

**LEMAR ESTATES TOWNHOME ASSOCIATION, INC.**

**BYLAWS**

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The following are the Bylaws of LeMar Estates Townhome Association, Inc., a Minnesota nonprofit corporation (the "Association"). The Association is organized pursuant to Section 515B.3.101 of the Minnesota Common Interest Ownership Act (the "Act") for the purpose of operating and maintaining LeMar Estates Townhome Association, Inc., a planned community created pursuant to the Act. The terms used in these Bylaws shall have the same meaning as they have in the Declaration of LeMar Estates (the "Declaration") and the Act.

## SECTION 1: MEMBERSHIP

- 1.1 Owners Defined. All Persons defined as Owners in Section 1.14 of the Declaration shall be members of the Association. No Person shall be a member solely by holding a security interest in a Unit. A Person shall cease to be a member at such time as that Person is no longer an Owner.
- 1.2 Registration of Owners and Occupants. Each Owner shall register with the Association, in writing, within thirty (30) days after taking title to a Unit: (i) the name and address of the Owners and any Occupants of the Unit; (ii) the address at which the Owner desires to receive notice of any meeting of the Owners, if other than the Unit address; (iii) the name and address of the secured party holding the first mortgage on the Unit, if any, and (iv) the name of the Owner, if there are multiple Owners, who shall be authorized to cast the vote with respect to such Unit. The Owner shall have a continuing obligation to advise the Association in writing of the foregoing information.
- 1.3 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 part of the title to the Owner's Unit or as otherwise specifically authorized by the Governing Documents or by law.

## SECTION 2: VOTING

- 2.1 Entitlement. Votes shall be allocated to each Unit as provided in the Declaration. However, no vote shall be exercised as to a Unit while the Unit is owned by the Association or while voting rights are suspended as provided in the Declaration.
- 2.2 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 3.6, or the holder of such Owner's proxy, shall be entitled to cast the vote which is allocated to the Unit owned by the Owner. If there is more than one Owner of a Unit, only one of the Owners may cast the vote. If the Owners of the Unit fail to agree as to who shall cast the vote, or fail to register pursuant to Section 1.2, the vote will not be cast.
- 2.3 Voting Proxy. An Owner may cast the vote which is allocated to the Owner's Unit and be counted as present at any meeting of the Owners by executing a 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 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 (11) 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.

- 2.4 Voting by Mail Ballot. The entire vote on any issue, except the removal of Directors, may be determined by mail ballots, subject to the following requirements:
- a. The notice of a 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 be not less than fifteen (15) nor more than thirty (30) days after the dates of mailing ballots to the Owners. The Board of Directors shall provide notice of the results of the vote to the Owners within ten (10) days after 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.
- 2.5 Vote Required. A majority of the votes cast at any properly constituted meeting of the Owners, or cast by mail in accordance with Section 2.4, shall decide all matters properly brought before the Owners except where a different vote is specifically required by the Governing Documents or the Act. The term “majority” as used herein shall mean in excess of fifty percent (50%) of the votes cast at a meeting, in person or by proxy, or voting by mail, in accordance with the allocation of voting power set forth in the Declaration. Cumulative voting shall not be permitted.

### **SECTION 3: MEETINGS OF OWNERS**

- 3.1 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.
- 3.2 Annual Meetings. An annual meeting of the Owners shall be held during each fiscal year on a date, and at a reasonable time and place, designated by the Board of Directors. At each annual meeting of the Owners: (i) the Persons who are to constitute the Board of Directors shall be elected pursuant to Section 5; (ii) a report shall be made to the Owners on the activities and financial condition of the Association, and (iii) any other matter which is in the notice of the annual meeting and is a proper subject for discussion by the Owners, shall be considered and acted upon at the meeting.

