

LAKEVIEW OWNERS ASSOCIATION

BYLAWS

These are the Bylaws of Lakeview Owners Association (the “Association”), a Minnesota nonprofit corporation. The Association is organized pursuant to Minnesota Statutes Chapter 317A, known as the Minnesota Nonprofit Corporation Act (the “Act”), for the purpose of operating and managing Lakeview, a single-family residential community located in Hennepin County, Minnesota (“Lakeview”), and to undertake and administer the other functions of the Association set forth in the Governing Documents.

SECTION 1 GENERAL

1.1 Terms and Definitions. The terms used in these Bylaws shall have the meanings assigned to them in the Declaration of Covenants, Conditions, Restrictions, and Easements of Lakeview (the “Declaration”), if not otherwise defined herein. References to Section numbers herein shall refer to sections of these Bylaws, unless expressly otherwise indicated.

SECTION 2 MEMBERSHIP

2.1 Owners Defined. All Persons described and defined as Owners in the Declaration shall be Members of the Association. No Person shall be a Member solely by reason 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 (the “Secretary”), in writing or by authenticated electronic communication, (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, or the consent of the Owner to receive notice by electronic communication and the designation of the email address, facsimile number, or other available form of electronic communication by which the Owner desires to receive notice, in accordance with Section 317A.450 of the Act; 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 or by authenticated electronic communication 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.

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 Owner of a Unit, only one 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 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 or otherwise transmitting the proxy to the Association in writing or by authenticated electronic communication before the start of any such meeting. A proxy granted by an Owner shall be effective until the occurrence of 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, but in no case later than three years from date of execution of the proxy, (iii) eleven months after execution of the proxy if no date is specified in the proxy, (iv) the time at which the granting Owner is no longer an Owner, or (v) any other applicable event specified in Minnesota Statutes Section 317A.453.

3.4 Voting by Written Ballot. The entire vote by the Owners on any issue may be taken by electronic means or by ballots mailed to the Owners, in compliance with the Act, in lieu of holding a meeting of the Owners. Such a vote shall have the force and effect of a vote taken at a meeting of the Owners; provided, that the total votes cast are at least equal to the votes required for a quorum. The Board shall set a voting period within which the ballots or other voting responses must be received by the Association, which period shall be not less than fifteen days after the date of delivery of the notice of the vote and voting procedures to the Owners. The Board shall provide notice of the results of the vote to the Owners within thirty days after the expiration of the voting period. All requirements for a meeting of the Owners, or for being present in person at a meeting of the Owners, shall be deemed satisfied by a vote taken in compliance with the requirements of this Section. The voting procedures authorized by this Section shall not be used in combination with a vote taken at a meeting of the Owners. However, voting by electronic means and by mailed ballots may be combined if each is done in compliance with the Act. The voting procedures authorized by this Section shall be subject to the following additional requirements and procedures:

- a. The notice of the pending 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, and (iv) specify the time by which the 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. Approval by this Section is valid only if (i) the number of votes cast equals or exceeds the quorum that would otherwise be 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 otherwise 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 or other means.
- d. The notice of the vote to an Owner may be given to the Owner by a form of “electronic communication” (as that term is defined in Section 3.4f) consented to by the Owner, and is effective when given. The notice is deemed given: (i) if by facsimile communication, when directed to a telephone number at which the Owner has consented to receive notice, (ii) if by electronic mail, when directed to an electronic mail address at which the Owner has consented to receive notice, (iii) if by a posting on an electronic network on which the Owner has consented to receive notice, together with separate notice to the Owner of the specific posting, upon later of the posting or the giving of the separate notice, and (iv) if by another form of electronic communication by which the Owner has consented to receive notice, when directed to the Owner. Consent by an Owner to notice given by electronic communication may be given to the Association in writing or by “authenticated” (as that term is defined in Section 3.4f) electronic communication. Consent by an Owner to receive notice by electronic communication in a certain manner constitutes consent to receive a ballot by electronic communication in the same manner. The Association is entitled to rely on any consent so given until revoked by the Owner, provided that no revocation affects the validity of any notice given before the receipt by the Association of revocation of the Consent.
- e. A ballot delivered by an Owner to the Association by electronic communication is valid only if authenticated.
- f. The term “electronic communication,” as used in this Section 3.4, means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient of the communication, and that may be directly reproduced in paper form by the recipient through an automated process. The term “authenticated,” as used in this Section 3.4, means, with respect to an electronic communication, that the communication is delivered to the principal place of business of the Association, or to an officer or agent of the Association authorized by the Association to receive the communication, and that the communication sets forth information from which the Association can reasonably conclude that the communication was sent by the purported sender.

