

Receipt:# 332270

AMD \$46.00

Return to:  
SJOBORG & TEBELIUS PA  
2145 WOODLANE DR #101  
WOODBURY MN 55125

4078580



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8/11/2016 9:23 AM

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Office of the County Recorder  
Washington County, Minnesota  
*Jennifer Wagenius, County Recorder*

**Amendment of the Declaration of Covenants of  
Conditions and Restrictions and  
Amendment of the By Laws for  
Lake St. Croix Villas Homeowner's Association**

WHEREAS, on June 3, 1994, the Developer for the Lake St. Croix Villas executed, with the City of Lake St. Croix Beach, Washington County, Minnesota, a Developer's Agreement ("Developer's Agreement") Document No. 806216, and caused the same to be recorded in the office of County Recorder for the County of Washington in the State of Minnesota; and

WHEREAS, included as part of the recorded Developer's Agreement as Exhibit I were the By Laws for Lake St. Croix Villas Homeowner's Association ("By Laws") and Declaration of Covenants of Conditions and Restrictions for Lake St. Croix Villas Homeowner's Association ("Declaration"); and

WHEREAS, under Section 4. O. of the Developer's Agreement, modification of the permissible types of occupancy of the individual units is subject to the sole express written consent and approval of the City of Lake St. Croix Beach ("City"); and

WHEREAS, the Lake St. Croix Villas Homeowner's Association ("Association") has amended and updated its By Laws ("Amended By Laws") including but not limited to redefining "Owner Occupancy" attached hereto as Exhibit A; and

WHEREAS, the Association has also approved Amendments to the Declaration consistent with the definition of "Owner Occupancy" in the Amended By Laws by the execution of this Amendment by 75% of the Lot Owners as required by the Declaration, and the Amended Declaration is attached hereto as Exhibit B; and

WHEREAS, written approval of the Amendment of the Declaration and of the Amended By Laws is required by the City of Lake St. Croix Beach in accordance with the Developer's Agreement.

NOW, THEREFORE, in compliance with the provisions contained in the above referenced recorded documents, the City and the Association do hereby amend the By Laws and Declaration that are incorporated within the Developer's Agreement, as follows:

1. Article I, Section 2, of the Declaration is replaced with the following:

“Owner” shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any lot which is a part of the properties, including contract sales, but excluding those having interest merely as security for the performance of an obligation, and that at least one record owner for a lot must be age fifty-five (55) or older unless the property is owned by a deceased owner's estate.

2. Article IX Section 1 of the Declaration is amended to include the following:

“Owner Occupied” requires that the owner(s)'s Association Living Unit be the primary residence of the owner(s), or is the unoccupied property of a deceased owner's estate.

3. The Amended By Laws and Declaration attached hereto as Exhibits A and B, respectively, replace Exhibit I, in its entirety, of the Developer's Agreement Document No. 806216.

(The remainder of this page is left intentionally blank.)

IN WITNESS WHEREOF, the City and the current Lot Owners of the Property Lots identified in the Developer's Agreement have caused this Amendment to be duly executed on this 20<sup>th</sup> day of June, 2016.

City of Lake St Croix Beach

By: [Signature]  
Its: Mayor  
By: Susan Schuler  
Its: Clerk - Administrator

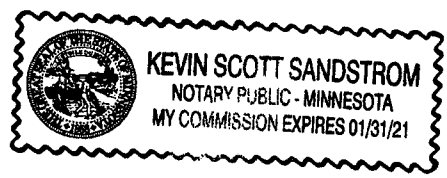
State of Minnesota )  
County of Washington ) ss

The foregoing instrument was acknowledged before me this 20<sup>th</sup> day of June, 2016, by Thomas McCarthy and Susan Schuler, the Mayor and City Administrator, respectively, of the City of Lake St. Croix Beach, Minnesota.

[Signature]

Notary Public, Washington County, MN

My Commission expires January 31, 2021



CERTIFICATE OF ADOPTION

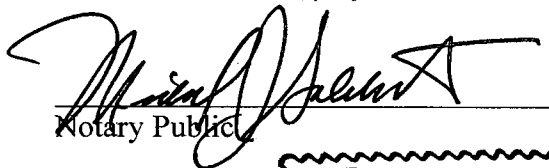
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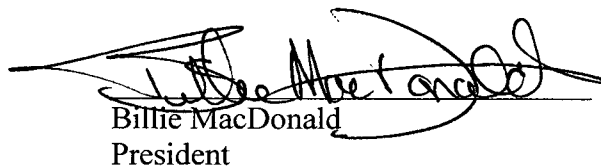
LAKE ST. CROIX VILLAS HOMEOWNERS ASSOCIATION

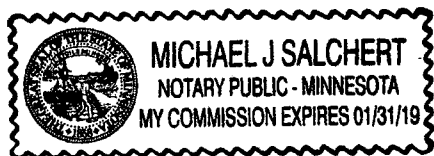
State of Minnesota )  
 ) ss.  
County of Washington )

The undersigned president of Lake St. Croix Villas Homeowners Association, a Minnesota nonprofit Corporation being first duly sworn on oath states and certifies that, pursuant to the applicable provisions of the Developer's Agreement including the Bylaws and Declaration for Lake St. Croix Villas Homeowners Association recorded in the office of Washington County Recorder as document No. 806216, the attached Amendment of the Declaration of Covenants of Conditions and Restrictions and Amendment of the By Laws for the Lake St. Croix Villas Homeowners Association has been duly approved by the required number of unit owners of Lake St. Croix Villas Homeowners Association in compliance with the requirements of the above referenced recorded Developers Agreement, Declaration, the Bylaws of the Association, and applicable Minnesota Statutes.