- 3.3 Special Meetings. Special meetings of the Owners may be called by the Board of Directors as a matter of discretion. Special meetings of the Owners may be called by the President or Secretary within thirty (30) days following receipt of the written notice of a majority of the members of the Board of Directors or of Owners entitled to cast at least twenty-five percent (25%) all the votes in the Association. The meeting shall be held within ninety (90) days following receipt of the request. The request shall state the purpose of the meeting, and the business transacted at a 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.
- 3.4 Notice of Meetings. At least twenty-one (21), but no more than thirty (30) days in advance of any annual meeting of the Owners, and (subject to Section 6.3 of the Declaration) at least five (5), but no more than thirty (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 and place of the meeting, by United States mail, or by hand delivery, at the Owner's Unit address or to such other address as the Owner may have designated in writing to the Secretary. The notice shall also be sent to the Eligible Mortgagee, 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 the meeting. Notice of meetings to vote upon amendments to the Articles of Incorporation ("Articles") shall also be given separately to each Officer and Director of the Association.
- 3.5 Quorum/Adjournment. A quorum necessary to conduct business at any meeting of the Owners shall be achieved if one-third (1/3) of the Owners are present either in person or by proxy. A quorum shall not be necessary for a vote to adjourn a meeting to be reconvened at a subsequent time. Any meeting may be adjourned from time to time, but until no longer than fifteen (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 been present. The quorum, having once been established at a meeting or a reconvened meeting, shall continue to exist for the 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 Unit owned by the Association.
- 3.6 Voting Register. The Association shall have available at the meeting a list of the Unit numbers, the names of Owners, the vote attributable to each Unit and the name of the Person (in case of multiple Owners) authorized to cast the vote.
- 3.7 Agenda. The agenda for meetings of the Owners shall be established by the Board of Directors, consistent with the Governing Documents.

#### **SECTION 4: 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 (2%) of the current budget or Five Thousand and No/100 Dollars (\$5,000.00), whichever is greater, approved by the Association for the current fiscal year or succeeding two fiscal years;
- b. A statement of the balance in any reserve or replacement fund;
- 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 any pending litigation or judgments to which the Association is a party;
- e. A detailed description of the insurance coverage provided by the Association including a statement to which, if any, of the terms referred to in Section 515B.3-113, subsection (b) are insured by the Association; and
- f. A statement of the total past due assessments on all Units, current as of not more than sixty (60) days prior to the date of the meeting.

## **SECTION 5: BOARD OF DIRECTORS**

- 5.1 Number, Qualification and Terms of Office. The management and affairs of the Association shall be managed by a Board of Directors of not less than three (3) Directors. Directors need not be members of the Association. The number of Directors may be changed by amendment of the Bylaws of the Association. At each annual meeting members shall elect one-third (1/3) of the Board of Directors for a term of three (3) years. Upon election of a duly qualified successor at the annual meeting of the Owners, or when a Director has been removed pursuant to these Bylaws, the term of such Director shall expire at the first Board of Directors meeting occurring after January 1 of the year following such annual meeting.
- 5.2 Election of Directors. Election of the Board of Directors shall be by written ballot. At such election the member or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the Declaration of LeMar Estates. The names receiving the largest number of votes shall be elected.
- 5.3 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 the use of the Units, and the conduct of Owners and Occupants, which may jeopardize the health, safety, or welfare of other Owners and Occupants, which involves noise or other disturbing activity, or which may damage the Common Elements or other Units; (iii) regulating or prohibiting animals; (iv) regulating changes in the appearance of the Common Elements and conduct which may damage the Property; (v) regulating the exterior appearance of the Property, including, for example, balconies and patios, window treatments, and signs and other displays, regardless of whether inside a Unit; (vi) implementing the Governing Documents, and exercising the powers granted by this Section; and (vii) otherwise facilitating the operation of the Property;
- 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 (i) in its own name on behalf of itself or two or more Owners on matters affecting the Common Elements or other matters affecting the Property or the Association, or (ii) with the consent of the Owners of the affected Units on matters affecting only those Units;
- e. Make contracts and incur liabilities;
- f. Regulate the use, maintenance, repair, replacement and modification of the Common Elements and the Units;
- g. Cause improvements to be made as 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 Act for conveyance or encumbrance of the Common Elements;
- i. Grant public utility easements through, over or under the Common Elements and, subject to approval by resolution of the Owners at a meeting duly called, grant other public or private easements, leases and licenses 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;
- l. Impose reasonable charges for the review, preparation and recordation of amendments to the Declaration or Bylaws, resale certificates required by Section 515B,4-107 of the Act, 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;
- p. Exercise any other powers conferred by law or the Governing Documents, or which are necessary and proper for the governance of the Association.

