RULES AND REGULATIONS

LAKEVIEW

INTRODUCTION

These are the Rules and Regulations of Lakeview Owners Association (the "Association"). The Association is the owners association for the residential community located in Orono, Minnesota, known as Lakeview ("Lakeview"). It is important that we preserve the living and architectural style that Lakeview represents. The goal of these Rules and Regulations is to provide reasonable, practical guidelines for the operation of Lakeview. All residents and guests are obligated to comply with these Rules and Regulations, the Declaration of Covenants, Conditions, Restrictions, and Easements of Lakeview (the "Declaration"), the Association's Bylaws, and the Association's Articles of Incorporation, as all of those documents may be amended and/or supplemented from time to time, as well as the Minnesota Nonprofit Corporation Act (the "Act"). The Association's Board of Directors (the "Board") established and approved these Rules and Regulations based upon authority contained in Section 5.6 of the Declaration. References to the Association in these Rules and Regulations mean the Board acting for and on behalf of the Association. The terms used in these Rules and Regulations have the same meanings as set forth in Section 1 of the Declaration.

GENERAL USE REGULATIONS

- 1. All persons must be considerate of all residents and visitors. Owners, Occupants, and their families, guests, tenants, invitees, and all other Persons on or visiting the Property shall not engage in conduct which is a material annoyance or nuisance to others or which is threatening or harassing in nature, or which is in any way illegal. Owners and Occupants are responsible for the behavior of their families, guests, tenants, and invitees while those Persons are at the Property. The costs incurred by the Association to repair damage to the Property resulting from the acts of Owners and Occupants and their families, guests, tenants, or invitees may be assessed against the Owner's Unit and charged to the Owner.
- 2. Owners and Occupants are obligated to comply with all applicable laws, ordinances, and regulations of the City and other governmental authorities. If an Owner or Occupant is charged with a violation by a governmental authority, the Owner or Occupant is obligated to indemnify, defend, and hold the Association, and other Owners and Occupants, harmless from all fines, penalties, costs, attorney's fees, or prosecution resulting from the violation.
- 3. The Lakeview community is designed to be a residential community. Business or commercial activity may not be conducted, except for the limited, incidental activities described in Section 8.5 of the Declaration.
- 4. For health reasons, garbage and refuse should be placed in leakproof trash bags and deposited in appropriate trash receptacles within the garage that is part of the Dwelling. Trash and recycling receptacles shall not be kept or brought outside of a Dwelling except to be placed outside for pick up by the trash and recycling haulers; provided, that the trash and recycling receptacles shall not be brought outside any earlier than 7:00 p.m. on the day before the

designated pick up by the hauler(s) serving that Dwelling, and shall be brought back into the garage that is part of that Dwelling no later than 7:00 p.m. on the day of the designated pick up by the hauler(s) serving that Dwelling. City regulations regarding garbage and recycling pickup apply.

- 5. Flammable substances shall not be kept on the Property except in safe containers. No inherently dangerous items such as explosives shall be kept on the Property at any time.
- 6. Except as expressly permitted by law, firearms, airguns, and other devices designated to fire a potentially lethal projectile may not be discharged or carried on the Property, except for transporting the device to and from public property.
- 7. Persons authorized by the Board, and public safety personnel, may enter the Units at any time for the purpose of correcting any condition which is reasonably believed to present an imminent danger of serious loss or damage to any portion of the Property, or injury or death to any Person. Those authorized persons may also enter the Units upon reasonable advance notice for purposes of maintaining, repairing, and replacing Common Elements or any parts of the Units which the Association may be obligated to maintain, repair, or replace.
- 8. Persons who provide services to the Association are required to take direction only from the Board or from Association officers or managing agents. Comments regarding services or actions of persons performing services for the Association should be directed to the Board or to the Association's managing agent.

USE OF THE COMMON ELEMENTS

- 1. The Common Elements are for the joint enjoyment of all residents of Lakeview, and all such residents must be considerate of the rights of others.
- 2. Owners and Occupants shall not cause, or allow, the Common Elements from becoming unsightly or damaged. Personal property shall not be stored, displayed, kept, or otherwise left outside the Dwellings, except as authorized by the Board.
- 3. Streets, walkways, driveways, and portions of the Common Elements used for access to and from the Units, shall not be obstructed, or used for storage, activities, or any purpose other than access and authorized parking.
- 4. In order to preserve the aesthetic character and beauty of the Property, all originally installed plants, trees, landscaping, and topsoil should be left undisturbed, except for routine maintenance.
- 5. The Recreation Property, which is legally described on Exhibit E to the Declaration, is part of the Common Elements. The Recreation Property is subject to that certain Conservation Easement Agreement recorded in the office of the Registrar of Titles in and for Hennepin County, Minnesota, against the Recreation Property (the "Conservation Easement Agreement"). Pursuant to the Conservation Easement Agreement, the public is granted easements to use the Recreation Property for certain limited recreational purposes (including, but not limited to, using the trails constructed or to be constructed within the Recreation Property).

