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THE WILDS

A DECLARATION OF COVENANTS, RESTRICTIONS, SERVICITUDES & EASEMENTS

BE IT HEREBY ACKNOWLEDGED AND MADE KNOWN, as of the 20
day of August, 1997.

WHEREAS, Frontier Properties, INC, A Minnesota Corporation (herein referred to as " FPI") is the fee simple owner of that certain Real Property located in Stearns County Minnesota, and legally described as:

Lots 1 through 15, inclusive, Block 1;
Lots 1 through 9, inclusive, Block 2;
Lots 1 through 24, inclusive, Block 3;
Lots 1 through 3, inclusive, Block 4;
Lots 1 through 2, inclusive, Block 5;
Lots 1 through 3, inclusive, Block 6
The Wilds according to the plat thereof on file and of record in the office of the Stearns County Recorder,

this Declaration being an essential part of such plat, said land in its entirety being hereinafter referred to as the "Property", and each platted lot thereof being hereinafter referred to as a "Lot";

WHEREAS, it is the general purpose of FPI to provide for the protection of the present and future property values of the Property;

WHEREAS, FPI has subdivided the Property into the Lots and desires to subject the Lots to certain covenants, restriction, servitudes and easements as herein set forth;

WHEREAS, it is the intention of FPI to create a general scheme of covenants, restrictions, servitudes and easements common to all of the Lots and designed for their mutual benefit and to provide all owners of any such parcel with mutually enforceable rights;

WHEREAS, such mutually restrictive covenants, restrictions, servitudes and easements as are hereinafter set forth shall be deemed to be fully incorporated in each deed conveying any and all Lots from FPI to individual purchasers, thereby establishing notice, intention, agreement and privity;

NOW, THEREFORE, it is declared that the Property shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, servitudes and easements set forth herein as follows:

1. There is hereby established an Architectural Committee which shall, during the term of this Declaration, be composed of the owners of Frontier Properties Inc. and two members of their choice. One resident of the phase in which the home is intended to be constructed. From

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and after the date a single family residence has been completed on 90% of the lots in each phase, (or sooner if the architectural committee so chooses), the Architectural Committee shall be composed of three Lot owners each of which shall be approved by the owners of a majority of the Lots and shall serve two year terms on the Committee.

2. No improvement or structure, temporary or permanent, including without limitation all fences, detached structures, dog kennel, water and sewer facilities and other appurtenances (all foregoing herein referred to as a "Structure") shall be commenced, erected, placed, moved on to or permitted to remain on any Lot, nor shall any existing Structure upon any Lot be altered in any way which materially changes the placement or exterior appearance thereof, nor shall any new use be commenced on any Lot, nor shall the existing trees be cleared from a substantial portion of any Lot, unless complete plans and specifications thereof shall have been submitted to and approved in writing by the Architectural Committee.

3. The Architectural Committee shall have the right to disapprove any plans and specifications submitted hereunder because of the following:

- (a) failure to include information in such plans and specifications as may be reasonably requested;
- (b) objection to the exterior design, appearance, materials or quality of workmanship of any Structure.
- (c) incompatibility of any Structure or use with existing Structures or uses upon other Lot;
- (d) objection to the location of any Structure upon any Lot or the tree clearing or grading plan for any Lot;
- (e) objection to the color scheme, finish, proportions, quality of materials, style of architecture, height, bulk or appropriateness of any Structure;
- (f) any other matter which in the judgment of the Architectural Committee would render the proposed Structure inharmonious with the general plan of improvement to the Property.

In any case where the Architectural Committee shall disapprove any plans and specifications submitted hereunder, such disapproval shall be accompanied by a statement of the grounds upon which such action was based. In any such case the Architectural Committee shall, if requested make reasonable efforts to assist and advise the applicant so that an acceptable proposal can be prepared and approved. If the Architectural Committee fails to respond in writing within thirty (30) days after any written request for approval hereunder it shall be deemed to have approved such request.

4. No Lot shall be split, divided or subdivided for any purpose, without prior approval of the Architectural Committee.

5. Without limiting the powers of the Architectural Committee set forth herein, no building shall be erected, placed or permitted to remain on any Lot other than a newly constructed

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single family dwelling no more than two and one-half stories in height as determined by the front yard elevation. Each dwelling may have an attached or detached garage for storing not more than three vehicles. No single family dwelling shall be erected, placed or permitted to remain on any Lot unless the ground floor area of the dwelling, exclusive of open porches and garages, is a least 1,400 square feet in the case of a one story structure and a least 1,000 square feet in the case of a one and one-half, two or two and one-half story structure; or unless the ground floor area and the area of the next higher level, exclusive of open porches and garages equals 1,400 square feet in cases of a bi-level structure. The Architectural Committee may by written consent granted prior to commencement of construction grant exceptions to the foregoing minimum square footage restrictions in extraordinary circumstances. No waiver by the Architectural Committee of any such restriction in any one circumstance shall be construed as an abandonment of this covenant or operate as a waiver in any other circumstance.

6. All Structures must be set back from the front lot lines not less than 30 feet (30) and otherwise in accordance with local ordinances and Architectural Committee review. All Structures shall be completed and finish graded with landscaping general conforming with the other homes in the Wilds within 7 months of starting construction.

7. There shall be no unenclosed storage on any Lot of motor vehicles, recreational vehicles, marine craft or trailers of any type which are not currently used or not in working order. No unenclosed parking or storage of any commercial vehicles shall be permitted on any Lot. Adequate off street parking shall be provided on each Lot for the parking of motor vehicles used by the Lot occupants. There shall be no unenclosed storage on any Lot of motor vehicle parts, implements, junk, refuse or other unsightly materials of any type.

8. No Lot may be used except for single family residential purposes. No nuisance, noxious or offensive activity may be carried on or permitted on any Lot, nor shall anything be done on any Lot which may become an annoyance or nuisance to the neighborhood. No animals other than household pets may be kept on any Lot. All structures on any Lot must be maintained in a neat condition appropriate to the character of the neighborhood.

9. EASEMENTS Easements for drainage and the installation and maintenance of public utility facilities and for such other purposes incidental to the development of the property are reserved and to be maintained as designated on the plat of The Wilds. No structures, trees or shrubs are to be placed on drainage easements. No trees or shrubs are to be planted or maintained on utility easements except as approved, and then they are installed at the owners sole cost and risk. The Committee shall have the specific power to allow the developer to mow the growth on the rights of way and adjoining properties as deemed necessary to maintain the good appearance of the area.

10. LETTER AND DELIVERY BOXES. The covenants Committee shall determine the location, color, size, design, lettering and all other particulars of all mail or paper delivery boxes, and standards and brackets and name signs for such boxes in order that the area be strictly uniform in appearance with respect thereto. These mail or paper delivery boxes may be required to be located in clusters within the rights of way in The Wilds and easements necessary to facilitate the placement and use of the boxes are hereby reserved.

11. Except as to the easements created hereby which are perpetual, the term of this declaration shall run from the date hereof until June 30, 2027 at which time the Declaration

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This instrument was drafted by:

Rence Fritz
1010 West St. Germain
St. Cloud, MN 56301

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COUNTY RECORDER
STEARN CO. MN
PATRICIA M. OVERMAN

Patricia M. Overman REC'D

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POOL HOURS/POOL SEASON

- (VOTE) Hours
 - Pool season is from Memorial Weekend to Labor Day Weekend
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THE WILDS Homeowners Association **Swimming Pool Rules**

The following rules have been established for the benefit and protection of all members and guests. They are established by *The Wilds Homeowners Association* and approved by **The Wilds Homeowners Association Board Members**. These rules are designed to ensure proper operation of the facility and to provide wholesome recreation for members and their guests.