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

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

d. All meetings of the Board shall be noticed and conducted as follows:

- (1) Time; Place. Meetings of the Board may be held as provided in the Articles or Bylaws in or out of this state. Unless the Articles or Bylaws provide otherwise, a meeting of the Board must be held at least once per year. If the Articles or Bylaws fail to select a place for a meeting, the meeting must be held at the registered office.
- (2) Electronic Communications. (i) A conference among Directors by a means of communication through which Directors may simultaneously hear each other is a Board meeting, if the same notice is given of the conference as would be required for a meeting, and if the number of Directors participating in the conference is a quorum. Participation in a meeting by this means is personal presence at the meeting. (ii) A Director may participate in a Board meeting by any means of communication through which the Director, other Directors participating, and all Directors physically present at the meeting may simultaneously hear each other during the meeting. Participation in a meeting by this means is personal presence at the meeting.
- (3) Calling Meetings; Notice. (i) Unless the Articles or Bylaws provide otherwise, a Director may call a Board meeting by giving five (5) days notice to all Directors of the date, time, and place of the meeting. The notice need not state the purpose of the meeting unless the Articles or Bylaw require it. (ii) If the day or date, time, and place of a Board meeting have been provided in the Articles or Bylaws, or announced at a previous meeting of the Board, notice is not required. Notice of an adjourned meeting need not be given other than by announcement at the meeting at which adjournment is taken.
- (4) Waiver of Notice. A Director may waive notice of a meeting of the Board. A waiver of notice by a Director entitled to notice is effective whether given before, at, or after the meeting, and whether given in writing, orally, or by attendance. Attendance by a Director at a meeting is a waiver of notice of that meeting, unless the Director objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate at the meeting.

5.5 Quorum and Manner of Acting. Except as otherwise provided by statute or these Bylaws, one-third (1/3) of the total number of Directors (but not less than two (2)) shall be required to constitute a quorum for the transaction of business at any meeting, and the act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum, the majority of the Directors



present may adjourn any meeting from time to time until a quorum be had. Notice of any adjourned meeting need not be given other than by announcement at the meeting at which the adjournment is taken.

- 5.6 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 the Board of Directors.
- 5.7 Vacancies. A vacancy in the Board of Directors may be filled by a person elected by a majority vote of the remaining Directors, regardless of their number, except for vacancies created pursuant to Section 6.8. Each person so elected shall serve out the term vacated.
- 5.8 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 furnished to the Association in an individual capacity. Directors may be reimbursed for out-of-pocket expenses incurred in the performance of their duties.
- 5.9 Fidelity Bond. Fidelity bonds or insurance coverage for unlawful taking of Association funds shall 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.
- 5.10 Professional Management. As permitted by Section 5.5 of the Declaration, the Board may delegate to a professional or managing agent the management duties imposed upon the Association's Officers and Directors by the Governing Documents and the Act.

## **SECTION 6: OFFICERS**

- 6.1 Officers. The Officers of the Association shall be a President, a Secretary, and a Treasurer, and if the Board shall so elect, a Vice President. The Board of Directors may from time to time elect such other Officers and designate their duties as in their judgment 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. The Officers of the Association shall be elected from among the Directors of the Association.
- 6.2 Elections. The Officers of the Association shall be elected annually by the Board of Directors at its annual meeting and shall hold office at the pleasure of the Board.
- 6.3 Resignations. Any Officer may resign at any time by giving written notice of his or her resignation to the Board of Directors, to the President, or to the Secretary of the Association. Any such resignation shall take effect at the time, if any, specified therein or, if no time is specified therein, upon receipt thereof by the Board of Directors, President, or

Secretary of the Association; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

- 6.4 Vacancies. Any vacancy in any office caused by death, resignation, removal, an increase in the number of Directors, or any other cause, shall be filled for the unexpired portion of the term in the manner prescribed by these Bylaws for election or appointment to such office.
- 6.5 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 special meeting of the Board of Directors called for that purpose.
- 6.6 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 of behalf of the Association. The President shall have such other duties as may from time to time be prescribed by the Board of Directors.
- 6.7 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.
- 6.8 Secretary. The Secretary shall be ex officio of the secretary of the Board of Directors, shall record the votes and keep the minutes of all proceedings of the Board of Directors and of all meetings of the Executive Committee and the Association in a book to be kept for that purpose. The Secretary shall keep the records of the Association. The Secretary shall record in a book kept for that purpose the names of all members of the Association together with their address as registered by such members. The Secretary shall give all notices required by the Governing Documents or the Act 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.
- 6.9 Treasurer. The Treasurer shall have the responsibility for the 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 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 management agent, provided that such delegation shall not relieve the Treasurer of ultimate responsibility for the Treasurer's duties.

