

WEST PARK HILLS HOME OWNERS ASSOCIATION

AMENDED AND RESTATED BYLAWS

These Amended and Restated Bylaws (the "Bylaws") are approved this 11 day of July, 2000, by West Park Hills Home Owners Association, a Minnesota non-profit corporation (the "Association"), and approved by the members of the Association in accordance with the requirements of the Association's existing Amended By-Laws and Minnesota Statutes, Chapter 515B, known as the Minnesota Common Interest Ownership Act (the "Act").

WHEREAS, the Association is the Owners Association, which is contemplated by Section 515B.3-101 of the Act and which governs the existing planned community known as West Park Hills, and

WHEREAS, the Association has amended and restated the Declaration of Covenants, Restrictions and Easements of West Park Hills Home Owners Association, as supplemented, by an Amended and Restated Declaration (the "Declaration"), for the purpose of subjecting West Park Hills to the Act under the name West Park Hills, and

WHEREAS, the existing Amended By-Laws of the Association (the "Existing By-Laws") were adopted on April 20, 1993, and

WHEREAS, there is no longer a Class B membership in the Association, and

WHEREAS, the Association and the Owners desire to subject the Association to the Act, and

WHEREAS, the Association and the Owners constituting the members of the Association desire to amend and restate the Existing By-Laws as set forth herein, with the intent that these Bylaws shall comply with the Act and supersede the Existing By-Laws and any amendments thereto in their entirety, and

WHEREAS, the Board and the Owners have approved these Bylaws in accordance with the requirements of the Existing By-Laws and the Act.

NOW THEREFORE, the Existing By-Laws are hereby amended and restated in their entirety as follows:

SECTION 1

GENERAL

The following are the Bylaws of the Association. The Association is organized pursuant to the Act to act as the owners association governing West Park Hills, a planned community subject to the Act. The terms used in these Bylaws shall have the same meaning as they have in the Declaration or the Act, as applicable.

SECTION 2
MEMBERSHIP

2.1 Owners 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 Unit. 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 the later of thirty (30) days after taking title to a Unit or thirty (30) days after the approval of these Bylaws, (i) the name and address of the Owners and any Occupants of the Unit, (ii) the nature of such Owner's interest or estate in each Unit owned; (iii) the address at which the Owner desires to receive notice of any meeting of the Owners, if other than the Unit address; and (iv) the name and address of the secured party holding the first mortgage on the Unit, if any. Each 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 Unit or as otherwise specifically authorized by the Governing Documents or by law.

SECTION 3
VOTING

3.1 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, and no Owner shall be entitled to vote during the period when any assessment against the Owner's Unit is more than thirty (30) days past due.

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 Unit owned by the Owner. If there is more than one (1) Owner of a Unit, only one (1) of the Owners may cast the vote. If the Owners of a Unit 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.

3.3 Voting by Proxy. An Owner may cast the vote which is allocated to that Owner's Unit 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 be effective 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) the date specified in the proxy, if any, 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 election or 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 shall set the time for the return of ballots, which shall not be less than fifteen (15) nor more than thirty (30) days after the date of mailing of the ballots to the Owners. The Board shall provide notice of the results of the vote to the Owners within ten (10) days after the expiration of the voting period; and
- d. Approval by written ballot under this Section is valid only if (i) the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and (ii) the number of approval votes 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 Required. A majority of the votes cast at any properly constituted meeting of the Owners, or cast by mail in accordance with Section 3.4 herein, shall decide all matters properly brought before the Owners, except where a different vote or voting procedure is 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 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 in any notice of a meeting of the Owners.