3.5 Vote Required. A majority of the votes cast at any properly constituted meeting of the Owners, or cast by written ballot or by electronic communication accordance with Section 3.4, 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. Unless otherwise expressly indicated, the term “majority” as used herein shall mean in excess of fifty percent (50%) of the votes cast by the Owners voting in accordance with the voting procedures set forth in this Section and 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 a date, and at a reasonable time and place, designated by the Board. 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 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 of the Association (the “President”) as a matter of discretion. Special meetings of the Owners shall be called by the President or Secretary within thirty days following receipt of a request, delivered in writing or by authenticated electronic communication, by a majority of the members of the Board or by Owners entitled to cast at least twenty-five percent of all the votes in the Association. The meeting shall be held within sixty days following receipt of the request. The request shall state the purpose of the meeting, and the business transacted at the special meeting shall be confined to the purposes stated in the notice. The purpose for which the meeting is requested and held must be lawful and consistent with the Association’s purposes and authority under the Governing Documents.

4.4 Notice of Meetings. Not less than twenty-one nor more than thirty days in advance of any annual meeting of the Owners, and at least seven, but no more than thirty, 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. The notice shall be sent (i) 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, or (ii) by electronic communication if the applicable Owner has registered such Owner’s consent thereto in accordance with Section 2.2(iii). Any mortgagee of a Unit shall, upon written request to the Association, be entitled to designate a representative who shall be entitled to receive notice and to be present at any meeting of the Association.

4.5 Quorum/Adjournment. The presence of Owners in person or by proxy or as otherwise permitted by the Act, who have the authority to cast in excess of twenty-five percent 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. The Association may not be counted in determining a quorum as to any Unit owned by the Association. Any meeting may be adjourned from time to time, but until no longer than fifteen 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. A 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 who was present when the quorum was established.

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.

4.8 Meetings by Remote Communication; Participation by Remote Communication. The Board may determine to hold a regular or special meeting of the Owners solely by any combination of means of remote communication through which Owners (or their proxies) may participate, if notice of the meeting is given to every Owner entitled to vote as otherwise required for a meeting (except to the extent waived), and if the number of Owners participating in the meeting constitute a quorum. In addition to meetings held solely through means of remote communication, an Owner (or proxy) not physically present in person or by proxy at a regular or special meeting of the Owners may participate in the meeting by means of remote communication authorized by the Board. Participation by an Owner pursuant to either of the preceding sentences constitutes presence at the meeting in person or by proxy (if all other proxy requirements are met). The Board may implement reasonable measures to assure full participation, to verify legitimacy of participants and proceedings, and as the Board otherwise deems appropriate.

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 of the Association's then current budget or five thousand dollars, whichever is greater, approved by the Association for the current year or succeeding two fiscal years.

5.2 Reserve Funds. A statement of the balance in any reserve or replacement fund.

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 description 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 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 the Board.

6.1.1 During the Developer Control Period, the Board shall consist of three persons initially appointed by the incorporator of the Association and thereafter appointed by the Developer from time to time.

6.1.2 Following the termination of the Developer Control Period, the Board shall be composed of five directors elected by the Owners. Each such director elected by the Owners shall be an Owner, or a duly authorized representative of the Owner if the Owner is an entity other than a natural Person and which has the capacity to hold title to real estate. No more than one Owner of a Unit shall be a director at any given time.

6.2 Term of Office. The terms of office of the members of the Board shall be as follows:

6.2.1 The terms of the directors appointed by Developer during the Developer Control Period shall terminate upon voluntary surrender of control by the Developer or until the later to occur of the following: (i) the date when the Developer no longer owns a Unit for sale or (ii) the date when each Builder no longer owns a Unit for initial sale by each Builder; provided, that the directors shall continue in office until a successor is elected in accordance with the terms hereof.

6.2.2 The first terms of office of the directors elected by the Owners upon the termination of the Developer Control Period shall be two years for two of the directors and three years for three of the directors. Each term of office thereafter shall be three years and 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. The nominee or nominees receiving the greatest numbers of votes shall fill the longer terms. 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. There shall be no cumulative voting for directors.

6.3 Nominations. Except for directors appointed by the Developer, nominations for election to the Board at the annual meetings of the Owners may be made by a nominating committee appointed by the Board, made by Owners in advance of the meeting, and may be made from the floor at the meeting. Nominations may be submitted only by 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. A nomination shall be made only with the consent of the nominee.