Subscribed and sworn to before me  
This 4<sup>th</sup> day of August, 2016.

  
Notary Public

  
Billie MacDonald  
President



This Instrument Drafted By;  
Michael Salchert  
Sjoberg & Tebelius, P.A.  
2145 Woodlane Drive, Suite 101  
Woodbury, MN 55125  
651-738-3433

## **EXHIBIT A**

### **AMENDED AND RESTATED BY-LAWS OF LAKE ST. CROIX VILLAS HOMEOWNERS ASSOCIATION A Minnesota Non-Profit Corporation Under the Laws of the State of Minnesota**

#### **ARTICLE I**

##### **IDENTITY**

These are the By-Laws of The Lake St. Croix Villas Homeowner's Association, a Minnesota non-profit corporation, hereinafter referred to as the "Association," the Articles of Incorporation which were adopted June 3, 1994 and subsequently filed in the office of the Minnesota Secretary of State, and are subject to the Declaration of Covenants of Conditions and Restrictions for the Lake St. Croix Villas Homeowners Association hereinafter referred to as the "Declaration." The Association has been organized for the purpose of administering the Association's townhomes, as provided for under Minnesota Statute Section 515B.

For the purposes of these By-Laws, terms specifically defined in the Declaration shall have the meaning ascribed to them therein. Meetings of the members and directors may be held at such places within the State of Minnesota, County of Washington, as may be designated by the Board of Directors ("Board").

#### **ARTICLE II**

##### **DEFINITIONS**

**Section 1.** "Association" shall mean and refer to Lake St. Croix Villas Homeowners Association, its successors and assigns.

**Section 2.** “Properties” shall mean and refer to that certain real property described in the Declaration and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

**Section 3.** “Common Areas” shall mean and refer to driveways and party walls between each unit.

**Section 4.** “Lot” shall mean and refer to any plot of land in the Properties upon which a Living Unit is situated whether or not the same is a platted lot.

**Section 5.** “Owner” shall mean and refer to the record owner, whether one or more persons, if more than one person, one owner must be age 55 or older, of the fee simple title to any Lot or Living Unit which is part of the Properties subject to the provisions provided for under Article XIII Section 3(a) of these Bylaws.

**Section 6.** “Declaration” shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the Registrar of Titles for Washington County, Minnesota.

**Section 7.** “Member” shall mean and refer to those persons entitled to membership as provided in the Declaration.

**Section 8.** “Living Unit” shall mean and refer to any portion of a building situated upon a Lot for use and occupancy by the record owner as a primary residence.

**Section 9.** “Exterior Maintenance” shall mean and refer to the repainting, restaining, repairing, replacement and reconditioning of roofs, gutters, downspouts and other exterior surfaces of Living Units, including driveways. Those items are listed under Article VIII, Section 5 of these Bylaws. Glass, including windows, and walkways are not included.

**Section 10.** “Lot Maintenance” shall mean that the Owners are responsible for maintenance of trees, plantings and sprinkler systems on their Lot.

**Section 11.** “Owner Occupant” shall mean the owner(s)’s Association Living Unit is the primary residence of the owner(s), or is the property of a deceased owner’s estate.

## ARTICLE III

### MEMBERSHIP AND VOTING RIGHTS

**Section 1.** Membership.

Every Owner of a Lot that is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to assessment.

**Section 2.** Voting Rights.

Only one member vote may be cast per Lot regardless if there is more than one owner of a Lot.

## ARTICLE IV

### MEETING OF MEMBERS

**Section 1.** Annual Meetings.

Regular annual meetings of the members shall be held on the fourth Thursday of July of each year, at the hour of 7 o'clock pm, and at a reasonably accessible location determined by the Board.

**Section 2.** Special Meetings.

Special meetings of the members may be called at any time by the president or by any two or more members of the Board of Directors, or upon written request of one-fourth (1/4) of the total number of members who are entitled to vote per Lot.

**Section 3.** 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, at least 15 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, date, and time of the meeting and, in the case of a special meeting, the purpose of the meeting.

**Section 4.** Quorum.

The presence at the meeting of 50% of the members entitled to vote, or of proxies thereof, shall constitute a quorum for any action except as otherwise provided in the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented by proxy at any meeting, the members present entitled to vote shall have the power to adjourn the meeting, without notice other than announcement at the meeting, until a quorum shall be present or represented.

**Section 5.** 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. Proxies shall not be accepted by the secretary unless validly executed by a member entitled to vote under these By-laws.

## ARTICLE V

### BOARD OF DIRECTORS: SELECTION/TERM OF OFFICE

**Section 1.** Number.

A Board of Directors shall govern the affairs of the Association. There shall be three (3) members of the Board of Director.

**Section 2.** Term of Office.

At each annual meeting, the members shall elect one director for a term of three (3) years. All directors shall serve until a qualified successor is duly elected.