4.2 Annual Meetings. An annual meeting of the Owners shall be held in each fiscal year on the first Tuesday of October in each year, which is not a legal holiday, at 7:00 p.m. At each annual meeting of the Owners, (i) the Persons who are to constitute the Board 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, and (iii) 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 as a matter of discretion. Special meetings of the Owners shall be called by the President or Secretary within thirty (30) days following receipt of the written request of a majority of the members of the Board or of Owners entitled to cast at least twenty-five percent (25%) of 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 the special meeting shall be confined to the purpose(s) 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. Not less than twenty-one (21) nor more than thirty (30) days in advance of any annual meeting of the Owners, and at least seven (7), 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, place and agenda 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 properly designated in writing to the Secretary. The notice shall also be sent to any 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 any meeting. Notice of meetings to vote upon amendments to the Association's 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 twenty percent (20%) 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 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 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 Unit owned by the Association.

4.6 Voting Register. The Secretary shall have available at the meeting a list of the Unit numbers, the names of the Owners, the vote attributable to each Unit 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, 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 shall prepare an annual report, a copy of which shall be provided to each Owner at or prior to the annual meeting. The report shall contain, at a minimum:

5.1 Capital Expenditures. A statement of any capital expenditures in excess of two percent (2%) of the Association's current budget or five thousand dollars (\$5,000), whichever is greater, approved by the Association for the current year or succeeding two (2) fiscal years.

5.2 Reserve Funds. 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.

5.3 Financial Statements. 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.

5.4 Litigation and Judgments. A statement of the status of any pending litigation or judgments to which the Association is a party.

5.5 Insurance. A statement of the insurance coverage provided by the Association.

5.6 Status of Assessments. 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 6

BOARD OF DIRECTORS

6.1 Number and Qualification. The affairs of the Association shall be governed by a Board of Directors. The Board of Directors shall be composed of nine (9) members. All directors shall be Owners, or a duly authorized representative of the Owner if the Owner is an entity which has the capacity to hold title to real estate. No more than one (1) Owner of the same Unit may be a member of the Board at any time.

6.2 Term of Office. The terms of office of the members of the Board of Directors shall be three (3) years, and shall expire upon the election of a successor at the appropriate annual meeting of the Owners. The length and staggering of the terms of office may be changed, prospectively, by a resolution of the Owners at a meeting. A director elected to fill a vacancy, or the position of a removed director, shall serve out the vacated term. The nominee or nominees receiving the greatest number of votes shall fill the longer terms. Each term of office shall expire upon the election of a successor at the appropriate 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 Bylaws.

6.3 Nominations. Nominations for election to the Board at each annual meeting of the Owners shall be made by a nominating committee appointed by the Board and shall be based upon nominations submitted by the Owners (including nominations submitted by the Board). The nominating committee shall consist of Owners who are representative of the general membership of the Association, and shall establish fair and reasonable procedures for the submission of nominations. No person may be nominated without first consenting to the nomination.

6.4 Powers. The Board 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 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 Private Common Driveways and Private Yard Areas; (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, including, but not limited to, conduct which involves noise or other disturbing activity, or which may damage the Property; (iii) regulating or prohibiting animals; (iv) regulating conduct which may damage the Property, (v) regulating the exterior appearance of the Property, including, but not limited to, for example, balconies and patios, and signs and other displays, regardless of whether inside a Dwelling; (vi) implementing the Governing Documents, and exercising the powers granted by this Section; and (vii) otherwise facilitating the operation of the Property and the Association;
- b. adopt and amend budgets for revenues, expenditures and reserves; levy and collect assessments for Common Expenses; and foreclose assessment liens incidental to its collection efforts;
- 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 (2) or more Owners on 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 Property;
- g. cause improvements to be made to the Property;
- h. acquire, hold, encumber, and convey in its own name any right, title, or interest to real estate or personal property;

