

BYLAWS

OF

AFTON CREEK PRESERVE HOMEOWNERS ASSOCIATION
a Minnesota Non-Profit Corporation
under the Laws of the State of Minnesota

Dated APRIL 15, 2019

AFTON CREEK PRESERVE HOMEOWNERS ASSOCIATION

BYLAWS

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**BYLAWS
OF
AFTON CREEK PRESERVE HOMEOWNERS ASSOCIATION**

**SECTION 1
GENERAL**

The following are the Bylaws of the Afton Creek Preserve Homeowners Association, a Minnesota nonprofit corporation (the "Association"). The Association is organized for the purpose of operating and managing the Afton Creek Preserve, a preservation and land community development (PLCD). The terms used in the Bylaws shall be the meaning as they have in the Declaration of the Association.

**SECTION 2
MEMBERSHIP**

2.1 Unit Owner/Member. An Owner shall by virtue of such ownership interest be a member of this Association.

2.2 More Than One Unit Owner. When one (1) or more persons hold an ownership interest in a Unit, all such persons shall be members of the Association.

2.3 Registration of Owners and Occupants. Each Owner shall register with the Secretary of the Association (the "Secretary"), in writing, (i) the name and address of the Owner and each Occupant of the Owner's Unit; (ii) the nature of such Owner's interest in the Owner's Unit; (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 has a continuing obligation to advise the Association in writing of any changes in the foregoing information.

2.4 Transfers. The interest, 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 (defined as the Declaration, the Articles of Incorporation, and the Bylaws of the Association, as amended from time to time) 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 allocated to the Unit. If the Owners of a Unit fail to agree as to who shall cast the vote, or fail to register pursuant to Section 2.3, 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 written proxy naming another Person entitled to act on that Owner's behalf and delivering the proxy to the Secretary before the start of any such meeting. A proxy shall be revoked by the attendance at a meeting and voting in person; or by signing and delivering to the Secretary before a meeting a writing indicating the Proxy is revoked. A proxy granted by an Owner shall remain effective for 11 months unless a different period is stated in the proxy, however, a proxy is not valid for more than 3 years from the date of its execution.

3.4 Vote Required. A majority of the votes cast at any properly constituted meeting of the Owners 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 in these Bylaws, shall mean in excess of fifty percent of the votes cast at a meeting, in person or by proxy, in accordance with the allocation of voting power set forth in the Declaration. Cumulative voting shall not be permitted.

3.5 Written Ballot. Other than the election of Directors, any matter that may be voted upon at an annual or special meeting may be voted upon through the use of mailed/hand delivered ballots in accordance with Section 317A.447.

SECTION 4 MEETINGS OF THE OWNERS

4.1 Place. All meetings of the Owners shall be held at such reasonable time and place as is specified by the President or Secretary in the notice of such meeting.

4.2 Annual Meeting. An annual meeting of the Owners shall be held 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 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 Association's President (the "President") as a matter of discretion. Special meetings of the Owners shall be called by the President or Secretary following receipt of the written request of a majority of the members of the Board or of Owners entitled to cast at least twenty percent of all of the votes in the Association. The meeting shall be held within thirty days following the Association's 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 (21) nor more than thirty (30) days in advance of any annual meeting of the Owners, and not less than seven (7) nor more than thirty (30) days in advance of any special meeting of the Owners, the Secretary shall send notice of the time, place and agenda of the meeting to all persons who are Owners as of the date of sending the notice. The notice shall be sent by United States mail, to the Owner's Unit address or to such other address as the Owner may have designated in writing to the Secretary, or by hand delivery, or actual receipt by either facsimile transmission mail or electronic mail. Notice of any annual meeting of the Owners shall also be given to Minnesota Land Trust who shall be entitled to have one or more representatives attend such Annual Meeting.

4.5 Quorum/Adjournment. The presence of Owners, in person or by proxy, who have the authority to cast at least 51% of the total votes in the Association shall 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 no longer than thirty days later than the date of the meeting is initially called, without notice other than announcement at the meeting as initially called. If a quorum has been established 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. If a quorum has been established at a meeting or a reconvened meeting, the quorum shall continue to exist for the meeting in question notwithstanding the departure of any Owner originally in attendance in person or by proxy.