**Section 3.** Removal.

Any director may be removed from the Board, with cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, a successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his/her predecessor.

**Section 4.** Compensation.

No director shall receive compensation for any services rendered to the Association. However, any director may be reimbursed for actual documented expenses incurred in the performance of his/her duties.



**Section 5.** Action Taken Without a Meeting.

The directors shall have the right to take any action in the absence of a meeting that they could take at a meeting by obtaining written approval of all the directors. Such approval may be made by electronic communication. Any action so approved shall have the same effect as though taken at a meeting of the directors. Such action must be documented at the next Board meeting.

## ARTICLE VI

### NOMINATION AND ELECTION OF DIRECTORS

**Section 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, but cannot be a director whose term is expiring, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors two (2) months before each annual meeting of the members. The Nominating Committee shall serve from the time of appointment to the close of the annual meeting, or until a Board of Directors is elected.

**Section 2.** Nominating Committee.

The Nominating Committee:

- (a) Shall make as many nominations for election to the Board of Directors as it shall in its sole discretion determine. Such nominations may be made from among members and from the Board, Co-owners may not serve on the board at the same time. Nominations may also be from the floor.
- (b) Shall provide a list of candidates and qualifications to be sent with the notice of the annual meeting.

**Section 3.** Election.

Election to the Board of Directors shall be by secret written ballot. At such election, the members or their proxies may cast a vote for each vacancy. Cumulative voting is not permitted. Directors may be elected to serve any number of consecutive terms.

## ARTICLE VII

### MEETINGS OF DIRECTORS

**Section 1.** Regular Meetings.

Regular meetings of the Board of Directors shall be held at least quarterly without notice, at such date, time and place as determined by the Board.

**Section 2.** Special Meetings.

Special meetings of the Board of Directors may be held when called by the president of the Association, or by any two directors, after notice is provided to each director. Notice may be in the form of a telephone call or email.

**Section 3.** Quorum.

A majority of the number of directors shall constitute a quorum for the transaction of business.

## ARTICLE VIII

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

**Section 1.** Powers. The Board of Directors shall have power to:

- (a) Adopt and publish rules and regulations governing the Association.
- (b) 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.
- (c) Employ independent contractors as they deem necessary and to prescribe their duties.
- (d) Cause the exterior of Living Units to be maintained, excluding windows.
- (e) Increase the annual assessment, as necessary, to be voted on at the annual meeting.

- (f) Exercise for the Association all powers, duties, and authority vested or delegated to this Association, and not reserved to the membership by other provisions of these Bylaws, or the Declaration.

**Section 2.** Duties. It shall be the duty of the Board of Directors to:

- (a) Cause to be kept a complete record of all its acts and affairs and to present a statement thereof at the annual meeting of the members, or at any other member meeting of the Association called for the purpose of reviewing the acts and affairs of the Board of Directors
- (b) Supervise all officers and independent contractors of the Association and see that their duties are properly performed.
- (c) Prepare a budget including proposed assessments to be voted on at the annual meeting, or other member meeting called for that purpose.
- (d) Issue, or cause an appropriate officer to issue, upon demand by any person, a resale disclosure certificate setting forth whether or not any assessment has been paid. The Board may make a reasonable charge for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

**Section 3.** Reserve Fund.

After consideration of the future requirements for exterior building and driveway maintenance, the Board of Directors shall have the power and authority to levy as part of the annual budget such sums as they shall determine necessary to provide for the payment of future Exterior and Common Area Maintenance.

**Section 4.** Investment of Reserve Fund.

It shall be the duty of the Board of Directors to identify, on a quarterly basis, that portion of the maintenance fees receipts that constitute reserve funds as defined in Article VIII, Section 3. The Board of Directors shall, on a quarterly basis, cause those funds to be invested in Certificates of Deposit or a savings account. No other investment of the reserve funds shall be permitted.

**Section 5.** Use of Reserve Fund – Definition of Exterior Maintenance.

- (a) Repainting of exterior trim on Living Units.

- (b) Splashing or repairing of stucco on Living Units.
- (c) Re-roofing on Living Units.
- (d) Resurfacing or replacement of driveways.
- (e) Other such maintenance that is in the interest of the Association.

## **ARTICLE IX**

### **OFFICERS AND THEIR DUTIES**

**Section 1.** Enumeration of Officers.

The officers of the Association shall be president and vice president, who shall at all times be members of the Board of Directors, and a secretary-treasurer.

**Section 2.** Appointment of Officers.

Appointment of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

**Section 3.** Term.

Each officer shall hold office for one (1) year or until a successor is elected unless such officer shall resign sooner, or shall be removed, or otherwise be disqualified to serve.

**Section 4.** Special Appointments.

The Board may make special appointments from time to time as necessary to serve for a term and with authority specifically proscribed by the Board.

**Section 5.** Resignation and Removal.

Any officer may be removed from office by the Board with cause. Any officer may resign at any time by giving written notice to the president or the secretary. Such resignation will take effect on the date of receipt of such notice or on the date specified in the notice. Acceptance of such resignation shall not be necessary to make it effective.

**Section 6.** Vacancies.

A vacancy in any office may be filled by Board appointment. The officer appointed shall serve for the remainder of the vacant term.