ENFORCEMENT OF RULES

1. All members and guests are required to abide by these rules. Parents are encouraged to caution their children to observe all rules and obey the instructions of *The Wilds Homeowners Association Swimming Pool Rules*. **Parents are responsible for the conduct of their children and members are responsible for their guests at the pool.**
2. Noncompliance with the rules of the pool may result in the suspension of pool privilege (s).
3. Situations arising that are not specifically covered by the established rules shall be handled by *The Wilds Association Board Members* and/or *The Wilds Developer*.

GUESTS

A guest is defined as any person not an owner or resident of *The Wilds*. Such a guest must be accompanied by a resident of *The Wilds* at all times when using the facility **except** if you've appointed this guest as a guardian for your children (family member, babysitter) in lieu of your presence.

1. Members are limited to not more than (VOTE) guests at any time.
2. Admittance of guests during heavy pool time should be used with caution.

MISCONDUCT

1. *The Wilds* Developer, Board Members or Residents have the right to remove a Swimmer, for (VOTE), for inappropriate conduct or actions.
2. Eviction or suspension of pool privileges for noncompliance of the rules by a member or their guest shall not entitle such member to a refund of association dues in whole or part.
3. Only authorized persons are allowed in the pool enclosure during or after pool hours. Any unauthorized use will be treated as a trespass or violation. Appropriate actions will be taken.
4. Deliberate property damage caused by a member of his/her family or guest will be charged to the association member. All damages must be repaired and all outstanding payments for damages in agreement prior to re-admittance to the pool.

RESPONSIBILITY

1. The Association accepts no responsibility for items lost or stolen.
2. Lost and found items will be in the storage area until the end of the pool season.

SEVERE WEATHER

1. Pool may be closed, and the deck cleared, under the following conditions:
 - A. Air temperatures below 65 degrees Fahrenheit.
 - B. Lightning or thunderstorms
 - C. Hail, showers, or heavy rain showers that prevent (block) observation of the bottom of the pool.
 - D. Any other climatic conditions that may endanger pool users.

POOL ETIQUETTE

1. Use common sense.
2. Treat others as you would like to be treated.
3. Show respect to others (**adults and children**).

GENERAL

1. No running in the pool area
2. No pushing, wrestling, fighting or yelling.
3. No spitting or nose blowing.
4. No abusive or profane language.
5. No diving is allowed into water less than five (5) feet deep.
6. No pets are allowed in the pool area except for guide dogs.
7. No wheeled vehicles except for wheelchairs are allowed in the pool area.
8. No persons having infectious diseases, inflamed eyes, colds, nasal or ear discharges, skin rashes or eruptions, open soars of any kind, or wearing a bandage will be allowed into the pool area.
9. No glass bottles or glass containers in the pool area.
10. Food is permitted away from the edge of the pool; however, this policy will be discontinued if the pool area is not kept clean. Please dispose of all trash in the containers provided. Be responsible.
11. Appropriate pool toys are admissible. Please use discretion.
12. No air mattresses or large floating devices in the main pool or wading pool. Floatation devices such as floating rings, tubes etc. are allowed. Please use discretion.
13. Radios and other portable music systems should be maintained at a level of volume that does not disturb others. You may be asked to turn the music down or off.
14. No cutoff shorts or inappropriate attire are to be worn in the pool.
15. Do not park bikes or strollers in front of the sidewalk of the pool entrance or on the walking trails.
16. Swim diapers are required for all infants and children that normally wear diapers.
17. No barbecue grills are allowed in the pool area or adjoining parking lot, unless approved by the Board of Directors for special functions and community events.
18. Restrooms should be used at all times when needed.
19. Changing of clothes (infants and adults) should be conducted in the rest rooms.
20. Private Parties and reserved pool times will not be allowed.

The Wilds Association

Board of Directors

The Board of Directors shall meet at least once a month when the pool is open and at such other times and intervals as they may deem necessary.

OFFICERS:

1. The President shall preside at the meetings of the Association and of the Board of Directors. He/she shall be the administrative officer of the Association. He/she shall appoint, the subject to confirmation by the Board of Directors, all standing committees, and all special committees as may be directed. He/she shall be a member of all committees.
2. The Vice-President for Administration, in the absence or disability of the president shall act in his/her stead. He/she shall, under the direction of the president, attend to the business and financial operations of the Association and shall be a member of all committees.
3. The Secretary shall send out notices of the meetings of the Association and of the Board of Directors, keep the minutes, and attend to the correspondence pertaining to the Association. He/she shall perform such other duties pertaining to his/her office as may be asked of him by the Board of Directors.
4. The Treasurer shall attend to keeping the accounts of the Association, collecting its dues, paying its bills as approved by the Board of Directors or other agency authorized by the Board to incur them. He/she shall deposit funds of the Association received by him/her, in the name of the Association, in duties pertaining to his office as may be asked of him/her by the Board. He/she shall be properly bonded as designated by the Board of Directors.
5. Additional Board Members may be elected to serve on committees.

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COUNTY RECORDER
STEARNS CO. MN
PATRICIA M. OVERMAN

BY MVP DEPUTY

DECLARATION OF THE WILDS

THIS DECLARATION is made in the County of Stearns, State of Minnesota, on February 26, 2001, by Frontier Properties, Inc., a Minnesota Corporation (the "Declarant").

WHEREAS, Declarant and the undersigned are the owners of certain real property located in Stearns County, Minnesota, legally described in **Exhibit A** attached hereto together with all improvements thereon (collectively the "Property"); and

WHEREAS, Declarant has formed a non-profit association (the "Association") which will eventually assist in ensuring the continued integrity of the Common Elements of the Property; and

WHEREAS, Declarant desires to subject the Property to this Declaration; and

WHEREAS, pursuant to Section 515B.1-102(c)(2) the Property is exempt from the provisions of Minnesota Statutes Chapter 515B, known as the Minnesota Common Interest Ownership Act, and it is the intent of Declarant that the Property and the Association remain outside the scope of the Minnesota Common Interest Ownership Act.

SECTION 1

DEFINITIONS

The following words when used in the Articles and By-Laws of the Association and this Declaration (collectively the "Governing Documents") shall have the following meanings (unless the context indicates otherwise):

- 1.1 "Additional Real Estate" shall mean the real property, 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 to the Property and make it subject to this Declaration and which real property is legally described on **Exhibit B**.