4.6 Voting Register. The Secretary shall have available at the meeting a list of the Unit addresses, the names of the Owners, the vote attributable to each Unit, and the name of the Person (in the case of multiple Owners) who may be authorized to cast the vote for each Unit.

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 of the Association, a copy of which shall be provided to each Owner at or prior to the annual meeting. The annual report shall contain, at a minimum:

- a. Capital Expenditures. A statement of any capital expenditures in excess of two percent of the Association's current budget or Five Thousand Dollars, whichever is greater, approved by the Association for the current fiscal year or succeeding two fiscal years;
- b. Reserve Funds. A statement of the balance in any reserve or replacement fund;
- c. 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 the fiscal year;
- d. Litigation and Judgments. A statement of the status of any pending litigation or judgments to which the Association is a party;
- e. Insurance. A detailed description of the insurance coverage provided by the Association;
- f. 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 annual meeting; and
- g. Report on Major Facilities Issues. A report on the major facilities issues and projects that are being undertaken.

SECTION 6 BOARD OF DIRECTORS

6.1 Number and Qualification. The affairs of the Association shall be governed by the Board. The Board shall be composed of three directors, each of whom shall be an Owner, or a duly authorized representative of an Owner if the Owner is an entity other than a natural Person. Two or more Owners of a Unit shall not serve as directors at the same time.

6.2 Term of Office. The term of office of each director shall be three years, serving staggered terms by dividing the total number of directors into three groups. The

term of a director shall expire upon the election of a successor director at the appropriate annual meeting of the Owners; provided, that a director shall continue in office until a successor is elected. Directors shall be elected by a plurality of votes cast at such meeting. 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 may be made by the Board or a nominating committee appointed by the Board; provided, that Owners may also make nominations at any time at or before the annual meeting. The nominating committee, if appointed by the Board, 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. All nominations shall be made only with the consent of the nominee.

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 power of the Board shall include, without limitation except as stated below, the power to:

- a. adopt, amend, and revoke Rules and Regulations not inconsistent with the Governing Documents and the Conservation Easement, subject to Section 5.6 of the Declaration, as follows: (i) regulating the use of the Common Elements and property owned by the Association; (ii) regulating the use of the Units, and the conduct of Owners and Occupants, which may jeopardize the health, safety, or welfare of other Owners and Occupants, which involves noise or other disturbing activity, or which may damage the Common Elements or other Units; (iii) regulating animals; (iv) regulating changes in the appearance of the Common Elements and conduct which may damage the Property; (v) regulating the exterior appearance of the Property; (vi) implementing the Governing Documents, and exercising the power granted by this Section 6.4; and (vii) otherwise facilitating the operation of the Property;
- b. perform any and all acts and incur such expense as is reasonably necessary to comply with the Association's responsibilities under the Conservation Easement;
- c. levy and collect assessments to support the administration of the Conservation Easement by the Minnesota Land Trust (such assessments to be included in the annual Assessments described in the Declaration) and to remit such assessments to the Minnesota Land Trust in a timely manner, and to provide such information, notices, and support to the Minnesota Land Trust as may be required under the Conservation Easement;

- d. adopt and amend budgets for revenues, expenditures and reserves, levy and collect Assessments (subject to Section 6 of the Declaration and other provisions of the Declaration), and foreclose Assessment liens incidental to its collection efforts;
- e. establish one or more than one adequate reserve fund for maintenance, repair, and replacement of those portions of the Property or other property owned by the Association that the Association may be obligated to maintain, repair, or replace on a periodic basis. The establishment of such a reserve fund shall not prevent the Association from exercising its authority to levy limited Assessments, or other Assessments, pursuant to the Declaration;
- f. hire and discharge managing agents and other employees, agents, and independent contractors, and use the services of legal counsel, accounting professionals, and other service providers;
- g. 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 matter affecting the Property or the Association, or (ii) with the consent of the Owners of the affected Units, on matters affecting only those Units;
- h. to pay all common expenses of the Association;
- i. make contracts and incur liabilities;
- j. regulate the use, maintenance, repair, replacement, improvement, and modification of the Common Elements, property owned by the Association and the Units;
- k. acquire, hold, encumber, and convey in its own name any right, title, or interest to real estate or personal property, subject to the requirements of the Act for the conveyance or encumbrance of the Common Elements;
- l. grant rights-of-way, easements, leases, and licenses through, over, and under the Common Elements, subject to the restrictions of the Conservation Easement, or other property owned by the Association, for public roadways, utilities, and other public purposes, for public and private cable, internet, satellite, and other electronic communications systems, and for any other purpose authorized by the Declaration; and to grant other easements, leases, and licenses through, over, or under the Common Elements, subject to the restrictions of the Conservation Easement, and other property owned by the Association with approval by a majority vote of the Owners;