6.4 Powers. The powers of the Association include, without limitation, all powers necessary for the administration of the affairs of the Association, including all powers vested in or delegated to the Association (and not expressly prohibited or expressly reserved to the Owners) by law or by the Governing Documents. The powers of the Association are vested in the Board, unless expressly reserved to the Owners by the Governing Documents or by law. The Association's powers include, without limitation, the power to:

6.4.1 adopt, amend and revoke reasonable Rules consistent with the Governing Documents, as follows: (i) regulate the use of the Common Elements; (ii) regulate 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 nuisances or other disturbing activity prohibited or restricted by governmental laws, ordinances or regulations, or which may damage the Common Elements (if any) or other Units; (iii) prohibit or regulate animals; (iv) regulate changes in the appearance of the Common Elements and conduct which may damage the Property; (v) regulate the exterior appearance of the Property, including, without limitation, signs and other displays, regardless of whether inside a Dwelling; (vi) implement the Governing Documents, and exercise the powers granted by this Section; and (vii) otherwise facilitate the operation of the Property;

6.4.2 adopt and amend budgets for revenues, expenditures, and reserves, levy and collect Assessments, and foreclose Assessment liens incidental to its collection efforts;

6.4.3 hire and discharge managing agents and other employees, agents, and independent contractors;

6.4.4 subject to the requirement of Section 13.8 of the Declaration, 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;

6.4.5 make contracts and incur liabilities;

6.4.6 regulate the use, maintenance, repair, replacement, and modification of the Common Elements and the Units;

6.4.7 maintain, repair, and replace the Common Elements, and other portions of the Property, all as set forth in the Governing Documents;

6.4.8 cause improvements to be made as a part of the Common Elements;

6.4.9 acquire, hold, encumber, and convey in its own name any right, title, or interest to real estate or personal property;

6.4.10 grant and amend easements, leases, and licenses through, over, and under the Common Elements;

6.4.11 impose and receive any payments, fees, or charges for services provided to Owners;

6.4.12 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;

6.4.13 borrow money, and encumber or pledge the assets of the Association as security therefor; provided that any borrowings in any twelve month period which exceed, in aggregate, ten percent of the Association's current annual budget, shall require approval by the Owners voting at an Association meeting;

6.4.14 impose reasonable charges for the review, preparation, and/or recording of (i) amendments to the Declaration or the Bylaws; (ii) statements of unpaid Assessments; (iii) documents for subsequent buyers of Units; or (iv) furnishing copies of Association records;

6.4.15 provide for the indemnification of its officers, directors, and committee members, and maintain directors' and officers' liability insurance;

6.4.16 provide for reasonable procedures governing the conduct of meetings and the election of directors;

6.4.17 appoint, regulate, and dissolve committees;

6.4.18 maintain, repair, and replace the Recreation Property, the costs of which shall be Common Expenses; and

6.4.19 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.

6.5.1 Regular meetings of the Board shall be held at such times as may be fixed from time to time by a majority of the members of the Board, or, in the absence of such action, by the President. A schedule, or any amended schedule, of the regular meetings shall be provided to the directors, and made available for the information of Owners, as provided in Section 6.5.5.

6.5.2 Special meetings of the Board shall be held when called (i) by the President, or (ii) by the Secretary within ten days following a request, delivered in writing or by authenticated electronic communication, signed or consented to by a majority of the directors. Notice of any special meeting shall be given to each director not less than three days in advance thereof, subject to Section 6.5.3. Notice to a director shall be deemed to be given when deposited in the United States mail postage prepaid to the address of such director, when personally delivered, orally or in writing, by a representative of the Board, or when sent by electronic communication in the form consented to by the applicable director in accordance with Section 317A.231 of the Act.

6.5.3 Any director may at any time waive notice of any meeting of the Board orally, in writing, by authenticated electronic communication, 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.

6.5.4 A conference among directors by a means of communication through which all of the directors may participate in the meeting 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. A director may participate in a Board meeting by means of conference telephone or, if authorized by the Board, by such other means of "remote communication" (as that term is defined in the Act), in each case through which that director, other directors so participating, and all directors physically present at the meeting may participate with each other during the meeting. Participation in a meeting by that means constitutes presence at the meeting.