ARCHITECTURAL AND EXTERIOR RESTRICTIONS

- 1. No Person may modify or change the appearance of the exterior of any Dwelling or Unit, except in accordance with the architectural control requirements set forth in Section 9 of the Declaration. Owners and Occupants have the responsibility for obtaining approval from the Board prior to making any exterior changes to their Dwelling or Unit. If any exterior change is made without approval by the Board, the Association has the right to remove the unapproved items at the expense of the Owner of the Unit.
- 2. Subject to Section 9 of the Declaration, additional buildings, animal enclosures, tents, awnings, shelters, additions, poles or other structures or physical improvements of any kind, temporary or permanent, which are visible from the exterior of a Dwelling, are prohibited without the prior written approval of the Board.
- 3. Identification, signs, or displays of any kind shall not be placed anywhere on the Property and that is in view from outside of a Dwelling without prior approval of the Board, except as otherwise permitted by applicable law and for customary "for sale" signs if a Unit is for sale. Please contact the Board or the Association's managing agent for other guidelines.
- 4. The installation and use of antennas, satellite dishes, and other comparable communications devices shall be governed by applicable federal and state laws and regulations. Owner and Occupants shall be responsible for all maintenance and repair of the antenna, satellite dish or other comparable communications device and any maintenance or repair to the Property which arises out of the installation or use of such equipment.

PRESERVATION AREA

The Preservation Area is legally described on Exhibit C to the Declaration and is depicted on Exhibit D to the Declaration, and includes portions of the Units and other portions of the Property. Use, control, maintenance, and operation of the Preservation Area are mainly governed by Section 7 of the Declaration. As more fully set out in Section 7 of the Declaration, the following provisions, among others set out in that Section, shall apply to the Preservation Area:

- 1. The Preservation Area shall not be used, altered, replaced, modified, or otherwise changed by the Owners, except as expressly set forth in the Declaration (which exceptions shall include, but not be limited to, the use of the Preservation Area by the Owners, and the maintenance, repair, and replacement of the Sewage Treatment System by the Owners, all as set forth in Section 7.5 of the Declaration). Without limiting the foregoing, the Preservation Area shall not be used for composting, and no soil, turf, lawn clippings, leaf litter, garden clippings, refuse plant matter, or other material, trash, waste, or refuse shall be dumped or placed within the Preservation Area. No trees or other vegetation shall be harvested, removed, poisoned, cut, pruned, divided, or burned within the Preservation Area, except by the Association or its agents or contractors.
- 2. No structures (whether manmade or otherwise) including, without limitation, storage sheds, patios, concrete walkways, and gardens, shall be installed or constructed within the Preservation Area, except for manmade structures that are installed by the Developer or by {00120140 2}

the Association, or that the Developer or the Association deems necessary to discharge its obligations under the Governing Documents.

3. The portion of the Preservation Area that is located within a Unit is restricted for use by the Owners and Occupants of that Unit and their guests, as set forth in the Declaration and set forth in restrictions established by the Association from time to time. Use of the Preservation Area is limited by any additional restrictions established by the City at any time. Notwithstanding the foregoing, an Owner has the authority and obligation to maintain, repair, and replace all portions of the Sewage Treatment System located within and serving that Owner's Unit and at the Owner's sole expense, which authority shall be limited by written policies or procedures (whether set out in these Rules and Regulations or otherwise) that may be established from time to time by the Association or the City.