- i. grant easements as follows: (i) public utility and cable and other communications easements through, over or under the Private Common Driveways and Private Yard Areas, may be granted by the Board, and (ii) other public or private easements, leases and licenses through, over or under the Private Common Driveways and Private Yard Areas, may be granted only by approval of the Board, and by the Owners voting at an Association meeting, unless such easement is expressly authorized by the Declaration;
- j. impose and receive any payments, fees, or charges for services provided to the Association and/or its 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/or the Rules and Regulations;
- l. borrow money, and encumber or pledge the assets of the Association as security therefor; provided, that any borrowings in any twelve (12) month period which exceed, in aggregate, ten percent (10%) of the Association's current annual budget, shall require approval by two thirds (2/3) of the Owners voting at an Association meeting;
- m. impose reasonable charges for the review, preparation and recording of amendments to the Declaration or Bylaws, resale certificates required by the Act, statements of unpaid assessments, or furnishing copies of Association records;
- n. provide for the indemnification of its officers, directors and committee members, and maintain directors' and officers' liability insurance;
- o. provide for reasonable procedures governing the conduct of meetings and the election of directors;
- p. appoint, regulate and dissolve committees; and
- q. 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 shall be held promptly following each annual meeting of the Owners. At each annual meeting of the Board the officers of the Association shall be elected.

- a. Regular meetings of the Board shall be held at least on a monthly basis, at such times as may be fixed from time to time by a majority of the members of the Board. A schedule, or any amended schedule, of the regular meetings shall be provided to the directors, and posted or published for the information of Owners, as provided in Section 6.5.e.
- 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 at least two (2) of the voting directors. Notice of any special meeting shall be given to each director not less than three (3) days in advance thereof, subject to Section 6.5.c, and to the Owners as provided in Section 6.5.e. Notice to a director shall be deemed to be given when deposited in the United States Mail postage prepaid to the Unit address of such director, or when personally delivered, orally or in writing, by a representative of the Board.

- c. Any director may at any time waive notice of any meeting of the Board orally, in writing, or by attendance at the meeting. If all the directors are present at a meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.
- d. A conference among directors by a means of communication through which all directors may simultaneously hear each other during the conference is a board meeting, if (i) the same notice is given of the conference as would be required for a meeting, and (ii) the number of directors participating in the conference is a quorum. Participation in a meeting by this means is deemed to be personal presence at the meeting.
- e. Except as otherwise provided in this Section, meetings of the Board must be open to the Owners. To the extent practicable, the Board shall give reasonable notice to the Owners of the date, time, and place of a Board meeting. If the date, time and place of meetings are provided for in the Declaration, the Association's Articles of Incorporation, the Bylaws, announced at a previous meeting of the Board, posted in a location accessible to the Owners and designated by the Board from time to time, or if an emergency requires immediate consideration of a matter by the Board, notice is not required. "Notice" has the meaning given in Section 11.1. Notwithstanding the foregoing, meetings may be closed at the discretion of the Board to discuss the following:
 - (1) personnel matters;
 - (2) pending or potential litigation, arbitration or other potentially adversarial proceedings between Owners, between the Board or Association and Owners, or other matters in which any Owner may have an adversarial interest, if the Board determines that closing the meeting is necessary to discuss strategy or to otherwise protect the position of the Board or Association or the privacy of an Owner or Occupant of a Unit; or
 - (3) criminal activity arising within the Association if the Board determines that closing the meeting is necessary to protect the privacy of the victim or that opening the meeting would jeopardize investigation of the activity.

The minutes of and the documentation discussed or submitted at such closed meeting shall not be made available for review or copying pursuant to Section 8.5.

Nothing in this Section imposes a duty on the Board to provide special facilities for meetings. The failure to give notice as required by this Section 6.5.e shall not

invalidate the Board meeting or any action taken at the meeting.

6.6 Quorum and Voting. A majority of the directors shall constitute a quorum for the transaction of business at any meeting thereof. A quorum, once established, shall continue to exist at such meeting, regardless of the subsequent departure of any directors. Each director shall have one (1) vote. The vote of a majority of the directors present at any meeting at which a quorum is present shall be sufficient to adopt any action. Proxies shall not be permitted.