- 6.10 Other Officers, Agents, and Employees. The Association may have such other officers, agents and employees as may be deemed necessary by the Board of Directors. Such other officers, agents and employees shall be appointed in such manner, have such duties, and hold their offices for such terms as may be determined by resolution of the Board of Directors.
- 6.11 Compensation. Except as authorized by a vote of all Owners at a meeting thereof, Officers of the Association shall receive no compensation for their services in such capacity. An Officer, or other Owner of Occupant may, upon approval by the Board of Directors, be retained by the Association and reasonably compensated for goods and services furnished to the Association in an individual capacity. Officers may be reimbursed for out-of-pocket expenses incurred in the performance of their duties.
- 6.12 Bond. The Board of Directors of the Association shall from time to time determine which, if any, Officers of the Association shall be bonded and the amount of each bond.

## **SECTION 7: OPERATION OF THE PROPERTY**

- 7.1 Assessment Procedures. The Board of Directors shall, at least thirty (30) days prior to the first day of the Association's fiscal year, prepare a budget of Common Expenses for the Association and assess and levy such Common Elements against the Units according to their Common Expense liability as set forth in the Declaration. The annual budget shall include general operating reserve, and adequate reserve fund for maintenance, repair and replacement of those Common Elements and parts of the Units that must be maintained, repaired or replaced by the Association on a periodic basis.
- a. The Board of Directors shall fix the amount of the annual assessment against each Unit 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 Board of Directors at any time may amend the budget and levy an additional assessment, subject to the limitations set forth in Section 6 of the Declaration. 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 Common Expenses and the assessment are based to an Owner or to any Eligible Mortgagee, upon request of such persons.

7.2 Payment of Assessments. Annual assessments may be due and payable in monthly installments on the first day of each month of the year or other period for which the assessments are made, 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 installments, or related late charges or costs of collection. Any rights or claims alleged by the Owner may be pursued only in separate action.

7.3 Default in Payment of Assessments. If any Owner does not make payment on or before 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 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 the remaining installments of the assessment 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 collection thereof.
- c. Upon written request of an Owner or Eligible Mortgagee of a Unit, 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.

7.4 Foreclosure of Liens for Unpaid Assessments. The Association has the right to foreclose a lien against a Unit for assessments imposed by the Association, as more fully described in the Declaration or the Act.

- 7.5 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 Owners of the Association, names of 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 Unit setting forth the amount of the assessments against the Unit, the date when due, the amount paid thereon and the balance remaining unpaid.
- 7.6 Enforcement of Obligations. All Owners and Occupants and their guests are obligated and bound to observe the provisions of the Governing Documents, the Rules and Regulations and the Act. 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 to otherwise enable it to manage the Association.

## **SECTION 8: FINANCIAL MATTERS**

- 8.1 Books and Records. The Board of Directors of the Association shall cause to be kept records of all proceedings of the Board of Directors and the Executive Committee, if any, and such other records and books of account as shall be necessary and appropriate to the conduct of corporate business.
- 8.2 Documents Kept at Registered Office. The Board of Directors shall cause to be kept at the registered office of the Association originals and copies of records of all proceedings of the Board of Directors and Executive Committee, if any, all financial statements of the Association and the Governing Documents of the Association and all amendments and restatements thereof.
- 8.3 Accounting System and Audit. The Board of Directors shall cause to be established and maintained, in accordance with generally accepted accounting principles as applied on a consistent basis, an appropriate accounting system for the Association. The Board of Directors shall cause the records and books of account of the Association to be audited, at least once each fiscal year and at such other times as it may deem necessary or appropriate and may retain such person or firm for such purposes as it may deem appropriate.
- 8.4 Compensation. The Board of Directors of the Association may at any time and from time to time, by resolution adopted by two-thirds (2/3) of the total number of Directors, provide for the payment of compensation to, and for the payment of reimbursement of expenses incurred by, any director, officer, agent or employee of the Association for personal services rendered to the Association by, or for any expenses necessarily paid or incurred

by, any such director, officer, agent or employee, but only if and to the extent that the performance of such service or the incurrence of such expenses is directly in furtherance of the charitable purposes of the Association and the compensation or the amount of expenses paid or reimbursed, as the case may be, is reasonable and not excessive.