VEHICLES AND PARKING REGULATIONS

- 1. The outside storage, keeping, or parking of buses, trucks (other than pick-ups, sport utility vehicles, and similar small trucks used for the Owner's or Occupant's personal vehicle), trailers, aircraft, tractors, motorcycles, snowmobiles, motorhomes, all-terrain vehicles, watercraft, unlicensed vehicles of any type, and inoperative vehicles of any type is prohibited, except for temporary parking as authorized by the Association.
- 2. Vehicles, trailers, and recreational equipment of any type, whether motorized or not, must be kept in garages when not in regular use.
- 3. Inoperative or unlicensed vehicles of any type, trailers, or recreational equipment shall not be left anywhere on the Property, except in a garage within a Dwelling. All vehicles required by law to be licensed or registered must have current registration and license tags, as applicable.
- 4. Driveways and other outdoor parking areas may be used only for guest parking, and not for parking or storage of Owners and Occupants' vehicles, trailers, boats, recreational equipment, or other personal property. Guest vehicles may be temporarily parked in driveways, or on public streets as authorized by city ordinances.
- 5. Personal property shall not be stored, displayed, or otherwise left outside the Dwellings, except as authorized in writing by the Association or by the Declaration. Garages and other parking areas shall not be used for living quarters, and shall not be converted to other uses or used for storage or other purposes which would prevent the parking of automobiles or similar vehicles in the garages and parking areas. Garages and other 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. Garages shall not be used for storage or other purposes so that they become unavailable for parking vehicles and keeping incidental personal property.
- 6. No maintenance, repair, or restoration work on any vehicle or other personal property shall be performed on the Property except for vehicles or other personal property owned

by an Owner or Occupant, and then only within the garage that is part of the Dwelling on the Unit owned or occupied or owned by owner of the vehicle or other personal property.

- 7. Commercial vehicles shall not be parked or stored on the Property, except within a garage or on a temporary basis in connection with construction work on a Unit (with prior approval by the Association) or for short-term deliveries lasting not more than one hour.
- 8. The Association hereby has the right and authority to tow or otherwise remove vehicles parked, or other personal property kept, on the Property in unauthorized areas or in an unauthorized manner.

OUTDOOR FURNITURE AND OTHER ITEMS

- 1. Outdoor furniture may be kept only on patios, decks, front stoops, and rear yard areas, but not in such a manner that causes a nuisance or creates an unreasonable appearance of the area on which it is kept. The outdoor furniture must always be in a neat, clean, and repaired condition.
- 2. Firewood may be kept outdoors, but only in a neatly stacked condition and only next to a Dwelling in the rear yard area.
- 3. A cooking grill may be kept only on patios, decks, and rear yard areas, but not in such a manner that causes a nuisance or creates an unreasonable appearance of the area on which it is kept. The grill must always be in a neat, clean, and repaired condition.

ANIMALS

- 1. The keeping of animals on and at the Property is governed by, and subject to, Section 8.11 of the Declaration and these Rules and Regulations. Only the following common, domesticated house animals (referred to herein as "pet" or "pets") may be kept (whether temporarily or permanently) on and within a Unit: dogs, cats, small birds, and small fish, but all subject to these Rules and Regulations. No other animals may be kept anywhere on the Property. Pets (other than dogs and cats) shall be kept in appropriate cages or tanks within the Dwelling.
 - 2. A maximum of three dogs and three cats, may be kept in any Dwelling.
- 3. A pet must be housed and maintained exclusively within the Owner's Dwelling, except when under the direct supervision of the owner, or other handler, of the pet. Outdoor pet houses, shelters, or enclosures of any type are prohibited. No pet may be left unsupervised outdoors.
- 4. Owners are obligated to pay for any damage to the Property caused by pets kept or housed within such Owner's Unit, and are obligated to hold harmless and indemnify the Association, and its past, present, and future officers and directors, against any loss, claims, or liability arising out of any act of the pet.
- 5. Pets may be walked on the Property only in accordance with City of Orono leash laws.

- 6. Pets shall not be allowed to make an unreasonable amount of noise or to become a nuisance or a threat to the safety of owners, occupants, and their guests. The City of Orono ordinances, rules and regulations, as amended from time to time, shall determine a violation of this provision.
- 7. Dangerous dog registration is required per Chapter 711, Minnesota Statute 347.50, Subdivision 2. Contact the Community Service Officer in the Orono Police Department (952) 249-4700 for further information.
- 8. Notwithstanding anything to the contrary herein, no rules shall be imposed which, in violation of any applicable state or federal statutes, regulations, or rules, restrict the keeping of a qualified "assistance" or "therapy" animal for a disabled or handicapped person.

FINES AND PENALTIES

The Board has the authority to impose reasonable fines for violation of these Rules and Regulations and violation of the Governing Documents. The notices and fines set forth below will be administered for those violations that pose no immediate risk to the health, safety, or welfare of the residents of the Property or to any portion of the Property. The Board reserves the right to take more stringent action when a violation of these Rules and Regulations or the Governing Documents is deemed to present an immediate hazard to the health, safety, or welfare of the resident of the Property or to any portion of the Property. In addition, the Board has the right and authority to pursue all other actions or remedies that are authorized by the Governing Documents and relevant laws, ordinances, and regulations, all in addition to the imposition of any fines or penalties set forth herein.