6.7 Action Taken Without a Meeting. The Board 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 directors, other than those under Sections 6.2 and 6.9, shall be filled by a person elected within thirty (30) days following the occurrence of the vacancy by a majority vote of the remaining directors, regardless of their number. Each person so elected shall serve out the term vacated.

6.9 Removal. A director may be removed from the Board, 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 if such director (i) has more than three (3) unexcused absences from Board meetings and/or Owners' meetings during any twelve (12) month period or (ii) is more than sixty (60) days past due with respect to the payment of assessments or installments thereof on the director's Unit. 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, or as otherwise indicated in these Bylaws, the directors of the Association shall receive no compensation for their services in such capacity. Directors may be reimbursed for out-of-pocket expenses incurred in the performance of their duties. A director or an entity in which the director has an interest may, upon approval by the Board, be reasonably compensated under a contract for goods and/or services furnished to the Association in a capacity other than as a director; provided (i) that the contract is approved by a majority vote of the Board, excluding the interested director, and (ii) that the director's interest is disclosed to the Board prior to approval.

6.11 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 voting directors and officers authorized to handle the Association's funds and other monetary or non-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. The

Board 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. No person may hold more than one office simultaneously, except those of Secretary and Treasurer. Only the President and Vice President must be members of the Board.

7.2 Election. The officers of the Association shall be elected annually by the Board 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, or at any special meeting of the Board 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 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. The President shall have such other duties as may from time to time be prescribed by the Board.

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.

7.6 Secretary. The Secretary shall be responsible for recording the minutes of all meetings of the Board 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 or the Act. The Board 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 may require. The Treasurer shall (i) be responsible for keeping the Association's financial books, assessment rolls and accounts; (ii) cause an annual financial report to be prepared by the Association's accountants; (iii) cause the books of the Association to be kept in accordance with generally accepted accounting principles and shall submit them to the Board for its examination upon request; (iv) cause all monies 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; (v) cause the proper obligations of the Association to be paid when due; and (vi) perform all other duties incident to the office of Treasurer. The Board 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. Officers may be reimbursed for out-of-pocket expenses incurred in the performance of their duties. An officer or an entity in which the officer has an interest may be reasonably

compensated under a contract for goods and/or services furnished to the Association in a capacity other than as an officer; provided (i) that the contract is approved by a majority vote of the Board, excluding the interested party, and (ii) that the officer's interest is disclosed to the Board prior to approval. Notwithstanding the foregoing and anything contained in the Articles of Incorporation, the President, the Treasurer, the Landscape and Grounds Director, and the Architectural Control Director, in exchange for their services to the Association, provided such services are indeed provided by such persons, may be exempted from payment of annual Assessments due and payable by those persons or have such annual assessments paid by the Association, during the time that such services are provided by those persons. Excluded from the aforementioned exemption are any special assessments due and payable which are to be paid by each exempt party. The Board may, by a majority vote at any time, rescind the aforementioned exemptions for any one or all of the aforementioned parties if such services are not provided to the satisfaction of the Board.

SECTION 8

OPERATION OF THE PROPERTY

8.1 Assessment Procedures. The Board 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 such Common Expenses against the Units according to their respective Common Expense liability as set forth in the Declaration.

- a. Subject to the limitations contained in Section 6 of the Declaration, the Board shall fix the amount of the annual Assessment against each Unit, levy the Assessment and advise the Owners in writing of the Assessment at least thirty (30) days prior to the beginning of the Association's fiscal year when the first Assessment installment shall be due. The failure of the Board 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. Subject to the limitations contained in Section 6 of the Declaration, the Board may amend the budget and Assessments, or levy a special Assessment, at any time. The levy shall be deemed to occur upon the date specified in the resolution which fixes the Assessment.
- c. The Board may levy limited allocation Assessments against only certain Units under Section 6.4 of the Declaration. Such Assessments may be included in the annual Assessments levied against the affected Units or may be levied separately during the year. The levy shall be deemed to occur upon the date specified in the resolution that fixes the assessment. Such Assessments are not annual or special Assessments within the meaning of the Declaration or of these Bylaws, and are not subject to the limitations contained in Section 6 of the Declaration.
- d. The annual budget shall include an adequate reserve fund for maintenance, repair and replacement of those parts of the Units that must be maintained, repaired or replaced by the Association on a periodic basis.