**Section 7.** Duties.

The duties of the officers are as follows:

- (a) **President:** The president shall preside at all meetings of the Board of Directors and at all meetings of the members; shall see that rules and regulations of the Association are carried out; shall sign written instruments; and shall be authorized to sign all checks.
- (b) **Vice President:** The vice president shall act in the absence of the president.
- (c) **Secretary/Treasurer:** The secretary/treasurer shall record the minutes of all meetings and proceedings of the Board and of the members; serve notice of the annual meeting of members; and keep accurate records of the Association members, addresses, and phone numbers. The minutes, or other Association documents, will be provided upon request to any Member.

The secretary/treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the Board of Directors; shall sign all checks; and keep proper books of account. With the direction of the Board, the secretary/treasurer shall prepare an agenda, annual budget and statement of income and expense to be mailed to the members before the annual meeting.

## **ARTICLE X**

### **COMMITTEES**

The Board of Directors shall appoint committees as deemed appropriate and necessary in carrying out its purpose.

## ARTICLE XI

### BOOKS AND RECORDS

The books, records and papers, including By-Laws and Declaration, of the Association shall be available for inspection by any member during reasonable hours. There will be a reasonable charge for the cost of any copies requested.

## ARTICLE XII

### ASSESSMENTS

**Section 1.** As more fully provided in the Declaration, each member is obligated to pay to the Association annual dues and special assessments that are secured by a continuing lien upon the property against which the dues and assessment are made. All dues are due by the 10<sup>th</sup> of the month and are delinquent if not paid within thirty (30) days after the due date.

**Section 2.** For delinquencies of one and two months, the member will receive a phone call. A member delinquent for three months will receive a written notice of delinquency. After four months, the Association will file a case against the delinquent member in Conciliation Court to obtain a judgment. If a delinquency judgment is affirmed or ordered in favor of the Association in Minnesota District Court, the Minnesota Court of Appeals, or the Minnesota Supreme Court, the Association shall be entitled to, as part of the award for damages, all court costs, expenses, and reasonable attorney's fees related to the legal action.

**Section 3.** In all cases, interest of eight (8) percent per annum will be charged for any past due delinquency amount.

## ARTICLE XIII

### RULES AND REGULATIONS

**Section 1.** General Regulations.

- (a) Each owner shall comply with all applicable laws, ordinances and regulations and shall hold the Association and other owners harmless from all fines, penalties, costs and prosecutions for any violations thereof.
- (b) No business activity designed for profit or otherwise shall be permitted on the property.
- (c) No garbage cans, trash containers, or other unsightly personal property shall be placed anywhere on the property.
- (d) Nothing shall be done, either willfully or negligently, which may become an annoyance or nuisance to the other owners. No owner shall make or permit any disturbing noises on the property by family or guests.
- (e) The Association reserves the right to access an owner's property to respond to an emergency condition that presents a danger of serious loss to property or imminent harm to any person.

**Section 2.** Pets.

- (a) Owners may keep dogs, domestic cats, small birds and fish in their units subject to the following restrictions:
  - 1) No pets or other animals may be bred or kept upon the property for any commercial use.
  - 2) There shall be no more than 2 dogs or cats to a unit, and if required by ordinance, licensed with the City.
  - 3) All pets must be kept within the unit. Dogs must be on a leash and under the control of their owner at all times when outside the unit.
  - 4) Dogs are not to be a nuisance or threatening in any way and barking must be controlled.
- (b) Any violation of the above rules regarding pets will be subject to the following action by the Board:

1) First Complaint/Offense.

Upon receipt of a written complaint by another owner detailing the offense, and upon the Board affirming the legitimacy of the complaint, the offending owner of the pet will be notified and assessed a \$25.00 penalty.

2) Second Complaint/Offense.

Upon receipt of a second written complaint for the same pet, and upon the Board affirming the legitimacy of the complaint, the offending owner will be notified and assessed a \$50.00 penalty and will be directed to remove the animal from the premises unless an "Action to Cure" the complaint is submitted in writing to the Board within 10 days of receipt of the second notice of complaint.

3) The Board will place the "Action to Cure" statement on the agenda of the next Board of Directors meeting for a hearing. If the offending owner does not respond with an "Action to Cure" statement or appear at the Board meeting, the Board is authorized to permanently prohibit the pet from the offending owner's lot. If the offending owner submits an "Action to Cure" and appears at the Board meeting, the Board, at its sole discretion, is authorized to place the "offending owner" on a probationary period, fine the offending owner an amount not to exceed \$1,000.00, and/or permanently prohibit the pet from the offending owner's lot.

- (c) The Board of Directors has full authority to regulate and enforce the rules and regulations under this Section to further the health, welfare, and safety of the members. Any owner who violates or disregards the directives of the Board can be required to pay a non-compliance penalty of \$10.00 per day until the violation is corrected. In addition, any owner shall also be subject to any and all legal equitable remedies available to the Association.

**Section 3.** Children.

- (a) No children occupants are allowed without the prior approval of the Board. Occupancy is limited to two adults and one of the occupants must be over the age of 55.



