

BYLAWS
for
THE SINGLE FAMILY HOMES AT GARDENWOOD OWNERS ASSOCIATION

The following are the Bylaws of The Single Family Homes at Gardenwood Owners Association, a Minnesota non-profit corporation (the “**Association**”). The Association is organized under Minnesota Statutes, Chapter 317A, the Minnesota Non-profit Corporation Act (the “**Act**”), for the purposes of serving as the association of lot owners called for under the Declaration for The Single Family Homes at Gardenwood, filed in the office of the County Recorder of Anoka County, Minnesota, as Document No. _____ (the “**Declaration**”). The Association is responsible for operating and managing The Single Family Homes at Gardenwood, a permanent residential community comprised of detached single family homes and related improvements, all as more fully described in the Declaration.

DEFINITIONS

Bylaw 1. **Definitions.** Any words or terms used in these Bylaws which are defined in the Declaration shall have the meaning given to those words in the Declaration. The term “**Property**” specifically refers to the Lots and Outlots subject to the Declaration.

MEMBERS AND VOTING

Bylaw 2. **Membership.** Each Owner of a Lot in the Property shall be a member of the Association, and no other person or entity shall be entitled to membership. Declarant or its successors in interest or assigns shall be entitled to membership in the Association only so long as Declarant or such successor or assign owns one or more Lots in the Property.

Bylaw 3. **Transfer of Membership.** Each membership is appurtenant to the Lot on which it is based and shall transfer automatically by voluntary or involuntary conveyance of the ownership of that Lot. It shall be the responsibility of each Owner, upon becoming a member, to notify the Association in writing, and until so notified, the Association may, in its sole discretion, continue to carry the name of the former Owner as the member for the Lot in question. If the Owner of any Lot fails or refuses to transfer the membership for the Lot in question to the person or entity to which title to such Lot was transferred, the Association shall have the right, but not the obligation, to record the transfer upon the books of the Association and issue a new membership to the transferee, and thereafter the old membership outstanding in the name of the transferor shall be null and void as though that membership had been surrendered.

Bylaw 4. **Multiple Owners.** When more than one person holds an ownership interest in a Lot, the vote for such Lot shall be exercised as the Owners, between or among themselves, determine and jointly signify in writing to the Secretary of the Association. In no event, however, shall more than one vote be cast with respect to any Lot, nor shall the vote allocated to a Lot be split or

otherwise cast separately by the several members. If multiple Owners of a Lot cannot agree on the exercise of the vote for such Lot, any one of the Owners may apply to the Board of Directors of the Association, which, after hearing all parties at a special meeting, shall determine the manner of exercise of the vote for said Lot by a majority vote of the Directors voting at the special meeting. A Director shall not vote upon such determination with respect to a Lot of which said director is one of the multiple Owners.

Bylaw 5. **Voting**. Each Lot in the Property shall be entitled to one vote. Cumulative voting shall not be permitted. A majority of those voting shall govern all determinations of the members, except where a greater vote is required by the Declaration or these Bylaws. No vote shall be cast with respect to any Lot while it is owned by the Association.

Bylaw 6. **Quorum**. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Owners representing thirty three percent (33%) of the voting power of the Association shall constitute a quorum.

Bylaw 7. **Proxies**. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting. A person designated by a proxy to act for a member need not be a member.

MEETINGS

Bylaw 8. **Place of Meetings**. Meetings of the Association shall be held at the Property or such other suitable place within Anoka County, Minnesota, and convenient to the members, as may be designated by the Board of Directors.

Bylaw 9. **Annual Meetings**. The first meeting of the members following the termination of the Development and Sale Period (as defined in the Declaration) shall be deemed to be the “**First Annual Meeting**” of the Association for purposes of this **Bylaw 9**. The exact date of the First Annual Meeting shall be set by the Board of Directors. At the First Annual Meeting of the members, the members may designate a regular date for successive annual meetings. If the members do not designate such a regular date, the Board of Directors may continue to designate the date of the next annual meeting until such a designation is made by the members. If any designated date falls upon a legal holiday, it shall be understood that the actual date of the meeting shall be the next business day succeeding such designated date. At such meetings in accordance with the requirements of **Bylaw 18** of these Bylaws, Directors shall be elected by ballot of the members. The members also may transact such other business of the Association as properly may come before them. In all events, a meeting of the members shall be held at least once each year. If a regular meeting of the members has not been held during the preceding fifteen (15) months, and the Development and Sale Period has ended, ten percent (10%) or more of the members with voting rights may demand a meeting in accordance with Section 317A.431, subdivision 2 of the Act.