- e. The Association shall furnish copies of each budget on which the assessment is based to an Owner or to any Eligible Mortgagee, upon request of such persons.

8.2 Payment of Assessments. Annual Assessments shall be due and payable in monthly installments in advance 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. Except as otherwise indicated herein or in the Declaration, all Owners shall be absolutely and unconditionally obligated to pay the Assessments. No Owner or Occupant shall have any right of withholding, offset or deduction against the Association with respect to any Assessments, or late charges or costs of collection, regardless of any claims alleged against the Association or its officers or directors. Any rights or claims alleged by an Owner may be pursued only by separate action.

8.3 Default in Payment of Assessments. If an 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 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 attorney 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 may accelerate any remaining installments of the Assessment upon ten (10) days prior written notice thereof to the Owner, as provided in the Declaration, 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 including reasonable attorney fees and fines, are paid prior to said date.
- b. The Board shall have the right and duty to attempt to recover all Assessments for Common Expenses, together with any charges, attorney fees or expenses relating to the collection thereof. In addition, the Board shall have the right and duty to attempt to recover any and all collection or contingency fees or costs charged to the Association by a collection agency or other Person acting on behalf of the Association in collecting any delinquent amounts owed to the Association by an Owner or Occupant.
- c. Upon written request of an Owner or an Eligible Mortgagee of such 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 Owner or 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 and are cumulative.

8.4 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 and the Act.

8.5 Records. The Board shall cause to be kept at the registered office of the Association, and at such other place as the Board may determine, records of the actions of the Board, minutes of the meetings of the Board, minutes of the meetings of the Owners, names of the Owners and Eligible Mortgagees, and detailed and accurate records of the receipts and expenditures of the Association. With the exception of records and data involved in meetings under Section 6.5.e, 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.

8.6 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 Act, 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.

8.7 Financial Review. Subject to the provisions of this Section, the Board shall, at a minimum, cause the financial records of the Association to be "reviewed" by an independent certified public accountant on an annual basis, pursuant to the requirements of Section 515B.3-121 of the Act. This requirement may be waived, on an annual basis, by the vote of Owners holding at least thirty percent (30%) of the total votes in the Association. The waiver must be approved prior to thirty (30) days after the end of the Association's fiscal year. The Board may require the review or an audit notwithstanding a waiver vote by the Owners.

SECTION 9

AMENDMENTS

These Bylaws 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 (i) Owners who have authority to cast in excess of fifty percent (50%) of the total votes in the Association, in writing or at a duly held meeting of the Owners, and (ii) the Board; subject to any approval rights of Eligible Mortgagees, 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 vote of the Owners and need not be recorded. If recorded, the amendment shall be recorded in the recording office 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 Section 317A.521.

SECTION 11

MISCELLANEOUS

11.1 Notices. Unless specifically provided otherwise in the Act, the Declaration or these Bylaws, all notices required to be given by or to the Association, the Board, the Association officers or the Owners or Occupants shall be in writing and shall be effective upon hand delivery, or upon 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 Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

11.3 Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way limit the scope of these Bylaws or the intent of any provision hereof.

11.4 Conflicts in Documents. In the event of any conflict among the provisions of the Act, the Declaration, these Bylaws or the Rules and Regulations, the Act shall control unless it permits the documents to control. As among the Declaration, these Bylaws and Rules and Regulations, the Declaration shall control, and as between these Bylaws and the Rules and Regulations, these Bylaws shall control.

11.5 Waiver. No restriction, condition, obligation or 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.

11.6 Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the last day of December of every year.