- 1. The Board or the Association's managing agent will enforce the following guidelines in the event that a violation of these Rules and Regulations or the Governing Documents has taken place, unless otherwise noted herein. The Board is granted the authority to deviate from the fine schedule on matters the Board considers egregious or extraordinary.
- 2. Owners are deemed responsible for their actions and those of all persons on the Property as a result of their relationship with the Owner or an Occupant, such as, but not limited to, guests, family members, tenants, invitees, etc.
- 3. Responsible Owners are subject to the following fines and penalties for any and all violations of these Rules and Regulations or the Governing Documents that are not specified in other portions of these Rules and Regulations or in the Governing Documents:
 - a. <u>First Violation</u>: A written warning sent to the responsible Owner.
 - b. <u>Second Violation</u>: After 10 days of non-compliance of said warning, or a second violation of the same rule anytime within 12 months from the date of the first violation letter, a \$100 fine will be charged to the responsible Owner.

- c. <u>Third Violation</u>: After 10 days of non-compliance of the second violation, or another re-violation of the same rule anytime within 12 months from the date of the second violation letter, a \$200 fine will be charged to the responsible Owner.
- d. <u>Fourth Violation & Subsequent Violations</u>: Continued violation of these Rules and Regulations beyond the date when a fine is imposed under this section, an additional daily fine of no less than \$20 per day may, at the discretion of the Board, be imposed for each day the violation continues. Such continuing violation (daily) fine may be imposed if the violation is still not corrected within seven days after the date of the fourth violation letter and may be imposed retroactive to the date at which the first violation letter was issued.
- 4. All fines, fees, repair and replacement costs, and all other charged amounts will be billed directly to the responsible Owner. All violations, fines, fees, and repair and replacement costs attributed to someone other than an Owner, may be reported to the responsible Owner.
- 5. In addition to the fines imposed for violations of these Rules and Regulations or the Governing Documents, the Board may charge to the violating Owner (i) any and all administrative fees incurred by the Association to generate a violation notice and collect any fine associated with such violation, and (ii) any and all attorney's fees and other legal costs incurred by the Association that in any relate to or concern the violations.
- 6. All fines shall be due and payable to the Association immediately, but in no event any later than the first day of the month following the date that the fines are imposed. At the discretion of the Board, the Board hereby has the authority to charge, impose, or assess additional or different fines or penalties separate from, or in in lieu of, any fines set forth in these Rules and Regulations. On behalf of the Association, the Board will exercise its legal rights and fiduciary responsibility to collect fines, in the same manner as other delinquent Assessments. Unpaid fines constitute a lien against the Owner's Unit. Such lien may be foreclosed in the same manner as a lien for unpaid Assessments.
- 7. The imposition of fines by the Association shall be subject to an Owner's right to a hearing to the extent allowed by the Declaration.

VIOLATIONS/HEARINGS

When there is a violation of these Rules and Regulations or the Governing Documents, the Board is authorized to pursue various remedies. These remedies include, but are not limited to, legal action for damages or equitable relief in any court, imposition of late charges for past due Assessments, imposition of reasonable fines for violations, and the correction of any condition on the Property which violates these Rules and Regulations or the Governing Documents (See Section 14 of the Declaration for a description of some of these remedies). Prior to the Board imposing a fine for any violation, the Board shall, upon written request of the offending Owner, grant the Owner a fair hearing. Please refer to Section 14.3 of the Declaration for a complete discussion of the rights of an Owner with respect to hearings.

ADMINISTRATION

- 1. Waivers of specific Rules and Regulations for specific situations may be granted by the Board for good cause shown if, (i) the waiver is based upon an emergency or extenuating circumstances, (ii) the waiver will not violate the Governing Documents nor interfere with the rights of other Owners or Occupants, or (iii) the waiver is granted to other Owners and Occupants under the same circumstances. Waivers will not be granted unless an emergency or a highly extenuating circumstance exists.
- 2. The Board has the authority to amend these Rules and Regulations, and make such other Rules and Regulations, from time to time, as it deems necessary, whether for the use, safety, care, and cleanliness of Lakeview, for securing the common comfort, health, safety, welfare, and convenience of all residents, or otherwise.