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- 1.2 "Association" shall mean The Wilds Homeowners Association of Sartell, a nonprofit corporation which has been created pursuant to Chapter 317A of the laws of the State of Minnesota, whose members consist of all Owners as defined herein.
- 1.3 "Board" shall mean the Board of Directors of the Association as provided for in the By-laws.
- 1.4 "By-Laws" shall mean the Bylaws governing the operation of the Association, as amended from time to time. A copy of the By-Laws to be initially adopted by the Association is attached as **Exhibit C**.
- 1.5 "Common Elements" The Common Elements as of the date of this Declaration are legally described in **Exhibit D** attached hereto.
- 1.6 "Common Expenses" shall mean and include all expenditures made or liabilities incurred by or on behalf of the Association and incident to its operation, including without limitation allocations to reserves and those items specifically identified as Common Expenses in this Declaration or the By-Laws.
- 1.7 "Dwelling" shall mean 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 Lot. The Dwelling includes any garage attached or otherwise included within the boundaries of the Lot in which the Dwelling is located.
- 1.8 "Eligible Mortgagee" shall mean any Person owning a mortgage on any Lot, which mortgage is first in priority upon foreclosure to all other mortgages that encumber such Lot, and which has requested the Association, in writing, to notify it regarding any proposed action which requires approval by a specified percentage of Eligible Mortgagees.
- 1.9 "Governing Documents" shall mean this Declaration, the Articles of Incorporation and By-Laws of the Association, as amended from time to time, all of which shall govern the use and operation of the Property.
- 1.10 "Lot" 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.
- 1.11 "Member" shall mean all persons who are members of the Association by virtue of being Owners as defined in this Declaration. The words "Owner" and "Member" may be used interchangeably in the Governing Documents.

- 1.12 "Occupant" shall mean any person or persons, other than an Owner, in possession of or residing in a Dwelling on a Lot.
- 1.13 "Owner" shall mean a Person who owns a Lot with a Dwelling constructed upon it, but excluding contract for deed vendors, mortgagees and other secured parties. The term "Owner" includes, without limitation, contract for deed vendees and holders of a life estate. A Dwelling is considered "constructed" upon a lot at such time as a certificate of occupancy is obtained for the Dwelling or when the Dwelling is occupied.
- 1.14 "Person" shall mean a natural individual, corporation, limited liability company, partnership, trustee, or other legal entity capable of holding title to real property.
- 1.15 "Plat" shall mean the recorded plat or plats depicting the Property, including Additional Property if added to the Property as permitted herein, satisfying the requirements of Minnesota Statutes, as applicable, including any amended or supplemental Plats recorded from time to time.
- 1.16 "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.
- 1.17 "Rules and Regulations" shall mean the Rules and Regulations of the Association as approved from time to time pursuant to Section 5.6.

SECTION 2

DESCRIPTION OF LOTS AND EASEMENTS

2.1 Lots. There are initially 113 Lots, all of which are designed for single family dwelling purposes. Each Lot constitutes a separate parcel of real estate. The Lot identifiers and locations of the Lots are as shown on the Plat, which is incorporated herein by reference. The Lot identifier for a Lot shall be its lot and block numbers and the subdivision name.

2.2 Use and Enjoyment Easements. Each Lot shall be the beneficiary of appurtenant easements for the use and enjoyment on and across the Common Elements, which shall be appurtenant thereto, and shall be permanent, subject only to termination in accordance with the terms of the easement or the Governing Documents, as each may be applicable. However, said easement shall not be effective for any Lot until such time as a Dwelling has been constructed upon the Lot.

SECTION 3

COMMON ELEMENTS AND RESTRICTIONS

- 3.1 Common Elements. The Common Elements and their characteristics are as follows:
- a. The Common Elements include those parts of the Property described in **Exhibit D**. The Common Elements are owned by the Association for the benefit of the Owners and Occupants.
 - b. Subject to Sections 5, 6 and 9, all maintenance, repair, replacement, management and operation of the Common Elements shall be the responsibility of the Association.
 - c. Common Expenses for the maintenance, repair, replacement, management and operation of the Common Elements shall be assessed and collected from the Owners in accordance with Section 6.
 - d. The Common Elements may not be used for commercial purposes.

SECTION 4

ASSOCIATION MEMBERSHIP: RIGHTS AND OBLIGATIONS

Membership in the Association, and the allocation to each Lot 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 Lot ownership and the construction of a Dwelling on that Lot, and the membership shall be transferred with the conveyance of the Owner's interest in the Lot. An Owner's membership shall terminate when the Owner's ownership terminates. When more than one Person is an Owner of a Lot, all such Persons shall be members of the Association, but multiple ownership of a Lot shall not increase the voting rights allocated to such Lot nor authorize the division of the voting rights.

4.2 Voting and Common Expenses. Voting rights and Common Expense obligations are allocated equally among the Lots (each Lot shall have one vote); except that special allocations of Common Expenses shall be permitted as provided in Section 6.1.

4.3 Appurtenant Rights and Obligations. The ownership of a Lot with a Dwelling constructed upon it shall include the voting rights and Common Expense obligations described in Section 4.2. Said rights, obligations and interests, and the title to the Lots, shall not be separated or conveyed separately.

4.4 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 Lot at meetings of the Association; provided, that if there are multiple Owners of a Lot, only one Owner or other Person designated pursuant to the provisions of the By-Laws may cast a vote. The voting rights of Owners are more fully described in Section 3 of the By-Laws.

SECTION 5

ADMINISTRATION

The administration and operation of the Association and the Common Elements, 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 Common Elements shall be governed by the Governing Documents. The Association shall, subject to the rights of the Owners set forth in the Governing Documents, be responsible for the operation, management and control of the Common Elements. The Association shall have all powers described in the Governing Documents 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. 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 Common Elements for which it is responsible.

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 shall be binding upon all Owners and Occupants, and their lessees, guests, heirs, personal representatives, successors and assigns, and all secured parties.

5.4 By-Laws. The Association shall have By-Laws. The By-Laws 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 duties imposed upon the Association's officers and directors by the Governing Documents; however, such delegation will 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 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 Common Elements; provided that the Rules and Regulations shall not be inconsistent with

the Governing Documents. 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 Lots by the Board, in its discretion; subject to the limitations set forth in Sections 6.2 and 6.3, and the requirements of the By-Laws. Assessments for Common Expenses shall include annual assessments and may include special assessments. Assessments shall be allocated equally among the Lots except as provided otherwise in Section 6 and except as provided below:

- a. Reasonable attorneys fees and other costs incurred by the Association in connection with (i) the collection of assessments and (ii) the enforcement of the Governing Documents, or the Rules and Regulations, against an Owner or Occupant or their guests, may be assessed against the Owner's Lot;
- b. Fees, charges, late charges, fines and interest may be assessed against specific Lot Owners, as provided in the Governing Documents;
- c. Assessments levied to pay a judgment against the Association may be levied only against the Lots existing at the time the judgment was entered, in proportion to their Common Expense liabilities;
- d. If any damage to the Common Elements is caused by the act or omission of any Owner or Occupant, or their guests, the Association may assess the costs of repairing the damage exclusively against the Owner's Lot to the extent not covered by insurance;
- e. If any installment of an assessment becomes more than 30 days past due, then the Association may, upon 10 days written notice to the Owner, declare the entire amount of the assessment immediately due and payable in full;
- f. Assessments under Subsections 6.1. a-c 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 this Section 6. Each annual assessment shall cover all of the anticipated Common Expenses of the Association for that year. Annual assessments may 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 or any portion thereof. Annual assessments must be paid in accord with Section 8.2 of the Bylaws. Any owner that becomes an owner after the beginning of the year for which an assessment has or will be levied, will be responsible to pay a pro-rata share of the annual assessment based upon the later of: (i) the closing on the purchase of a Lot from Declarant upon which a Dwelling has been constructed, or (ii) obtaining of a certificate of occupancy for, or the occupation of, a Dwelling on a Lot.