Bylaw 10. **Special Meetings**. Following the expiration or earlier termination of the Development and Sale Period, it shall be the duty of the President of the Association to call a special meeting of the members as directed by resolution of the Board of Directors or upon the presentation to the secretary of a petition calling for a special meeting that is signed by Owners of five (5) or more Lots or by two (2) directors. The notice of any special meeting shall state the time and place of such

meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless all of the members with voting rights have waived notice of the meeting under Minnesota statutes, Section 317A.435. One (1) or more special meetings may be held before there has been a First Annual Meeting as provided for in *Bylaw 9*

Bylaw 11. **Notice of Meetings.** It shall be the duty of the Secretary of the Association to send to each member, at least twenty-one (21) days, and not more than thirty (30) days, in advance of an annual meeting of the members, and not less than seven (7) days and not more than thirty (30) days in advance of any other meeting, notice of the date, time, place, and complete agenda of the meeting and the procedures for appointing proxies. The notice shall be hand-delivered or sent by United States mail, postage prepaid, to all members of record at the address of their respective Lots or to such other address or addresses as any of them may have designated in writing to the secretary.

Bylaw 12. **Delayed and Adjourned Meetings.** If any meeting of members cannot be organized because a quorum is not present, the members who are present, may delay the start of the meeting to provide additional time to gather a sufficient number of members to satisfy the quorum requirements. If the quorum requirements are not satisfied within a reasonable time the persons who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours nor more than sixty (60) days from the time the original meeting was called, with no further notice than that given at such adjourned meeting, and the quorum at such adjourned meeting shall be one-half of the ordinary quorum.

Bylaw 13. **Order of Business.** The order of business at all annual meetings of the members shall be as follows:

- a. Roll call.
- b. Proof of notice of meeting or waiver of notice.
- c. Reading of minutes of preceding meeting.
- d. Report of officers.
- e. Report of committees.
- f. Designation of regular date for annual meetings (if necessary).
- g. Election of Board of Directors.
- h. Unfinished business.
- i. New business.
- j. Open forum.
- k. Announcement of date, time and place of organization meeting of new Board of Directors.

- (l) Adjournment.

Bylaw 14. **Fair Voting Procedures**. The following shall be considered minimum standards to assure fair voting procedures:

- a. All proxies should be available for inspection prior to and during a meeting of the members, so that a reasonable opportunity is afforded to challenge and count proxies.
- b. All mailed ballots and all proxies cast at a meeting should be first opened at the time the votes on an election or issue are counted and tallied.
- c. In the case of an election of a director, every candidate or designee of a candidate may observe the counting and tallying of votes; and on any other issue, a reasonable number of observers from both sides of each issue shall observe the counting and tallying of votes.
- d. The vote count on each election and issue shall be announced before adjournment of the meeting, and shall be available to all members in written form, signed by the secretary of the Association, within seven (7) days of the meeting.
- e. A member who is delinquent in the payment of assessments may reinstate voting rights for a meeting by payment of the delinquency by delivering a check to the secretary, treasurer or president of the Association before the meeting is called to order, unless a different requirement is adopted by the Board and the delinquent member is given written notice thereof at least fifteen (15) days before the meeting.

BOARD OF DIRECTORS

Bylaw 15. **First Board of Directors**. The first Board of Directors shall consist of the three (3) persons designated in the Articles of Incorporation, who need not be members, and who shall serve until the First Annual Meeting of the members or until their successors are elected and qualified. Should any vacancy occur in the first Board of Directors, it shall be filled by Declarant. The first Board of Directors shall have the power to adopt the Bylaws of the Association, to elect officers, to establish a schedule of assessments which shall be effective until December 31st of the year in which the First Annual Meeting of the Association occurs, and shall have generally the powers and duties as set forth in ***Bylaw 19***.