- (b) Parents and/or grandparents are totally responsible for children's/grandchildren's behavior, welfare, and safety while in or on the property or the public street.
- (c) The Association shall comply with the insurance requirements of Minnesota Statute Section 515B.3-111(b) to indemnify the unit owners with the statutory protection against tort liability arising out of the ownership of the common elements.

**Section 4.** Motor Vehicles, Parking and Garage Units.

- (a) Motor Vehicles are allowed only on the driveways and in the garages.
- (b) All motor vehicles must be operational and with up-to-date license tags.
- (c) No recreational vehicles, trucks, and other vehicles (other than automobiles) rated at more than three-quarter ton will be allowed to be parked on the property except for short periods of time to load and unload.
- (d) Boats and other recreational equipment are not allowed to be parked on the property at any time.
- (e) The Association reserves the right to limit the use of owners' garages by prohibiting the following uses to protect the safety and convenience of its members:
  - 1) No storage of flammable fluids of any kind is allowed at any time except in approved containers.
  - 2) Overhead garage doors are not to be left open and unlocked when not in immediate use for safety as well as appearance.
  - 3) Garages may not be used for any purpose other than the parking of the owner's vehicle. An owner's vehicle shall not be kept elsewhere on the property when the garage is available.
  - 4) Maintenance and repairs of vehicles is prohibited except for minor routine maintenance that is not of a potentially dangerous nature and is not a disturbance or nuisance of any kind to neighbors.

**Section 5.** Patios (front and back).

- (a) Members have exclusive rights to use their patios, including the placement of portable furniture.
- (b) Holiday decorations and lighting may be used but must be removed within thirty (30) days after the holiday, weather permitting. The American flag may be displayed at any time according to protocol.
- (c) Planter boxes are to be maintained by the owner.
- (d) Storage of wood, tires, bicycles, etc. is prohibited.

**Section 6.** Grounds and Landscaping.

- (a) Garbage, rubbish and trash shall be kept in a sanitary container in the garage. Such containers may be placed at the end of driveways on pick-up days only.
- (b) Structures of a temporary nature, such as trailer, mobile home, tent, shed, or other building are strictly prohibited on any lot, unless approved by the Board.
- (c) All sporting equipment and toys shall be stored within the living unit or garage. No living unit or garage shall be used for the storage of material not customary, necessary and convenient for residential living.
- (d) Garden areas are permitted but must be maintained by the owner according to community ordinances.
- (e) No sign may be displayed for public view on any lot without the express prior written approval of the Board.

**Section 7.** Architectural and Exterior Regulations.

- (a) Each lot shall be used for residential purposes only. No structural modification of any kind shall be commenced without prior written approval of the Board. A modification cannot be considered until all plans and specifications have been submitted to the Board.

- (b) The Board shall approve or deny the request within sixty (60) days from receipt of the request. In the event the Board fails to act within 60 days, approval of the request is presumed granted.
- (c) Antennas may only be placed on the back of a unit so as not to be seen from the street.

**Section 8.** Compliance with the Rules and Regulations.

Each owner is responsible for full compliance with the Rules and Regulations by all family, guests, visitors, and other persons during the time they are upon or using the property. By acceptance of title to a unit, each owner agrees to hold the Association harmless and indemnify it from and against any liabilities, loss or damages arising from acts or negligence of the owner or his/her family, guests, visitors, or other persons in violation of the Association Rules and Regulations.

**Section 9.** Approvals and Denials.

Approval of a request is granted upon the completion of the following:

- (a) The Board of Directors receives a written request.
- (b) The Board's approval or denial is recorded in the minutes of a Board of Directors meeting.
- (c) Written notification of approval or denial is received by the requesting member(s) or its designee from the Board.

**Section 10.** Complaint and Enforcement Procedures.

Members of the Board and any Association committees serve without compensation and are under no special obligation to enforce regulations or arbitrate disputes between neighbors, except in their official capacity at noticed Board or committee meetings.

- (a) Complaints regarding Association Rules and Regulations must be forwarded or submitted in person or in writing at a meeting of the Board.
- (b) Anonymous complaints will not be accepted.

(c) Enforcement of the rules and regulations:

- 1) The Board will review the complaint at its next regularly scheduled Board meeting and enforce the Rules and Regulations as provided in the governing documents or policy adopted by the Board and/or the Association Members.
- 2) Any owner who violates or disregards the decisions and directives of the Board in its enforcement of these Rules and Regulations may be fined a non-compliance penalty in a maximum amount of \$10.00 per day each day in which the non-compliance continues.
- 3) Any owner who violates the Board's directives and enforcement decisions shall be subject to all legal and equitable remedies available including but not limited to unpaid non-compliance penalties becoming a lien against the property.

**Section 11.** Board's Authority.

The Board reserves the right to amend, alter, and grant waivers to any of the Rules and Regulations, and requirements under these By-Laws, and to make such other Rules and Regulations from time to time as may be deemed necessary for the safety, care and cleanliness of the properties and for security, comfort, and convenience of all owners. Any material amendment or alteration of the requirements under these By-Laws by the Board shall be subject to approval of the Members at the next regular or special meeting of the Members.

**Section 12.** Notice to Members.

The Board of Directors will provide reasonable notice of any changes in the Rules and Regulations to the members of the Association.