6.3 Special Assessments. In addition to annual assessments, the Board may levy in any year a special assessment against all Lots for the purpose of defraying in whole or in part (i) the cost of any unforeseen or unbudgeted Common Expense, (ii) general or specific reserves, and (iii) the maintenance, repair or replacement of any part of the Common Elements. Notwithstanding the foregoing, any special assessment shall be subject to approval by the vote of a majority of those Owners voting.

6.4 Liability of Owners for Assessments. The obligation of an Owner to pay assessments shall commence at the time the Owner acquires title to a Lot. The Owner at the time an assessment is payable with respect to the Lot shall be personally liable for the share of the Common Expenses assessed against such Lot. Such liability shall be joint and several where there are multiple Owners of the Lot. 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 Lot, 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. The Association may invoke the charges, sanctions and remedies set forth in Section 11, in addition to any remedies provided elsewhere in the Governing Documents or by law, for the purpose of enforcing its rights hereunder.

6.5 Vacant Lots. Notwithstanding anything in this Section 6 to the contrary, Common Expense Assessments shall only be assessed against Lots upon which a Dwelling has been constructed.

6.6 Assessment Lien. The Association has a lien on a Lot for any assessment levied against that Lot from the time the assessment becomes due. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment thereof becomes due. Fees, charges, late charges, fines and charges imposed by the Association are liens, and are enforceable as assessments, under this Section. 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.

6.7 Voluntary Conveyances; Statement of Assessments. In a voluntary conveyance of a Lot the buyer shall not be personally liable for any assessments and other charges made by the Association against the seller or the seller's Lot prior to the time of conveyance to the buyer, unless expressly assumed by the buyer. All assessments must be paid prior to or as part of any sale or conveyance of a Lot, and the lien of such assessments shall remain against the Lot until satisfied. Any seller or buyer shall be entitled to a statement of past due assessments, in recordable form, for the Association's current fiscal year.

SECTION 7

MAINTENANCE

7.1 Maintenance by Association. The Association shall provide for all maintenance and upkeep of the Common Elements. The Association shall have such easements across the Property as may be necessary to perform its obligations under this Section. The Owners and Occupants shall have a duty to promptly notify the Association of defects in or damage to the Common Elements.

7.2 Maintenance by Owner. All maintenance of the Dwellings and Lots shall be the sole responsibility and expense of the Owners thereof.

7.3 Damage Caused by Owner. Notwithstanding any provision to the contrary in this Section, if, in the judgment of the Association, the need for repair of any part of the Common Elements is caused by the willful or negligent act or omission of an Owner or their guests, the Association may cause such damage or condition to be repaired or corrected, and the cost thereof may be assessed against the Lot of the Owner responsible for the damage.

SECTION 8

INSURANCE

8.1 General. Any insurance the Association obtains and/or maintains shall be issued by a reputable insurance company or companies authorized to do business in the State of Minnesota.

8.2 Property Insurance. The Association shall maintain property insurance covering all risks equal to 100% of insurable replacement value of property owned by the Association. Such insurance shall not cover property that is not normally covered by such insurance. Such policies shall contain provisions and endorsements required from time to time by the regulations of FHA or FNMA as a precondition to financing, insuring, or purchasing a mortgage on a Lot.

8.3 Comprehensive Public Liability Insurance. The Association shall maintain at a minimum comprehensive public liability insurance covering the use, operation and maintenance of the Common Elements, against claims for death, bodily injury and property damage, and such other risks as are customarily covered by such policies for projects similar in construction,

location and use, in amounts determined to be reasonable by the Board. Coverage limits shall, however, at a minimum be \$1,000,000.00 on a per occurrence basis. The policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner or Occupant because of negligent acts of the Association or other Owners or Occupants. The policy shall include such additional endorsements, coverages and limits with respect to such hazards as may be required by the regulations of the FIIA or FNMA as a precondition to their insuring, purchasing or financing a mortgage on a Lot.

8.4 Fidelity Bond. If deemed advisable by the Board or if regulations of the FHA or FNMA as a precondition to the purchase or financing of a mortgage on a Lot and if deemed advisable by the Board, the Association may maintain a fidelity bond or coverage against dishonest acts on the part of directors, officers, manager, trustees, employees or persons responsible for handling funds belonging to or administered by the Association. The fidelity bond or insurance shall name the Association as the named insured.

8.5 Other. The Association shall maintain workers compensation insurance where applicable. The Association may maintain such other insurance as the Board may determine from time to time to be in the best interests of the Association and the Owners. The Association may enter into binding agreements with a mortgagee, insurer or services, including without limitation FHA or FNMA, obligating the Association to keep certain specified coverages and endorsements in effect.

8.6 Premiums; Improvements; Deductibles. All insurance premiums shall be assessed and paid as a Common Expense. The insurance will only cover Common Elements and will not cover property loss or damage to Dwellings or Lots.

8.7 Cancellation; Notice of Loss. All policies of comprehensive liability insurance maintained by the Association shall provide that the policies shall not be canceled or substantially modified, for any reason, without at least 30 days prior written notice to the Association, to the FHA or FNMA (if applicable), all of the insureds and all Eligible Mortgagees.

8.8 Owner's Personal Insurance. Each Owner may obtain additional personal coverage at his or her own expense covering fire and other casualty to the Lot, the Dwelling, personal property or personal liability of said Owner. These items will not be covered by the Association's insurance, and such insurance is recommended. All insurance policies of Owners shall provide that they are without contribution as against that purchased by the Association.

8.9 Waiver of Subrogation. All policies of insurance shall contain waivers of subrogation by the insurer against the Association, or an Owner, members of the Owners household, officers or directors, as applicable, and if available waivers of any defense based on co-insurance or of invalidity from any acts of the insured.

8.10 No Contribution. All policies of insurance maintained by the Association shall be the primary insurance, and may not be brought into contribution with any insurance purchased by Owners or Eligible Mortgagees.

SECTION 9

COMPLIANCE AND REMEDIES

Each Owner and Occupant, and any other Person owning or acquiring any interest in the Property, shall be governed by 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.

9.1 Entitlement to Relief. The Association may commence legal action to recover sums due, for damages, for injunctive relief, 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, 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, as a measure to enforce such Owner's position, or for any other reason.

9.2 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, or the Rules and Regulations:

- 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 Lot 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. Impose reasonable fines, penalties or charges for each violation of the Governing Documents or the Rules and Regulations of the Association.
- e. Take any other action permitted by the Governing Documents or by law.

9.3 Lien for Charges, Penalties, Etc. Any assessments, charges, fines, penalties or interest imposed under this Section shall be a lien against the Lot of the Owner or Occupant against whom the same are imposed and the personal obligation of such Owner in the same manner and with the same priority and effect as assessments under Section 6. The lien shall attach as of the date of imposition of the remedy, but shall not be final as to violations for which a hearing is held until the Board gives written notice following the hearing. All remedies shall be cumulative, and the exercise of, or failure to exercise, any remedy shall not be deemed a waiver of the right to pursue any others.

9.4 Costs of Proceeding and Attorneys Fees. With respect to any collection measures, or any measures or action, legal, administrative or otherwise, which the Association takes to enforce the provisions of the Governing Documents or Rules and Regulations, whether or not finally determined by a court or arbitrator, the Association may assess the violator and his or her Lot with any expenses in connection with such enforcement, including without limitation fines or charges previously imposed by the Association, reasonable attorney's fees, and interest (at the highest rate allowed by law) on the delinquent amounts owed to the Association. Attorneys fees shall be available to the Association whether or not court action is necessary.