Bylaw 16. **Number and Qualification**. The number of Directors constituting the Board of Directors after the first Board of Directors shall be five (5) who shall be elected by majority vote of all members of the Association. All Directors elected by the members shall themselves be members; provided that if a member is an entity, such as a corporation, partnership, limited liability company, or limited liability partnership, a Director may be an officer or employee of such an entity member.

Bylaw 17. **Nomination**. Nomination for election to the Board of Directors may be made by a nominating committee appointed by the Board of Directors. Nominations also may be made by any

two (2) members in a written nomination to the Secretary, or by motion and second from the floor at the annual meeting.

Bylaw 18. **Term and Election**. At the First Annual Meeting after expiration or earlier termination of the Development and Sale Period, one Director shall be elected for a term of one (1) year, two Directors shall be elected for a term of two (2) years, and two Directors shall be elected for a term of three (3) years. At subsequent Annual Meetings, the term of office of each Director then being elected shall be fixed at two (2) years. Each Director shall hold office until his or her respective successor has been elected.

Bylaw 19. **Powers and Duties**. The Board of Directors shall have the powers and duties necessary for the administration of the Association, and may act on behalf of the Association and do all such acts and things except by the Declaration or by these Bylaws may not be delegated to the Board of Directors by the members. Such powers and duties of the Board of Directors shall include, but shall not be limited to, the power to perform any obligation delegated to the Board pursuant to the Declaration. Among the powers and duties of the Board of Directors is the duty to designate a person to serve as a Director on the Board of Directors of the Master Association, and who shall cast the voting power of the Association as a member of the Master Association in accordance with the Master Declaration and Bylaws of the Master Association.

Bylaw 20. **Vacancies**. Subject to Declarant's right to appoint the Board of Directors during the Development and Sale Period, vacancies in the Board of Directors caused by any reason other than the removal and substitution by an entity member under ***Bylaw 40***, shall be elected by a special election of the members. Each person so elected shall be a Director until a successor is elected and qualified at the next annual meeting of the Association.

Bylaw 21. **Removal of Directors**. At any regular or special meeting of the members duly called, any one or more of the Directors may be removed with or without cause by a majority of the members authorized to elect such Director present in person or by proxy, and a successor may then and there be elected to fill the vacancy thus created; provided, however, that during the Development and Sale Period, only the Declarant shall have the right to remove any Director appointed by Declarant. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

Bylaw 22. **Organizational Meeting**. The first meeting of the Board of Directors each year following the annual meeting of members shall be held within thirty (30) days of the annual Owners' meeting, and if the date, time and place are announced at the annual Owners' meeting, no further notice shall be necessary.

Bylaw 23. **Regular Meetings**. Regular meetings of the Board of Directors may be held at such time and place within the State of Minnesota, as shall be determined, from time to time, by a majority of a the Directors, but at least two (2) such meetings shall be held during each calendar year. Notice of regular meetings of the Board of Directors shall be given to each Director, at least twenty-five (25) days prior to the day named for such meeting.

Bylaw 24. **Special Meetings**. Special meetings of the Board of Directors may be called by the President on not less than seven (7) days notice to each Director, which notice shall state the

time, place within the State of Minnesota, and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Directors.

Bylaw 25. **Open Meetings**. Subject to the provisions of applicable law, meetings of the Board of Directors must be open to the members; provided, however, that portions of meetings of the Board of Directors during which employment matters, litigation matters, or matters dealing with investigations of criminal activity, may be closed. To the extent practicable, the Board shall give reasonable notice to the members of the date, time, and place of a board meeting. If the date, time, and place of meetings are announced at a previous meeting of the Board, posted in a location accessible to the members 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.

Bylaw 26. **Telephone Conference**. A meeting of the Directors or any committee of the Board may be conducted by a telephone conference or any means of communication through which the participants may simultaneously hear each other during the meeting, if notice of the meeting has been given as would be required for a meeting and if the number of persons participating in the conference is sufficient to constitute a quorum. Participating in a conference constitutes personal presence at the meeting. A Director may participate in a Board meeting by means of communication through which the Director, other Directors participating, and all other Directors physically present at the meeting may simultaneously hear each other during the meeting. Participation in a meeting by this means constitutes personal presence at the meeting.