6.5.5 Except as otherwise provided in this Section or by law, 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. Reasonable notice shall be deemed to have been given to the Owners if the date, time and place of meetings are provided for in the Governing Documents, announced at a previous meeting of the Board, distributed to Members in writing, posted in a location accessible to the Owners and designated by the Board from time to time, or distributed or made available by electronic communication if the applicable Owner has registered such Owner's consent thereto in accordance with Section 2.2(iii). If, however, 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:

6.5.5.1 personnel matters;

6.5.5.2 pending or potential litigation, arbitration, or other potentially adversarial proceedings between Owners, or between the Board or the Association and an Owner or Owners, or other matters in which any Owner may have an adversarial interest, or involving consultation between the Board and legal counsel for the Association, if the Board determines prior to or at the meeting that closing the meeting is necessary to discuss strategy, to preserve attorney-client privilege, or to otherwise protect the position of the Board or Association or the privacy of an Owner or Occupant; or

6.5.5.3 criminal activity arising within the Property or involving an Owner or Occupant, 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 may be kept confidential and need not be made available for review or copying pursuant to Section 8.6. 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 shall not invalidate the Board meeting or any action taken at the meeting. Furthermore, this Section shall not limit or otherwise apply to actions of the Board taken without a meeting as authorized by Section 6.7.

6.6 Quorum and Voting. A majority of the directors holding office constitutes a quorum for the transaction of business at any meeting thereof. A quorum, once established, continues to exist, regardless of the subsequent departure of any directors. Each director has one vote. The vote of a majority of the directors present at any meeting at which a quorum is present is sufficient to adopt any action. Proxies are prohibited for Board meetings.

6.7 Action Taken Without a Meeting. The Board shall have the right to take any action (other than an action requiring approval of the Members) in the absence of a meeting which it could take at a meeting when authorized in a writing signed, or consented to by authenticated electronic communication, by a majority of the directors; provided, that a copy of the proposed action is given to all directors for review prior to its adoption.

6.8 Vacancies. Except with respect to directors appointed by the Developer during the Developer Control Period in accordance with Section 6.1.1, a vacancy in the Board shall be filled by a Person elected by a majority vote of the remaining directors, regardless of their number. Each such director elected by the directors shall be an Owner, or a duly authorized representative of the Owner if the Owner is an entity other than a natural Person and which has the capacity to hold title to real estate. Each person so elected shall serve out the term vacated.

6.9 Removal. Except with respect to directors appointed by the Developer during the Developer Control Period in accordance with Section 6.1.1, 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 at least three unexcused absences from Board meetings and/or Owners meetings during any twelve month period, or (ii) is more than thirty days past due with respect to the payment of Assessments or installments thereof assessed against that director's Unit. Such vacancies shall be filled by the vote of the Owners as previously provided in this Section.

6.10 Compensation. The directors of the Association shall receive no compensation for their services in such capacity. 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 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. Directors may be reimbursed for out-of-pocket expenses incurred in the performance of their duties.

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 directors and officers authorized to handle the Association's funds and other monetary assets.

6.12 Standards of Conduct. Each director shall discharge the duties of the position of director in good faith, in a manner that the director reasonably believes to be in the best interests of the Association as a whole, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

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. A person may hold more than one office simultaneously, except those of President and Vice President. Only the President and Vice President must be members of the Board. Each officer of the Association shall be an Owner, or a duly authorized representative of an Owner if the Owner is an entity other than a natural Person. No more than one Owner of a Unit may be an officer at any given time.

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 is the chief executive officer of the Association, and presides at all meetings of the Board and the Association. The President has 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 on behalf of the Association all contracts and similar obligations approved by the Board. The President shall perform other duties as are 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 perform such other duties as are prescribed by the Board.

7.6 Secretary. The Secretary is responsible for recording the minutes of all meetings of the Board and the Association. The Secretary is responsible for keeping the books and records of the Association, and giving all notices required by the Governing Documents or the Act unless directed otherwise by the Board. 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 is responsible 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, subject to review by the Association's accountants; (iii) cause the books of the Association to be kept in accordance with generally accepted accounting practices and shall submit them to the Board for its examination upon request; (iv) 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; (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. The officers of the Association shall receive no compensation for their services in such capacity. An officer or an entity in which the officer has an interest may be reasonably compensated under a contract for goods and 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. Officers may be reimbursed for out-of-pocket expenses incurred in the performance of their duties.

7.9 Standards of Conduct. Each officer shall discharge the duties of the position of an officer in good faith, in a manner that the officer reasonably believes to be in the best interests of

the Association as a whole, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

SECTION 8 OPERATIONS

8.1 General. The Association shall operate and manage the Property for the purposes of (i) administering and enforcing the covenants, conditions, restrictions, easements, charges, and liens set forth in the Governing Documents; (ii) administering and enforcing the Rules; (iii) maintaining, repairing, and replacing those portions of the Property and other property for which it is responsible; and (iv) preserving the quality and the architectural character of the Property. All powers of the Association are vested in the Board, unless expressly reserved to the Owners.