9.5 Liability for Owners' and Occupants' Acts. An Owner shall be liable for the expense of any maintenance, repair or replacement of the Common Elements rendered necessary by such Owner's acts or omissions, or by that of Occupants or guests in the Owner's Lot, to the extent that such expense is not covered by the proceeds of insurance carried by the Association or such Owner or Occupant. However, any insurance deductible amount and/or increase in insurance rates, resulting from the Owner's acts or omissions may be assessed against the Owner responsible for the condition and against his or her Lot.

9.6 Enforcement by Owners. The provisions of this Section shall not limit or impair the independent rights of other Owners to enforce the provisions of the Governing Documents or the Rules and Regulations. Individual Owners who take action to enforce the provisions of the Governing Documents or the Rules and Regulations shall also be entitled to attorney's fees and their costs incurred in such enforcement from the Owner(s) violating the Governing Documents or Rules and Regulations, but in no event will an owner be entitled to recover attorney's fees from the Association.

SECTION 10

SPECIAL DECLARANT RIGHTS

Notwithstanding anything in the Governing Documents to the contrary, Declarant hereby reserves exclusive and unconditional authority to exercise the following special declarant rights; for as long as it owns a Lot, or for such shorter period as may be specifically indicated:

10.1 Relocate Boundaries and Alter Lots. To relocate boundaries between Lots and otherwise alter Lots owned by it, including the subdivision of Lots.

10.2 Consent to Certain Amendments. As long as Declarant owns any unsold Lot, Declarant's written consent shall be required for any amendment to the Governing Documents or Rules and Regulations.

10.3 Signage. As long as the Declarant owns any unsold Lot, the Declarant may erect and maintain signs on the Common Elements.

10.4 Assignment. The Declarant may assign its Special Declarant rights and other rights established by the Governing Documents. To be effective such assignment must be made together with a transfer of a portion of the Property and such assignment must specifically and in writing identify that Declarant intends to transfer "Declarant Rights" under the Governing Documents.

SECTION 11

RIGHTS TO ADD ADDITIONAL REAL ESTATE

11.1 Declarant's Rights to Add Additional Real Estate. Declarant hereby expressly reserves the right to add the Additional Real Estate to the Property, by unilateral action, subject to the following conditions:

- a. The right of Declarant to add the Additional Real Estate shall terminate 10 years after the date of recording of this Declaration or upon earlier express written withdrawal of such right by Declarant or a successor Declarant.
- b. The Additional Real Estate may be added to the Property in parcels consisting of one or more platted lots, or portions thereof.
- c. There are no assurances as to the times at which all or any part of the Additional Real Estate will be added to the Property, the order in which it will be added, the number of parcels per phase nor the size of the Lots. Declarant is under no obligation to add the Additional Real Estate to the Property, and the Additional

Real Estate may be developed by Declarant or its successors in interest for other purposes, subject only to approval by the appropriate governmental authorities.

- d. The maximum number of Lots that may be created including the Additional Real Estate and the Property described as such on the date of this Declaration is 300. All Lots created on the Additional Real Estate which are added to this Association shall be designed for single family dwelling purposes.

11.2 Upon the sale of any Lot within THE WILDS or THE WILDS PLAT TWO, which is not subject to this Declaration, the Purchaser may, with the consent of the Board of the Association, make such Lot included in the Property subject to this Declaration. The Lot shall be added to the Property and made subject to this Declaration by the Association filing of record a written notice indicating the addition to the Property of the Lot. None of the conditions or agreements in this Declaration shall apply to said Lot unless and until such written notice is filed of record.

SECTION 12

AMENDMENTS

This Declaration may be amended by the consent of (i) Owners of Lots to which are allocated at least Seventy-five percent (75%) of the votes in the Association, (ii) the percentage of Eligible Mortgagees (based upon one vote per first mortgage owned) required by Section 13 as to matters prescribed by said Section and (iii) the consent of Declarant to certain amendments as provided in Section 10. Consent of the Owners may be obtained in writing or at a meeting of the Association duly held in accordance with the By-Laws. Consents of Eligible Mortgagees and the Declarant shall be in writing. The Amendment shall be effective when recorded. 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 13

RIGHTS OF ELIGIBLE MORTGAGEES

Notwithstanding anything to the contrary in the Governing Documents, and subject to any requirements of the law, Eligible Mortgagees shall have the following rights and protections:

13.1 Consent to Certain Amendments. The written consent of Eligible Mortgagees representing at least fifty-one percent (51%) of the Lots that are subject to first mortgages held by Eligible Mortgagees (based upon one vote per first mortgage owned) shall be required for any amendment to the Governing Documents which causes any change in the following: (i) voting rights; (ii) responsibility for maintenance and repairs; (iii) reallocation of interests in the Common Elements; (iv) convertibility of Lots into Common Elements or vice versa; (v)

expansion or contraction of the Property or the addition, annexation or withdrawal of property to or from the Property (excluding the annexation of the Additional Real Estate); (vi) reduction in hazard or fidelity insurance requirements; (vii) imposition of any restrictions on an Owner's right to sell or transfer his or her Lot below the minimum established by the Declaration; (viii) any action to terminate the legal status of the Association after substantial destruction or condemnation occurs; or (ix) any provisions that expressly benefit Eligible Mortgagee, or insurers or guarantors of mortgages.

13.2 Consent to Certain Actions. The written consent of Eligible Mortgagees representing at least sixty-seven percent (67%) of the Lots that are subject to first mortgages held by Eligible Mortgagees (based upon one vote per first mortgage owned) shall be required to (i) abandon or terminate the Association; (ii) change the allocations of voting rights, Common Expense obligations or interest in the Common Elements from that provided in the Governing Documents; (iii) partition or subdivide a Lot (except when done by the Declarant); (iv) abandon, partition, subdivide, encumber or sell the Common Elements; or (v) use hazard proceeds for other than the repair, replacement or reconstruction of the Common Elements, except as otherwise provided by law.

13.3 Priority of Lien. Any holder of a first mortgage on a Lot or any purchaser of a first mortgage at a foreclosure sale, that comes into possession of a Lot by foreclosure of the first mortgage or by deed or assignment in lieu of foreclosure, takes the Lot free of any claims for unpaid assessments or any other charges or liens imposed against the Lot by the Association which have accrued against such Lot prior to the acquisition of possession of the Lot by said first mortgage holder or purchaser; (i) except as provided in Section 6; and (ii) except that any unreimbursed assessments or charges may be reallocated among all Lots in accordance with their interests in the Association.

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

13.5 Priority for Condemnation Awards. No provision of the Governing Documents shall give an Owner, or any other party, priority over any rights of the Eligible Mortgagee of the Lot pursuant to its mortgage in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Elements. The Association shall give written notice to all Eligible Mortgagees of any condemnation or eminent domain proceeding affecting the Property promptly upon receipt of notice from the condemning authority.

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

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

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

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

SECTION 14

MISCELLANEOUS

14.1 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.

14.2 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.

14.3 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, 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.