Bylaw 27. **Waiver of Notice**. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving and receipt of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by such Director of the time, place and purpose thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Bylaw 28. **Board of Directors' Quorum and Voting**. At all meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of a majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there is less than a quorum present, the meeting may be adjourned from time to time until a quorum is present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Bylaw 29. **No Proxies**. Directors shall not vote by proxy.

Bylaw 30. **Action Without a Meeting**. Any action that could be taken at a meeting of the Board of Directors may be taken without a meeting when authorized in a writing signed by all of the Directors.

Bylaw 31. **Compensation**. The Directors shall receive no compensation for their services as Directors. However, when authorized by the Board, Directors and officers may be reimbursed for

actual expenses incurred in connection with the business of the Association, and officers may be compensated for bookkeeping or record keeping functions.

OFFICERS

Bylaw 32. **Designation**. The principal officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer. All principal officers shall be elected by and from the Board of Directors. The offices of Treasurer and Secretary may be filled by the same person. The Board may from time to time appoint an assistant secretary and such other officers, with such duties, as the Board, in its judgment, may consider desirable, and those additional officers need not be Directors.

Bylaw 33. **Election of Officers**. The principal officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board. All officers shall hold office at the pleasure of the Board.

Bylaw 34. **President**. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board of Directors. The President shall see that all orders and resolutions of the Board are carried out; and shall sign all leases, mortgages, deeds and other written instruments (except to the extent that the Board of Directors authorizes or mandates the delegation of such authority).

Bylaw 35. **Vice-President**. The Vice-President shall act in the place of the President and perform the President's duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Directors shall appoint some other Director to act on an interim basis. The Vice-President also shall perform such other duties as shall from time to time be required by the Board of Directors.

Bylaw 36. **Secretary**. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association. If the Association adopts a seal, the Secretary shall keep the corporate seal of the Association and affix it on all papers requiring said seal. The Secretary shall give notice of all meetings of the Board and of the members, shall keep appropriate current records showing the members of the Association, together with their addresses, and shall perform such other duties as may be required by the Board.

Bylaw 37. **Treasurer**. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall sign all checks and shall be responsible for the deposit of all moneys and valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors, except to the extent that the Board of Directors authorizes or mandates the delegation of such authority to a manager or agent.

Bylaw 38. **Committees**. The Board may establish committees and appoint their members as deemed appropriate in carrying out its purposes.

ANNUAL REPORT

Bylaw 39. **Annual Report.** The Association shall prepare and provide to each member at or prior to each annual meeting a report of the affairs of the Association including at least the following information:

- (a) 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;
- (b) A statement of the status of any pending litigation or judgments to which the Association is a party;
- (c) A statement of the insurance coverage provided by the Association; and
- (d) A statement of the total past due assessments on all Lots, current as of not more than sixty (60) days prior to the date of the meeting.

MISCELLANEOUS

Bylaw 40. **Right of Corporate, Partnership, Limited Liability Company, or Other Entity Member to Substitute.** Whenever a Director of the Association is an officer or employee of a member who is an entity, such as a corporation, limited liability company, partnership, or limited liability partnership, the respective entity may, by written notice to the Association, remove such Director of the Association and designate another such person to serve the unexpired balance of said Director's term.

Bylaw 41. **Indemnification of Officers and Directors.** To the full extent permitted by Section 317A.521 of the Act, as amended from time to time, or by other provisions of law, each person who was or is a party or is threatened to be made a party to any proceeding by reason of a former or present official capacity in the Association shall be indemnified.

Bylaw 42. **Notice.** "Notice" shall have the meaning given in Section 317A.011, subdivision 14 of the Act.

Bylaw 43. **Amendments to Bylaws.** These Bylaws may be amended only in a manner authorized by Section 317A.181 of the Act.

Bylaw 44. **Conflicts.** In case any of these Bylaws conflicts with the provisions of the Declaration or Articles of Incorporation, the provisions of the Declaration or Articles of Incorporation will govern.

Bylaw 45. **Inspection of Books and Records.** Current copies of the Declaration, Bylaws, the Rules and Regulations concerning the Property, and the books, records, and financial statements of the Association, shall at all times be available for inspection by the Owner of any Lot within the Property, any prospective purchaser of a Lot, any prospective lender, or the holder, insurer and/or guarantor of a mortgage on any Lot, at the principal office of the Association, during reasonable and normal business hours, and copies of the same shall be provided at reasonable cost.