**Section 13.** Incorporation by Reference.

The terms and provisions of the Development Agreement ("Development Agreement") executed by and between the Developer and the City of Lake St. Croix Beach on June 3, 1994, are hereby incorporated by reference.

## **ARTICLE XIV**

### **AMENDMENTS**

These By-Laws may be amended at a regular or special meeting of the members by a vote of 60% of those members entitled to vote in attendance subject to the requirements of the Development Agreement.

## **EXHIBIT B**

DECLARATION OF COVENANTS  
OF  
CONDITIONS AND RESTRICTIONS  
FOR  
LAKE ST CROIX VILLAS HOMEOWNERS ASSOCIATION

THIS DECLARATION made on the date hereinafter set forth by M.A. Fearing Companies, Inc. hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of one or more of the tracts of property in the City of Lake St. Croix Beach, County of Washington, State of Minnesota, all of which are more particularly described in Exhibit A, which is attached hereto and made a part hereof by reference.

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

### ARTICLE I

#### DEFINITIONS

Section 1. "Association" shall mean and refer to Lake St. Croix Villas Homeowners Association, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any lot which is a part of the properties, including contract sales, but excluding those having interest merely as security for the performance of an obligation, and that at least one record owner for a lot must be age fifty-five (55) or older unless the property is owned by a deceased owner's estate.

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

Section 4. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners. The common Area to be owned by the Association at the time of the

conveyance of the first lot is described as follows: (Ponding Area) which is legally described on Exhibit B.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the common Area.

Section 6. "Declarant" shall mean and refer to the undersigned M.A. Fearing Companies, Inc. their successors and assigns if such successors assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Unit" means a single family dwelling attached to another such dwelling located or to be located upon a given Lot.

Section 8. "Limited Private Driveway" means the driveway established for access from public streets to one or more Units.

Section 9. "Private Yard Area" means that portion of any Lot which is not included in the area covered by a Unit or by a Limited Private Driveway.

Section 10. "First Mortgage" shall mean and refer to any person named as mortgagee under any mortgage against a Lot, which mortgage is first in priority upon foreclosure to all other mortgages against said Lot, or any successors in interest to such person under said mortgage.

## ARTICLE II

### PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right of easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following:

- a). the right of the Association to suspend the voting rights and right to use of the Common Area by an Owner for any period during which any assessment against his/her Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;
- b). the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such proposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class has been recorded.

## ARTICLE III

## MEMBERSHIP VOTING RIGHTS

Section 1. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment. Persons or entities who hold an interest merely as security for the performance of an obligation shall not be considered Owners for the purpose of this Article.

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

Class A. Class A members shall be all owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

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

- a. When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- b. Upon completion of the project.

## ARTICLE IV

### COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, shall be deemed to covenant and agree with each other and with the Association to pay to the Association for the purposes provided in this Association to pay to the Association for the purposes provided in this Declaration general annual assessments and special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The general annual assessments and the special assessments for capital improvements, and together with interest, costs and reasonable attorneys fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. Such assessments shall be fixed, established and collected from time to time in the manner provided in this Article. Every owner of a Lot by acceptance of a deed therefore further consents to the foreclosure of any such lien by action or by



advertisement or otherwise as provided by applicable law for the foreclosure of a real estate mortgage. Each owner shall be deemed thereby to have given full and complete power of sale by advertisement to the Association. Each assessment, together with interest, costs and reasonable attorneys fees, shall also be the individual obligation of the person who was the Owner of such Lot at the time the assessments become due and such personal obligation shall not pass to such Owner's successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of the residents in the Properties; and for the improvement and maintenance of Common Areas, Driveways and the payment of insurance premiums, if any, and taxes imposed on the Common Area, if any.

Section 3. Maximum General Annual Assessments. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum general annual assessment shall be Four Hundred Twenty (\$420.00) Dollars collected in equal monthly installments of Thirty-five (\$35.00) per Lot.

- a. From and after January 1, of the year immediately following the conveyance of the first Lot to an Owner, the maximum general assessment may be increased each year not more than 5% above the maximum assessment for the previous years without a vote of the membership.
- b. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum general assessment may be increased above 5% by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.
- c. The Board of Directors may fix the general annual assessment to an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for any Action Authorized Under Section 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent all members and all First Mortgagees of record not less than 15 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent

(60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. General annual assessments and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis, except that the assessment for any Lot owned by the Declarant shall bear an assessment of one-fourth (1/4) of the aforementioned general annual assessments and special assessments until such time as an approved structure suitable for human habitation has been constructed on said Lot at which time the uniform fixed rate shall apply.

Section 7. Date of Commencement of annual Assessments: Due Dates. The general annual assessments or assessments provided for herein shall commence to each Lot within a development stage on the first day of the month following the conveyance of the first Lot therein, all according to the number of months then remaining in the fiscal year. The Board of Directors shall fix the amount of the general annual assessment or assessments against each Lot at least thirty (30) days in advance of the date due for general annual assessments, and notice thereof shall be sent to every Owner subject thereto at least thirty (30) days prior to the due date. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as to the date of its issuance.