EXHIBIT A
(Legal Description of the Property)

Lots One (1) through Fifteen (15), Block One (1); Lots One (1), Two (2), Three (3), Four (4), Six (6), Seven (7), Eight (8), and Nine (9), Block Two (2); Lots One (1) through Twenty-four (24), Block Three (3); Lots One (1) through Three (3), Block Four (4); Lots One (1) and Two (2), Block Five (5); and Lots One (1) through Three (3), Block Six (6); and Outlot A of THE WILDS, according to the plat and survey thereof on file and of record in the office of the County Recorder in and for Stearns County, Minnesota.

AND

Lot One (1), Block One (1); Lots One (1) through Six (6) and Lot Eight (8), Block Two (2); Lots One (1) through Eight (8), Block Three (3); Lots One (1) through Six (6) and Lots Eight (8) through Twenty-two (22), Block Four (4); Lots One (1) through Six (6), Block Five (5); Lots One (1) through Seven (7), Block Six (6); Lots One (1) through Three (3), Block Seven (7), and Outlot A of THE WILDS PLAT 2, according to the plat and survey thereof on file and of record in the office of the County Recorder in and for Stearns County, Minnesota.

EXHIBIT B
(Legal Description of the Additional Property)

The North Half of the Southwest Quarter (N1/2 SW1/4), LESS AND EXCEPT the South 317.00 feet thereof, Section Seventeen (17), Township One Hundred Twenty-five (125), Range Twenty-eight (28), Stearns County, Minnesota.

EXHIBIT C

THE WILDS HOMEOWNERS ASSOCIATION OF SARTELL

BY-LAWS

SECTION 1 GENERAL

The following are the By-Laws of The Wilds Homeowners Association of Sartell, a Minnesota nonprofit corporation (the "Association"). The Association is organized for the purpose of operating and managing The Wilds Common Elements. The terms used in these By-Laws shall have the same meaning as they have in the Declaration of The Wilds ("Declaration").

SECTION 2 MEMBERSHIP

2.1 Members Defined. All Persons described as Owners in Section 4 of the Declaration shall be members of the Association. No Person shall be a member solely by virtue of holding a security interest in a Lot. A Person shall cease to be a member at such time as that Person is no longer an Owner.

2.2 Registration of Owners and Occupants. Each Owner shall register with the Secretary of the Association, in writing, within 30 days after taking title to a Lot and provide the following information: (i) the name and address of the Owners and any Occupants of the Lot, (ii) the name of such Owner's interest or estate in each Lot owned; (iii) the address at which the Owner desires to receive notice of any meeting of the Owners, if other than the Lot address; and (iv) the name of the Owner, if there are multiple Owners of the Lot, who shall be authorized to cast the vote with respect to the Lot. The Owner shall have a continuing obligation to advise the Association in writing of any changes in the foregoing information.

2.3 Transfers. The interests, rights and obligations of an Owner in the Association may be assigned, pledged, encumbered or transferred, but only along with and as a part of the title to the Owner's Lot or as otherwise specifically authorized by the Governing Documents or by law.

SECTION 3 VOTING

3.1 Entitlement. Votes shall be allocated to each Lot as provided in the Declaration. However, no vote shall be exercised as to a Lot if the Lot is owned by the Association. No vote shall be exercised as to a Lot which has been subdivided and added to the adjoining Lots.

3.2 Authority to Cast Vote. At any meeting of the Owners, an Owner included on the voting register presented by the Secretary in accordance with Section 4.6, or the holder of such Owner's proxy, shall be entitled to cast the vote which is allocated to the Lot owned by the Owner. If there is more than one Owner of a Lot, only one of the Owners may cast the vote. If the Owners of a Lot fail to agree as to who shall cast the vote, or fail to register pursuant to Section 2.2, the vote shall not be cast. If the same person is the Owner of more than one Lot such person shall be entitled to one vote for each Lot owned.

3.3 Voting by Proxy. An Owner may cast the vote which is allocated to the Owner's Lot and be counted as present at any meeting of the Owners by executing a written proxy naming another Person entitled to act on that Owner's behalf, and delivering the same to the Secretary before the commencement of any such meeting. All proxies granted by an Owner shall remain in effect until the earliest of the following events: (i) revocation by the granting Owner by written notice or by personally attending and voting at the meeting for which the proxy is effective, (ii) eleven months after the date of the proxy, unless otherwise provided in the proxy, or (iii) the time at which the granting Owner is no longer an Owner.

3.4 Voting by Mail Ballot. The entire vote on any issue, except the removal of directors, may be determined by mailed ballots, subject to the following requirements.

- a. The notice of the vote shall: (i) clearly state the proposed action, (ii) indicate the number of responses needed to meet the quorum requirements, (iii) state the percentage of approvals necessary to approve each matter other than election of directors, and (iv) specify the time by which a ballot must be received by the Association in order to be counted.
- b. The ballot shall: (i) set forth each proposed action and (ii) provide an opportunity to vote for or against each proposed action.
- c. The Board of Directors shall set the time for the return of ballots, which shall not be less than 15 nor more than 30 days after the date of mailing of the ballots to the Owners. The Board of Directors shall provide notice of the results of the vote to the Owners within 10 days after the expiration of the voting period.
- d. Approval by written ballot under this Section is valid only if the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

3.5 Vote. A majority of the Lots entitled to vote at any properly constituted meeting of the Owners, or by mail in accordance with Section 3.4, shall decide all matters properly brought before the Owners, except where a different vote is specifically required by the

Governing Documents. The term "majority" as used herein shall mean in excess of 50% of the total number votes in the Association. Cumulative voting shall not be permitted.

SECTION 4 MEETINGS OF OWNERS

4.1 Place. All meetings of the Owners shall be held at the office of the Association or at 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.

4.2 Annual Meetings. An annual meeting of the Owners shall be held in each 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, (iii) the Owners must approve the annual budget for the coming year, and (iv) 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.

4.3 Special Meetings. Special meetings of the Owners may be called by the President at the President's discretion. Special meetings of the Owners shall be called by the President or Secretary within 30 days following receipt of the written request of a majority of the members of the Board of Directors or of Owners entitled to cast at least 25% of all the votes in the Association. The meeting shall be held within 90 days following receipt of the request. The request shall state the purpose of the meeting, and the business transacted at the special meeting shall be confined to the purposes stated in the notice. The purpose for which the meeting is requested and held must be lawful and consistent with the Association's purposes and authority under the Governing Documents.

4.4 Notice of Meetings. At least 21, but no more than 60, days in advance of any annual meeting of the Owners, and at least 7, but no more than 30, days in advance of any special meeting of the Owners, the Secretary shall send, to all persons who are Owners as of the date of sending the notice, notice of the time, place and agenda of the meeting, by United States mail, or by hand delivery, at the Owner's Lot address or to such other address as the Owner may have designated in writing to the Secretary. The notice shall also be sent to Eligible Mortgagees, upon request, at the address provided by the Eligible Mortgagee. Any Eligible Mortgagee shall, upon request, be entitled to designate a representative to be present at any meeting. Notice of meetings to vote upon amendments to the Articles of Incorporation shall also be given separately to each officer and Director of the Association.