8.2 Assessment Procedures. The Board appointed by the Developer shall annually prepare a budget of Common Expenses for the Association, but may elect to defer the levying of the first Assessment, in which case the Developer shall pay all operating expenses of the Association until the first Assessment is levied. Following the termination of the Developer Control Period, the Board shall annually prepare a budget of Common Expenses for the Association, and assess such Common Expenses against the Units according to their respective Common Expense obligations as set forth in the Declaration.

8.2.1 Subject to any 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 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.

8.2.2 Subject to any 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.

8.2.3 The Board may levy limited Assessments against less than all of the Units under Section 6.4 of the Declaration. Such Assessments may be included in the Assessments levied annually against the affected Units or may be levied separately at any time during the year. Such Assessments are not annual or special Assessments within the meaning of the Governing Documents.

8.2.4 The budget may include a general operating reserve, and shall include an adequate reserve fund for maintenance, repair, and replacement of the Common Elements and any other Improvements required or permitted to be maintained, repaired, or replaced by the Association on a periodic basis.

8.2.5 The Association shall furnish copies of each budget on which the Assessment is based to an Owner upon request of the Owner.

8.2.6 Recognizing that the Developer is to disclose to prospective purchasers the Association's projected budget, the Association shall notify the Developer of any budget changes following the termination of the Developer Control Period until the Developer no longer owns any Unit for initial sale.

8.3 Payment of Assessments. Unless otherwise designated by the Board or the Governing Documents, annual Assessments shall be due and payable in monthly, quarterly, semi-annual, or annual installments in advance on the first day of each month or quarter 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 provided in the Declaration, all Owners shall be absolutely and unconditionally obligated to pay the Assessments, and 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 interest, or fines, or costs of collection, regardless of any claims alleged against the Developer, the Association, or their respective officers, directors, agents, employees, or principals. Any rights or claims alleged by an Owner may be pursued only by separate action.

8.4 Default in Payment of Assessments. If any Owner does not make payment on or before the date when any Assessment or installment thereof is due, subject to such grace periods as may be established by the Board, 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 attorneys' fees and other professional fees and costs, incurred by the Board in collecting any such unpaid Assessment.

8.4.1 If there is a default of more than thirty days in payment of any Assessment, the Board may accelerate any 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, attorneys' fees, costs of collection, and fines, are paid prior to said date.

8.4.2 The Board shall have the right and duty to attempt to recover all Assessments on behalf of the Association, together with any charges, attorneys' fees, or expenses relating to the collection thereof. In addition, the Board shall have the right to recover any 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.

8.4.3 Upon written request of an Owner or a mortgagee of such Owner's Unit, notice of a default of more than thirty days in payment of any Assessment or installment thereof or any other default in the performance of obligations by the Owner shall be given in writing to such Owner or mortgagee (except as prohibited by law).

8.4.4 The rights and remedies referred to herein shall in no way limit the remedies available to the Association under the Declaration or by law.

8.5 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.

8.6 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 detailed and accurate records of the receipts and expenditures of the Association. With the exception of records that may be privileged or confidential information, all Association records, including receipts and expenditures and any vouchers authorizing payments, shall be available for examination by the Owners 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.

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

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:

9.1.1 The Board;

9.1.2 The Owners who have authority to cast in excess of fifty percent of the total votes in the Association, in writing or at a duly held meeting of the Owners, or by any other method allowed by the Act or these Bylaws;

9.1.3 The Developer, if required by the Declaration; and

9.1.4 The Developer until the latest to occur of the following: (i) the date when the Developer no longer owns a Unit, (ii) the date when each Builder no longer owns a Unit for initial sale by each Builder, or (iii) the effective date of termination of all of the Developer Rights.

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, hand delivered, or delivered by electronic communication if the applicable Owner has registered such Owner's consent thereto in accordance with Section 2.2(iii), to all Owners.

9.3 Effective Date. An amendment is effective upon receipt of all required approvals, and need not be recorded.

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 Section 317A.521 of the Act.

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 officers of the Association, or the Owners or Occupants shall be (i) 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, or (ii) by electronic communication and shall be effective when sent, as and if authorized by the applicable Section of these Bylaws and the Act; 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 in these Bylaws 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 hereof.

11.4 Conflicts in Documents. In the event of any conflict between the provisions of the Declaration, these Bylaws, and the Rules and Regulations, the Declaration shall control. In the event of any conflict between the provisions of 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 No Corporate Seal. The Association shall have no corporate seal.

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

The undersigned certifies that these Bylaws were adopted by the first Board of Lakeview Owners Association, a Minnesota nonprofit corporation, effective as of the date hereof.

Dated effective: Aug. 15th, 2015



Secretary
of Lakeview Owners Association