Section 8. Lien for Assessments. All sums assessed against any Lot pursuant to this Article, together with interest thereon as provided herein, shall be secured by a lien thereon in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such Lot except only for:

- a). Liens of general and special taxes; and
- b). a lien for all sums unpaid on any first Mortgage and to the extent provided in Section 10; and
- c). Lienors acquiring liens on any Lot after the making of this Declaration, upon filing such liens of record, shall be deemed to consent that such liens shall be inferior to future liens for assessments as provided herein, whether or not such consent is specifically set forth in the instruments creating such liens.

To evidence a lien for assessments levied pursuant to this Article, the Association may prepare a written notice of lien setting forth the amount of the assessment, the date

due, the remaining unpaid, the name of the Owner of the Lot and a description of the Lot and file the same of record. The Association need not delay recording the notice of the lien until there is a delinquency in the payment of the assessment. Such lien may be foreclosed by the Association by judicial action or by advertisement in the same manner in which mortgages on real property may be foreclosed under the laws of the State of Minnesota. Upon any such foreclosure, the Owner shall be required to pay the costs and expenses thereof, and such costs and expenses shall also constitute a lien on such Lot. The Owner shall also be required to pay to the Association any assessments against the Lot which shall become due during the period of foreclosure.

A release of lien shall be executed and recorded by the Association upon payment of all assessments which have been the subject of a recorded notice of lien.

Any holder of a lien on any Lot shall have the right to pay but shall not be required to pay, any assessments secured by the lien created by this Article, and upon such payment such lien holder shall be subrogated to all rights of the Association with respect to such lien, including priority.

The Association shall notify any First Mortgagee, and upon written request and notice to the Association, report to any lien holder any unpaid assessments remaining unpaid on said Lot for longer than thirty (30) days after the same shall have become due.

Section 9. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for assessments provided herein by non-use of the Common Area or abandonment of his Lot. A suit to recovery a money judgment for unpaid expenses hereunder may be maintained without foreclosing or waiving the lien securing such unpaid expenses.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any First Mortgage. Sale or transfer of an Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. Such unpaid assessments shall be deemed to be common collectible from all of the Owners excluding the new Owner pursuant to such proceedings unless such unpaid assessments be expressly assumed by said new Owner. Nothing herein shall be deemed to extinguish the personal obligation of the Owner of the Lot for any delinquent assessments at the time such assessments were originally levied unless such obligation is expressly assumed by the subsequent Owner. No sale or transfer shall relieve such Lot from Liability for any assessments thereafter become due or from the lien thereof.

## ARTICLE V

### RESPONSIBILITY OF THE ASSOCIATION

\_\_\_\_\_ Section 1.     The Common Area. The Association, subject to the rights of the Owner as set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and all improvement thereon.

\_\_\_\_\_ Section 2.     Maintenance. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the maintenance of the Common Area and Driveways.

\_\_\_\_\_ Section 3.     Services. The Association may enter into a professional management contract with any person or entity to manage its affairs or to perform any services which the Association shall determine to be necessary or desirable for the property operations of the Association. Any management agreement for the project will be terminable by the Owners Association for cause upon thirty (30) days written notice thereof, and the term of any such agreement may not exceed ninety (90) days notice thereof, and the term of any such agreement may not exceed one year, renewable by agreement of the parties for successive one year periods.

The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Properties or the enforcement of this Declaration. The Association shall arrange snow removal, lawn care, and other common services to the Owners.

\_\_\_\_\_ Section 4.     Personal Property for Common Use. The Association may acquire and hold, for the beneficial use and enjoyment of all of the Owners, tangible and intangible personal property and may dispose of the same by sale or otherwise.

\_\_\_\_\_ Section 5.     Restriction on Capital Improvements. The Association may not authorize capital improvements to the Common Area except for replacement or repair of those items set forth in the original plan; provided, however, that new capital improvements may be made with the approval of two-thirds (2/3) of each class of the voting members.

## ARTICLE VI

### EASEMENTS

\_\_\_\_\_ Section 1.     Easements. In addition to the easements, covenants and conditions of Article VII concerning party walls and of Article VIII concerning Exterior Alterations, the Units and Lots shall be subject to easements and covenants for the benefit of the Properties or for the limited benefit of specified adjoining Lots as set forth more fully in this Article.

Section 2. Driveway Easements. The Declarant grants to each unit Limited Private Driveways easements for ingress and egress to and from each of the Units served. Maintenance of the general common driveways, as well as maintenance of the private apron from the Common Driveway to a Unit, shall be by the Association and assessable to the Owners affected as provided for in case of exterior maintenance and set forth in Article VIII.

## ARTICLE VII

### PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the Units and is placed on the dividing line between the Lots shall constitute a party wall and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty or by physical deterioration, any Owner who has used the wall may restore it, and shall have an easement over the adjoining Living Unit for purposes of making such restoration, and if other Owners thereafter make use of the wall they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owner to call for a larger contribution from the Owners under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successor in title.

Section 5. Weatherproofing. Notwithstanding any other provisions of this Article, any Owner who by his negligent or willful act, causes any party wall to be exposed to the elements or excessive heat or cold, shall bear the whole cost of furnishing the necessary protection against such elements of heat or cold, and of repairing the party wall from damage caused by such exposure.

Section 6. Encroachment. If any portions of a Living Unit or any Lot shall actually encroach upon any other lot, or if any such encroachment shall hereafter arise because of settling or shifting of the building, or other cause, there shall be deemed to be an easement in favor of the Owner of the encroaching Living Unit to the extent of such encroachment so long as the same shall exist.