4.5 Quorum/Adjournment. The presence of Owners in person or by proxy, who have the authority to cast in excess of fifty percent (50%) of all the votes in the Association shall be necessary to constitute a quorum at all meetings of the Owners for the transaction of any

business, except that of adjourning the meeting to reconvene at a subsequent time. Any meeting may be adjourned from time to time, but until no longer than 15 days later, without notice other than announcement at the meeting as initially called. If a quorum is present at the reconvened meeting, any business may be transacted which might have been transacted at the meeting as initially called had a quorum then been present. The quorum, having once been established at a meeting or a reconvened meeting, shall continue to exist for that meeting notwithstanding the departure of any Owner previously in attendance in person or by proxy. The Association may not be counted in determining a quorum as to any Lot owned by the Association.

4.6 Voting Register. The Secretary shall have available at the meeting a list of the Lot numbers, the names of the Owners, the vote attributable to each Lot and the name of the Person (in the case of multiple Owners) authorized to cast the vote.

4.7 Agenda. The agenda for meetings of the Owners shall be established by the Board of Directors, consistent with the Governing Documents, and shall be sent to all Owners along with the notice of the meeting.

SECTION 5 ANNUAL REPORT

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 Lots, current as of not more than 60 days prior to the date of the meeting.

SECTION 6
BOARD OF DIRECTORS

6.1 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 6.2 herein. Upon the expiration of the terms of the members of the first Board of Directors, the Board of Directors shall be composed of at least five (5) but no more than seven (7) directors, as determined at the annual meeting of the members from time to time, 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.

6.2 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, or (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 Lots authorized to be included in the common interest community. 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. 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 3 of the directors and three years for the remaining 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 By-Laws. There shall be no cumulative voting for directors.

6.3 Nominations. Nominations for election to the Board of Directors shall be made by a nominating committee appointed by the Board of Directors, or from the floor at the annual meeting or by "write-in" if authorized by the Board.

6.4 Powers. The Board of Directors shall have all powers necessary for the administration of the affairs of the Association, and may exercise for the Association all powers and authority vested in or delegated to the Association (and not expressly prohibited or reserved to the owners) by law or by the Governing Documents. The powers of the Board of Directors shall include, without limitation, the power to:

- a. Adopt, amend and revoke Rules and Regulations not inconsistent with the Governing Documents, as follows: (i) regulating the use of the Common Elements; (ii) regulating changes in the appearance of the Common Elements; and (iii) implementing the Governing Documents and exercising the powers granted by this Section;
- b. Adopt and amend budgets for revenues, expenditures and reserves, and levy and collect assessments for Common Expenses from Owners;
- c. Hire and discharge managing agents and other employees, agents, and independent contractors;
- d. Institute, defend, or intervene in litigation or administrative proceedings (in its own name on behalf of itself or two or more Owners on matters affecting the Common Elements or the Association);
- e. Make contracts and incur liabilities in accordance with the budget approved by the Owners;
- f. Regulate the use, maintenance, repair, replacement and modification of the Common Elements to the extent required or permitted by the Declaration;
- g. Cause improvements to be made as a part of the Common Elements;
- h. Acquire, hold, encumber, and convey in its own name any right, title, or interest to real estate or personal property, subject to the requirements of the Governing Documents;
- i. Grant public utility easements through, over or under the Common Elements;
- j. Impose and receive any payments, fees, or charges for the use, rental, or operation of the Common Elements and for services provided to Owners;
- k. Impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Governing Documents and the Rules and Regulations;

- i. Impose reasonable charges for the review, preparation and recordation of amendments to the Declaration or By-Laws, statements of unpaid assessments, or furnishing copies of Association records;
- m. Provide for the indemnification of its officers and directors, and maintain directors' and officers' liability insurance;
- n. Provide for reasonable procedures governing the conduct of meetings and the election of directors;
- o. Appoint, regulate and dissolve committees; and
- p. Exercise any other powers conferred by law or the Governing Documents, or which are necessary and proper for the governance of the Association.

6.5 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 semi-annually, 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 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 Lot address of such director, or when personally delivered, orally or in writing, by a representative of the Board of Directors.
- c. If Notice of a meeting is not given to a director, that director may waive the failure to provide Notice orally, in writing, or by attendance at the meeting. A director may only waive Notice to themselves and not Notice to other directors. 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.

6.6 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 2/3rds majority of the total number of directors will be sufficient to adopt any action. Proxies shall not be permitted.

6.7 Action Taken Without a Meeting. The Board of Directors shall have the right to take any action in the absence of a meeting which it could take at a meeting when authorized in a writing signed by all the directors.

6.8 Vacancies. A vacancy in the Board of Directors shall be filled by a person elected within 15 days following the occurrence of the vacancy by a majority vote of the directors, regardless of their number; except for vacancies created pursuant to Sections 6.2 and 6.9 of this Section. Each person so elected shall serve out the term vacated.

6.9 Removal. A director may be removed from the Board of Directors, with or without cause, by a majority vote at any annual or special meeting of the Owners; provided, (i) that the notice of the meeting at which removal is to be considered states such purpose, (ii) that the director to be removed has a right to be heard at the meeting and (iii) that a new director is elected at the meeting by the Owners to fill the vacant position caused by the removal. A director may also be removed by the Board of Directors if such director (i) has more than two unexcused absences from Board meetings and/or Owners meetings during any twelve month period or (ii) is more than 60 days past due with respect to assessments on the director's Lot. Such vacancies shall be filled by the vote of the Owners as previously provided in this Section.

6.10 Compensation. Except as authorized by a vote of the Owners at a meeting thereof, the directors of the Association shall receive no compensation for their services in such capacity. A director, or other Owner or Occupant may, upon approval by the Board of Directors, be retained by the Association and reasonably compensated for goods and services provided to the Association in an individual capacity. Directors may be reimbursed for out-of-pocket expenses in the performance of their duties.

6.11 Fidelity Bond. Fidelity bonds or insurance coverage for unlawful taking of Association funds may be obtained and maintained as provided in the Declaration on all directors and officers authorized to handle the Association's funds and other monetary assets.

SECTION 7 OFFICERS

7.1 Principal Officers. The principal officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may from time to time elect such other officers and designate their duties as in their judgement may be necessary to manage the affairs of the Association. A person may hold more than one office simultaneously, except those of President and Vice President. Only the President and Vice President must be members of the Board of Directors.

7.2 Election. The officers of the Association shall be elected at its annual meeting and shall hold office at the pleasure of the Board.

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

7.4 President. The President shall be the chief executive officer of the Association, and shall preside at all meetings of the Board of Directors and the Association. The President shall have all of the powers and duties which are customarily vested in the office of president of a corporation, including without limitation the duty to supervise all other officers and to execute all contracts and similar obligations on behalf of the Association; however, all contracts must in addition be executed by at least one other director. The President shall have such other duties as may from time to time be prescribed by the Board of Directors.

7.5 Vice President. The Vice President shall take the place of the President and perform the duties of the office whenever the President shall be absent or unable to act. The Vice President shall also perform such other duties as shall from time to time be prescribed by the Board of Directors.

7.6 Secretary. The Secretary shall be responsible for recording the minutes of all meetings of the Board of Directors and the Association. The Secretary shall be responsible for keeping the books and records of the Association, and shall give all notices required by the Governing Documents unless directed otherwise by the Board of Directors. The Board of Directors may delegate the Secretary's administrative functions to a managing agent; provided that such delegation shall not relieve the Secretary of the ultimate responsibility for the Secretary's duties.