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

8.6 Checks, Drafts, and Other Matters. All checks, drafts, or other orders for the payment of money and all notes, bonds, or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents, employee or employees of the Association and in such manner as may from time to time be determined by resolution of the Board of Directors.

### **SECTION 9: WAIVER OF NOTICE**

Whenever any notice of meeting is required to be given by these Bylaws or any of the corporate laws of the State of Minnesota, such notice may be waived in writing, signed by the person or persons entitled to such notice, whether before, at, or after the time stated therein or before, at, or after the meeting.

### **SECTION 10: AUTHORIZATION WITHOUT A MEETING**

Any action that may be taken at a meeting of the Board of Directors or the Executive Committee may be taken without a meeting when authorized in writing signed by all of the Directors or by all of the members of the Executive Committee, as the case may be.

### **SECTION 11; AMENDMENTS**

The Board of Directors may amend the Association's Articles of Incorporation, as from time to time amended or restated, and these Bylaws, as from time to time amended or restated, to include or omit any provision which could lawfully be included or omitted at the time such amendment or restatement is adopted. Any number of amendments, or an entire revision or restatement of the Articles of Incorporation or Bylaws, either (1) may be submitted and voted upon at a single meeting of the Board of Directors and be adopted at such meeting, a quorum being present, upon receiving the affirmative vote of not less than two-thirds (2/3) of the total number of Directors of the Association, or (2) may be adopted in accordance with Section 11 hereof, by a writing signed by all of the Directors of the Association.

### **SECTION 12: INDEMNIFICATION**

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

### **SECTION 13: EXECUTIVE COMMITTEE**

- 13.1 Number, Term of Office, and Qualification. The Board of Directors may, by resolution adopted by two-thirds (2/3) of the total number of Directors, establish and Executive Committee of the Board of Directors of the Association and appoint two (2) or more Directors to serve on the Executive Committee, at least one of whom shall be the President of the Association. Only persons who are Directors of the Association shall be eligible for appointment to the Executive Committee. When a member of the Executive Committee ceases to be a Director of the Association, such person automatically shall cease to be a member of the Executive Committee of the Association.
- 13.2 Powers. Except for the power to amend the Articles of Incorporation and the Bylaws of the Association, which power is expressly reserved solely to the Board of Directors of the Association as hereinafter provided, the Executive Committee shall have all the powers and authority of the Board of Directors of the Association in the management of the property, business, and affairs of the Association in the intervals between meetings of the Board of Directors, subject always to the direction and control of the Board of Directors.
- 13.3 Meetings. If an Executive Committee is established, it shall hold such regular or other periodic meetings, at such times and places as may from time to time be approved by a majority of the members of the Executive Committee. In addition, special meetings of the Executive Committee shall be held whenever called by the President or by any one (1) other member of the Executive Committee.
- 13.4 Quorum and Manner of Acting. One half (1/2) of the total number of members of the Executive Committee (but not less than two (2)) shall be required to constitute a quorum for the transaction of business at any meeting, and the act of a majority of the members of the Executive Committee present at any meeting at which a quorum is present shall be the act of the Executive Committee. In the absence of a quorum, a majority of the members of the Executive Committee present may adjourn any meeting from time to time until a quorum be had. Notice of any adjourned meeting need not be given other than by announcement at the meeting at which the adjournment is taken.

### **SECTION 14: MISCELLANEOUS**

- 14.1 Notices. Unless specifically provided otherwise in the Act, the Declaration or these Bylaws, all notices required to be given or to the Association, the Board of Directors, the Association Officers or the Directors 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 1.2 shall be effective upon receipt by the Association.

- 14.2 Severability. The invalidity or unenforceability of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.
- 14.3 Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way limit or proscribe the scope of these Bylaws or the intent of any provision herein.
- 14.4 Conflicts in Documents. In the event of any conflict among the provisions of the Act, the Declaration, the Bylaws or the Rules and Regulations, the Act shall control unless it permits the documents to control. As among the Declaration, Bylaws and Rules and Regulations, the Declaration shall control, and as between the Bylaws and the Rules and Regulations, the Bylaws shall control.
- 14.5 Waiver. No restriction, condition, obligation of provision contained in these Bylaws 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.
- 14.6 Corporate Seal. The Association shall have no corporate seal.