

**Southern Lakes Homeowners Association
Unofficial Minutes of February 9, 2004 Informational Meeting
Woodcrest Church
525 Cliff Road
Eagan, MN 55123**

Len Munson convened the Informational Meeting at approximately 6:35 p.m.

Approximately 35 individuals were present at the start of the meeting, which number grew throughout the evening to as many as approximately 50 individuals. No quorum requirements applied to this meeting.

President Munson began the meeting by explaining the agenda and procedures for the meeting. Throughout the meeting, the Board referred to a PowerPoint presentation which President Munson indicated would be posted on the official Association website (www.southernlakes.us). He also explained the Board's recent action in bringing forth the proposed rules which were mailed to the Membership by letter dated January 26, 2004. Len Munson further explained that the rules are intended to do the following:

- Allow the ACC to deny approval for post-sale modifications to homeowners who are not in compliance with Association rules and covenants.
- Allow the ACC to deny approval for post-sale modifications for homeowners who are delinquent in amounts owing to the Association.
- Encourage compliance with the Association's rules by allowing us to recover some enforcement expenses by establishing a fine system for chronic, uncorrected violations.

After briefly explaining each of the proposed rules, Munson went on to explain that the rules were necessary in order add additional tools for the Association in dealing with long-term and/or habitual covenant violations. Presently, the Association could only pursue matters in a long and costly lawsuit or attempt to exercise its rights under Section 5.4 (which for all practical purposes required a lawsuit as well). In short, the Board summarized that the rules were necessary for the following reasons:

- The Association needs stronger tools to ensure compliance with the Association's rules and covenants.
- Those who refuse to pay Association dues or to comply with Association rules and covenants should not be granted benefits by the Association.
- Those who repeatedly refuse to comply with the Association's rules and covenants should help repay the Association for compliance-related expenses.

In order to illustrate the advisability of and need for the rules, the members of the Board in turn explained five (5) examples of pending violations and enforcement actions in which the Board, the ACC and/or Durand and Associates had numerous contacts with the violating homeowner, where the homeowner refused to comply, and the only remedy the Association could rely upon was to commence a lawsuit, spending Members dues in pursuit of compliance. The examples involved years of Members' refusal to voluntarily comply, and incidents of physical violence and threats directed at representatives of the Board. Tim Sullivan and Mike Zender also explained that ignoring violations wasn't an option. First, the Association has a duty to enforce the Governing Documents, and any Member could bring a lawsuit against the Association for failing to seek compliance from violating Members. In addition, along Cliff Road, the City could commence a lawsuit against the Association (and in fact as read from a letter from Inver Grove Heights dated November 12, 2003) the City had made clear its intent to protect the Cliff Road berm.

Mike Zender then explained that the rules were intended to allow Members with notice and opportunity to cure violations prior to the imposition of any fines. This is similar to the present procedure followed by the Association. In addition, one of the Additional Provisions proposed would allow for a lengthening of those time periods under certain circumstances if the Member was unable for some reason to cure (e.g. weather conditions) in the time prescribed and agreed in writing to do so.

Finally, Len Munson explained that it was the intent of the Board to listen to Member comments and questions at this meeting, to ultimately adopt the rules in some form (taking into account Member comments

and comments previously received from legal counsel) pursuant to Section 7.1(a) of the ByLaws, and to have the Members vote pursuant to Special Meeting Written Ballot (similar to the process followed in adoption of the ACC Standards).

The Board then opened up the meeting for Member comments and questions.

Denise Radecke indicated that she was one of the five examples given in the PowerPoint presentation and took issue with some of the facts expressed in the presentation. The Board responded in turn to each of her questions and comments.

Tom LeLiberte commented to Denise Radecke that she should simply comply with the Covenants, and the matter would be resolved. He also spoke in favor of the proposed rules.

Mike Michaels spoke in favor of the proposed rules and also commended the Board and the Members for improvements in the Association from our early beginnings. He expressed that he viewed the recent initiative as another natural maturation point for the Association and expressed his approval.

Kristin Matlon also admitted to being one of the examples in the PowerPoint presentation and spoke about matters on her lot. She indicated that she felt people were being singled out by the Association for enforcement. She indicated that all of these problems could be resolved by adjusting the boundaries of the Conservation Easement. The Board responded and took issue with each of her points. Ms. Matlon did not speak to the rules themselves.

Kate Molitor who described herself as a new neighbor spoke in favor of honoring the Conservation Easement area and the voluntary agreements all of the homeowners in the Association had made. She was in favor of the new rules.

