Fencing is not advised. Landscaping and shrubbery should be considered as an alternative. In any case, fencing must be inside berms and not extend above them (which makes fencing on these lots much less utile) and be black vinyl coated chain link.
- 3) Lots on Bluestem Lane along 65th Street :  
Fencing may extend to the lot line but must provide access to Association landscaping and maintenance. Fencing for these lots shall be black vinyl coated chain link.

### General Fencing Notes - Additional to Rules:

- 1.) Fences should be a minimum of 2 feet from sidewalks and walking paths. This is to provide clearance for sidewalk plows in the winter.
- 2.) Drainage flows:  
It is important that any fence that crosses drainage contours be of a construction which allows free flow and is kept clean of debris or obstructions. This is to prevent any water back-up during heavy rains or spring thaws which could cause soggy areas on the property or water in the basement.

## Fences (continued)



### General Fencing Notes -

#### Additional to Rules (continued):

3.) Drainage Ponds and Ditches:

No fencing is to intrude into ponds or ditches. These areas are designed for the ecology and may need access for periodic maintenance.

4.) A signed maintenance agreement is required.

5.) The committee may require landscaping or a landscape plan as part of your fence application. You have one (1) year from the time you install your fence to finish your landscape plan.

### Pool Fence

**Guidelines:** In addition to yard fence guidelines, a fence of up to six (6) feet, maintenance free vinyl with privacy, may be allowed with board approval. This fence can only be surrounding the pool area, not the entire yard.

### Hot Tub Screen

**Guidelines:** In addition to yard fence guidelines, hot tub screens may be allowed with board approval. These screens can be composed of maintenance free vinyl which may include privacy or be constructed of material similar to the type and color of an existing deck to which the hot tub is located under or immediately next to.



November 21, 2006

Homeowners

**PINE SUMMIT SINGLE FAMILY HOMEOWNERS ASSOCIATION**

Cottage Grove, Minnesota 55016

Dear Pine Summit Homeowner:

Please be advised that our firm has been retained to assume management responsibilities at Pine Summit Single Family Homeowners Association effective November 1, 2006.

Our purpose is to provide the highest standards of management services at Pine Summit Single Family Homeowners Association on an ongoing basis. It is our goal to enhance Pine Summit Associations' reputation in the marketplace as a desirable, stable and well-managed single family residence. We intend to conduct association financial business in a professional and efficient manner as well as develop good relations with all homeowners and residents.

We would like to take this opportunity to briefly touch upon a few subject matters of immediate importance.

**ASSOCIATION FEE PAYMENTS** – Due to the change in management, Pine Summit Association will utilize a new banking institution effective November 1, 2006; consequently it will be necessary for homeowners to change their payment method. Enclosed please find a statement and pre-addressed envelope for payment of your **“June 2006-May 2007 Association Fees”** in the amount of \$144.00, **which is due in full no later than February 1, 2007**. Homeowners have the option to pay this amount in full, make payments, or use our automatic payment program (see below).

**AUTOMATIC PAYMENT PROGRAM** – For those of you interested in having your monthly association fee payments withdrawn directly from your checking account, please refer to the enclosed information regarding our AUTOMATIC PAYMENT PROGRAM.

**CORRESPONDENCE** - If you have correspondence or miscellaneous payments, please send them directly to the Gassen Company offices at 7275 Bush Lake Road, Edina, Minnesota, 55439.

**HOMEOWNER RECORDS** - You are respectfully requested to notify our Accounting Department if there are any discrepancies in the spelling of your name(s) or address.

We are pleased to be associated with Pine Summit Single Family Homeowners Association and are committed to providing the highest standards of management services. As a final note, we invite residents to call your Supervisor Tosh Tricas at 952-253-4932 (email: [ttricas@gassen.com](mailto:ttricas@gassen.com)), your Property Manager Debra Bremer at 952-253-4929 (email: [dbremer@gassen.com](mailto:dbremer@gassen.com)) or myself at 952-922-5575 if there is anything we can do to be of assistance, now or in the future. We look forward to a long, friendly and mutually beneficial business relationship with Pine Summit and all of its homeowners and residents.

Sincerely,

A handwritten signature in black ink, appearing to read "Kirk Gassen", with a long horizontal flourish extending to the right.

Kirk A. Gassen, CMCA  
Gassen Companies

Enclosures