7.7 Treasurer. The Treasurer shall have responsibility for all financial assets of the Association, and shall be covered by a bond or insurance in such sum and with such companies as the Board of Directors may require. The Treasurer shall be responsible for keeping the Association's financial books, assessment rolls and accounts. The Treasurer shall cause the books of the Association to be kept in accordance with customary and accepted accounting practices and shall submit them to the Board of Directors for its examination upon request. The Treasurer shall cause all moneys and other monetary assets of the Association to be deposited in the name of or to the credit of the Association in depositories designated by the Board of Directors, shall cause the funds of the Association to be disbursed as ordered by the Board of Directors and shall perform all other duties incident to the office of Treasurer. The Board of Directors may delegate the Treasurer's administrative functions to a managing agent; provided that such delegation shall not relieve the Treasurer of the ultimate responsibility for the Treasurer's duties.

7.8 Compensation. Except as authorized by a vote of the Owners at a meeting thereof, officers of the Association shall receive no compensation for their services in such capacity. An officer, or other Owner or Occupant may, upon approval by the Board of Directors, be retained by the Association and reasonably compensated for goods and services provided to

the Association in an individual capacity. Officers may be reimbursed for out-of pocket expenses incurred in the performance of their duties.

SECTION 8 OPERATION OF PROPERTY

8.1 Assessment Procedures. The Board of Directors shall, at least thirty (30) days prior to the first day of the Association's fiscal year, and based upon the Association's annual budget which has been approved by the Owners, and levy such Common Expenses against the Lots according to their respective Common liability as set forth in the Declaration. The annual budget, as approved by the Owners, shall include a general operating reserve, and may include an adequate reserve fund for maintenance, repair and replacement of those Common Elements.

- a. The Board of Directors shall fix the amount of the annual assessment against each Lot and advise the Owners in writing of the assessment at least thirty (30) days prior to the date when the first installment thereof is due. Increases in assessments shall be subject to the limitations set forth in Section 6 of the Declaration. The failure of the Board of Directors to timely levy an annual assessment shall not relieve the Owners of their obligation to continue paying assessment installments in the amount currently levied, as well as any increases subsequently levied.
- b. If an annual assessment proves to be insufficient, the budget and assessments thereof may be amended, or a special assessment levied, by the Board of Directors at any time subject to the limitations set forth in Section 6 of the Declaration, and subject to the Owners' right to approve any changes to the budget. The levy shall be deemed to occur upon the date specified in the resolution which fixes the assessment.
- c. The Association shall furnish copies of each budget on which the Common Expenses and the assessment are based to an Owner or to any Eligible Mortgagee, upon request of such persons.

8.2 Payment of Assessments. Unless otherwise specified by act of the Board of Directors, Annual assessments shall be due and payable in one annual installment as set by the Board, and special assessments shall be due when designated by the Board of Directors. All Owners shall be absolutely and unconditionally obligated to pay the assessments levied pursuant to the Governing Documents. No Owner or Occupant shall have any right of withholding, offset or deduction against the Association with respect to any assessments, or related late charges or costs of collection. Any rights or claims alleged by an Owner may be pursued only by separate action.

8.3 Default in Payment of Assessments. If any Owner does not make payment on or before the date when any assessment or installment thereof is due, subject to such grace periods as may be established, the Board of Directors may assess, and such Owner shall be obligated to

pay, a late charge as provided in the Declaration for each such unpaid assessment or installment thereof, together with all expenses, including reasonable attorneys' fees, incurred by the Board in collecting any such unpaid assessment.

- a. If there is a default of more than thirty (30) days in payment of any assessment, the Board of Directors may accelerate any remaining installments of the assessment, if any, upon prior written notice thereof to the Owner, and the entire unpaid balance of the assessment and late charges shall become due and payable upon the date stated in the notice unless all past due amounts, including late charges, costs of collection and fines, are paid prior to said date.
- b. The Board of Directors shall have the right and duty to attempt to recover all assessments for Common Expenses, together with any charges, attorneys fees or expenses relating to the collection thereof.
- c. Upon written request of an Owner or an Eligible Mortgagee of such Lot, notice of a default of more than thirty (30) days in payment of any assessment or installment of an assessment for Common Expenses or any other default in the performance of obligations by the Owner shall be given in writing to such Eligible Mortgagee.
- d. The rights and remedies referred to herein shall in no way limit the remedies available to the Association under the Declaration or by law.

8.4 Records. The Board of Directors shall cause to be kept at the registered office of the Association, and at such other place as the Board of Directors may determine, records of the actions of the Board of Directors, minutes of the meetings of the Board of Directors, minutes of the meetings of the Owners of the Association, names of the Owners and Eligible Mortgagees, and detailed and accurate records of the receipts and expenditures of the Association. All Association records, including receipts and expenditures and any vouchers authorizing payments, shall be available for examination by the Owners and the Eligible Mortgagees upon reasonable notice and during normal business hours. Separate accounts shall be maintained for each Lot setting forth the amount of the assessments against the Lot, the date when due, the amount paid thereon and the balance remaining unpaid. When practical, meeting minutes of the Board of Directors and Owners will be published in the Association's website.

8.5 Enforcement of Obligations. All Owners and Occupants and their guests are obligated and bound to observe the provisions of the Governing Documents and the Rules and Regulations. The Association may impose any or all of the charges, sanctions and remedies authorized by the Governing Documents, the Rules and Regulations or by law to enforce and implement its rights and to otherwise enable it to manage and operate the Association.

SECTION 9 AMENDMENTS

These By-laws may be amended, and the amendment shall be effective, upon the satisfaction of the following conditions:

9.1 Approval. The amendment must be approved by Owners who have authority to cast in excess of seventy-five percent (75%) of the total votes in the Association, in writing or at a duly held meeting of the Owners, subject to any approval rights of Eligible Mortgagees and the Declarant as provided in the Declaration; and

9.2 Notice. A copy of the proposed amendment and, if a meeting is to be held, notice of such meeting, shall be mailed by U.S. Mail, or hand delivered, to all Owners authorized to cast votes; and

9.3 Effective Date, Recording. The amendment shall be effective on the date of approval by the required by vote of the Owners and need not be recorded. If recorded, the amendment shall be recorded in the office of the recording officer for the county in which the Property is located.

SECTION 10 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 11 MISCELLANEOUS

11.1 Notices. Unless specifically provided otherwise by law, the Declaration or these By-laws, all notices required to be given by or to the Association, the Board of Directors, 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; except that registrations pursuant to Section 2.2 shall be effective upon receipt by the Association.

11.2 Severability. The invalidity or unenforceability of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of By-Laws.

11.3 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 By-Laws or the intent of any provision hereof.

11.4 Conflicts in Documents. In the event of any conflict among the provisions of the By-Laws and Rules and Regulations, the By-Laws shall control, and as between the By-Laws and the Declaration, the Declaration shall control.

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

11.6 No Corporate Seal. The Association shall have no corporate seal.

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

The undersigned hereby executes these By-Laws and certifies that they were adopted by THE WILDS HOMEOWNERS ASSOCIATION OF SARIFELL, a non-profit corporation incorporated under the laws of the State of Minnesota.

Secretary

EXHIBIT D

(Description of Common Elements)

Lot One (1), Block Five (5), THE WILDS, according to the plat and survey thereof on file and of record in the office of the County Recorder in and for Stearns County, Minnesota.