Michelle Danay (phonetic) introduced herself and spoke in favor of the proposed rules. She inquired about any violations that could not be resolved within the stated notice and cure periods. Mike Zender spoke to these concerns by citing the Additional Provisions section of the rules in which a homeowner could arrange for a written plan for correction if for reasons beyond the homeowners control, the violation could not be corrected in the specified period, which are clearly outlined in the rules.

Kevin Dessart admitted to being one of the examples of continuing violations cited by the Board in its presentation, and took issue with a number of facts cited by the Board. The Board responded and took issue with each of his points. Mr. Dessart did not speak to the rules themselves.

Eric Wetterland cited two concerns. First, he indicated that while he recognized that the Board had an easement to enter on his property, he felt that a homeowner should have prior notice. He cited the City's policy of notifying a homeowner and arranging an appointment. Mike Zender disavowed knowledge of the City's procedure, but indicated that it could be that the City has to follow that procedure, as the City does not have a general access easement to anywhere on a resident's property, but only utility easements over specified portions. Zender indicated that the Association continues its policy of knocking on the homeowner's door before entering the property to alert any occupants, but does not arrange appointments and if no one answers, representatives conduct their business and leave. Wetterland additionally commented that he did not believe that the bully should have the ability to fine. Secretary Zender responded that given the numerous attempts by the Association to amicably resolve violations, it is the violators who are bullying the members of the Association out of a significant portion of their dues.

Tom DePauw spoke by first asking homeowners to slow down in the neighborhood. He then said that it was his sense that the problems that the Association was experiencing created a risk that home values would be driven down. He also raised some questions regarding operation of the rules. These questions were each answered in turn.

A child of the Andersons then spoke saying that their fire-pit was placed by them in the conservation easement in the Spring of 2000. Len Munson responded by indicating that the Association had the written admission of the Andersons that the fire-pit was not placed in the conservation easement until the fall of 2000. In fact, other evidence seems to indicate that it may have been placed there much later.

Mindy Vining then spoke. She indicated that she wanted the tenor of the neighborhood to change. She also indicated that she'd carefully reviewed the rules and was in favor of them. Finally, she suggested a change terminology in one part of the rules from one week to 7 days.

Eric Wisti spoke by saying the rules should be welcomed by the neighborhood and that unless you are a violator, there is nothing to worry about.

Brad Murdock spoke regarding the practice of grandfathering and also requested that the Board speak with the City about dissolving the conservation easement in its entirety. Mr. Murdock requested the Board's commitment at that time to have that conversation with the City. The Board declined to provide that commitment. The Board indicated that it had no intention of changing the present practice that has been followed by every Board since the first Board took control of the Association of not seeking to enforce covenant violations that existed prior to the formation of that first Board.

Tom Mitch renewed his request that the Board speak with the City about having speed bumps placed in appropriate locations in the neighborhood. The Board agreed to this. Mr. Mitch also requested that notice of Board of Director's Meetings be posted on the webpage, and the Board responded that this also seemed like a good idea. Finally, Mr. Mitch indicated that he didn't want Association representatives on his lot without him present, largely for insurance reasons. Len Munson responded that the Association carries insurance that covers Association representatives while conducting Association business.

Michelle Danay spoke again, reporting a large amount of barbed wire in the conservation easement. She indicated that she thought it was somewhere near a fire-pit in the conservation easement on Amherst Way. With other Member input, it appears to be located at about 10768 Amherst Way. The Board indicated that it would look further into this report.

Kristen Matlon spoke again. She first accused Len Munson of entering her property from the pond side, based upon the appearance of tracks in the snow on the pond. Munson indicated that he at one time thought that it was perhaps the Matlons that were coming on his property based upon those same tracks, but that upon further investigation, he discovered that it was a neighbor's dog making those tracks. Ms. Matlon again talked about narrowing the area of the conservation easement area to rid the Association of these problems. Munson again pointed out that changing the conservation easement boundaries would have no effect on the Matlon's current violations. Zender spoke again about the legal complexity and practical consideration associated with this proposal. Each of the Board members indicated that as voting members of the Association, they would not be in favor of this proposal.

While others were waiting in line to speak at the microphone, the Board, wanting to respect the times listed in the Agenda, adjourned the meeting at approximately 8:35 p.m. The members of the Board remained available for discussion with Members until approximately 9:15 p.m.

Respectfully Submitted,

Mike Zender
Secretary