Section 7. Mechanic's Liens. Each Owner of Living Unit ("Defaulting Owner") agrees to indemnify and hold harmless the Owner of an adjoining Living Unit for any Mechanic's Liens arising from work done or materials supplied to make repairs or replacements for which the Defaulting Owner is responsible.

Section 8. Arbitration. In the event of any dispute arising under the provisions of the Article concerning a party wall or pursuant to Article VIII, each party shall choose one arbitrator and such arbitrator shall choose one additional arbitrator and the decision shall be by majority of all of the arbitrators.

## ARTICLE VIII

### EXTERIOR ALTERATIONS

Section 1. Exterior Additions or Alterations. No exterior additions or alterations to any lots on the Properties, or changes in existing fences, planting, hedges, walls, walkways and other structures shall be commenced, erected, or maintained except such as are installed or approved by the Declarant in connection with the initial construction on the Properties until the plans and specifications showing the nature, kind, shape, height, materials, location and approximate cost of same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding buildings in the subdivision by an Architectural Committee composed of the Board of Directors of the Association, or by a representative or representatives designated by the Board of Directors. In the event said committee or its designated representatives fail to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, and if no suit to enjoin the making of such additions, alterations or changes has been commenced within sixty (60) days of application has been made to the Architectural Committee or their representatives, suit to enjoin or remove such additions, alterations or changes may be instituted at any time unless a period of ninety (90) days have elapsed from the date of the completion of the unapproved work and thereafter a deed to a new Owner has been filed of record. Neither members of the Architectural Committee nor its designated representatives shall be compensated for work performed pursuant to this paragraph, but compensation may be allowed to independent professional advisors retained by the Architectural Committee. Exterior antennae shall not be placed on any building without the approval of the Architectural Committee or its designated representatives.

## ARTICLE IX

### GENERAL RESTRICTIONS – OWNER OCCUPIED

Section 1. Residential Use. Each Lot shall be used for single family residential purposes only and no commercial business activity shall be conducted upon the same, except that Declarant reserved the right to use one or more Units for display or model home Units. Units must be owner occupied. There shall be no home occupations as that term is defined within the zoning code of the City of Lake St. Croix Beach granted

to any use proposed within any residential unit unless the same has been first approved by the Homeowner's Association. "Owner Occupied" requires that the owner(s)'s Association Living Unit be the primary residence of the owner(s), or is the unoccupied property of a deceased owner's estate.

Section 2. Nuisances. No noxious or offensive activities shall be carried on upon any Lot, nor shall anything be done thereof which may be or may become an annoyance or nuisance to the neighborhood.

Section 3. Animals. No animals, livestock, or poultry of any kind shall be raised, bred or kept on the premises, except that the Association may, by regulation, rule or otherwise, develop rules for the keeping of dogs, cats or other household pets.

Section 4. Signs. No signs of any kind shall be displayed to the public view on any Lot except one sign, if not more than five (5) square feet, advertising the property for sale, or signs used by the Declarant to advertise the property during construction and sales period.

Section 5. Garages. In accordance with the general plan of development, Declarant proposes to construct Units containing two-car garages. It is declared to be an essential part of the development that off-street, interior storage of vehicles be provided and maintained and therefore it is a specific restriction that any garage facility originally erected as a part of a Unit be retained as and for a garage and the same shall not be converted by construction or usage for any other purpose. There shall be no detached garages located upon any property.

Section 6. Exterior Storage. There shall be no exterior storage of personal property or motorized vehicles on the property. All motor vehicles shall be parked either in the garage or on the driveway pads.

Section 7. Decks. There shall be no exterior decks.

Section 8. Design/Modifications and Alterations. All residential units shall be constructed with a design that is consistent with the floor plans which have been annexed as Exhibit E and G to the Development Contract executed by and between the City of Lake St. Croix Beach and the Developer effective May 16, 1994. No unit shall be designed, constructed or altered so as to create more than two bedrooms within any living unit.

Section 9. Incorporation by Reference. The terms and provisions of the City of Lake St. Croix Beach, Washing County, Minnesota, Developer's Agreement executed by and between the Developer and the City of Lake St. Croix Beach on May 16, 1994 are hereby incorporated by reference. When any condition use or restriction is imposed under the terms and provisions of the aforementioned Developer's Agreement is either more restrictive or less restrictive in the terms and provisions of the Declaration of

Covenants, Conditions and Restrictions with St. Croix Villas Homeowner's Association, the more restrictive condition or provisions shall prevail.

Section 10. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five (75%) of the Lot Owners. Any amendment must be recorded.

Notwithstanding the foregoing should any proposed amendment to this declaration be inconsistent or in conflict with the terms and provisions of the Developer's Agreement executed by and between the Developer and the City of Lake St. Croix Beach on May 16, 1994, the proposed modification or amendment shall be ineffective and void unless the City of Lake St. Croix Beach has executed a written consent thereto.

Section 11. Miscellaneous. Any use or activity that is otherwise prohibited under the terms of the Code of Ordinances of the city of Lake St. Croix Beach shall also be prohibited as a use or activity under the terms and provisions hereto.