- m. impose and receive any payments, fees, or charges for services provided to Owners;
- n. impose charges for late payment of Assessments and, after notice and opportunity to be heard, levy reasonable fines for violations of the Governing Documents and the Rules and Regulations;
- o. borrow money, and encumber or pledge the assets of the Association as security therefore;
- p. impose reasonable charges for the review, preparation, and recording of amendments to the Declaration or Bylaws, resale disclosure certificates, statements of unpaid Assessments, or furnishing copies of the Association records;
- q. provide for the indemnification of its officers, directors, and committee members, and maintain directors' and officers' liability insurance;
- r. provide for reasonable procedures governing the conduct of meetings and the election of directors;
- s. appoint, regulate, and dissolve committees; and
- t. 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 Meeting and Notices. The following procedures shall govern and apply to Board meetings:

- a. Regular meetings of the Board shall be held at least on a quarterly basis, at such times as may be fixed from time to time by a majority of the directors. A schedule, or any amended schedule, or 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 shall be held when called (i) by the President, or (ii) by the Secretary within ten days following the written request of 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.c. 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, or actual receipt by either facsimile transmission mail or electronic mail.

- c. Any director may at any time waive notice of any meeting of the Board orally, in writing, by attendance at the meeting, or actual receipt by either facsimile transmission mail or electronic mail. 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 personal presence at the meeting and minutes of the meeting shall be retained.
- e. Except as otherwise provided in this Section, a meeting 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 Article of Incorporation, the Bylaws, 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 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 matter 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 Property or other property owned by 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.

Notwithstanding Section 8.5, the minutes of, and the documentation discussed or submitted at, such closed meeting shall not be made available

for review or copying by Owners or eligible Mortgagees. 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, but shall not impair Owners' rights to exercise other remedies against the Directors.

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 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 writing signed by all the directors; provided, that a copy of the proposed written action is given to all directors for review prior to its signing.

6.8 Vacancies. A vacancy in the Board other than a vacancy under Sections 6.2 and 6.9, shall be filled by a natural Person who is an Owner, elected within sixty days following the occurrence of the vacancy by a majority vote of the Owners at a special meeting of the Owners called for such person. 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 vote of the members entitled to cast at least seventy-five percent (75%) of the total voting power of the Association 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. Such vacancies shall be filled by the vote of the Owners as previously provided in this Section.

6.10 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 assets.

6.11 Standard of Responsibility. A director shall discharge his or her duties in good faith, in a manner the director reasonably believes to be in the best interest of the Association, 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 Secretary, and a Treasurer, each of whom are directors of the Association. Two or more Owners of a Unit shall not serve as officers at the same time.

7.2 Election. Each officer of the Association shall be elected at the annual meeting of the Owners as provided in the previous Section.

7.3 Term. The term of office of each officer shall be coordinate with his term as a director.

7.4 Removal. Any officer may be removed, with or without cause, and replaced by another member of the Association, if he is removed from the Board as set forth in Paragraph 6.9 above. Any officer so elected by the members shall serve for the balance of the removed officer's term and until his successor has been elected and has qualified.

7.5 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.

7.6 Secretary. The Secretary is 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 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 unless approved by a majority vote of Owners. The 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 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 Owners, and (ii) that the officer's interest is disclosed to the Owners prior to approval.

7.9 Standard of Responsibility. An officer shall discharge his or her duties in good faith, in a manner the officer reasonably believes to be in the best interest of the Association, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

SECTION 8 OPERATION OF THE PROPERTY

8.1 Assessment Procedures. 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.

- a. Subject to 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.
- b. Subject to any limitation in the Declaration, the Board may amend the budget and any 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 Assessments 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. Such Assessments are not annual Assessments or special Assessments within the meaning of the Declaration or these Bylaws.

- d. The Association's annual budget shall include an adequate reserve fund for the maintenance, repair, and replacement of those portions of the Property or other property owned by the Association for which the Association has the obligation to maintain, repair, and replace 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 Mortgagee, upon request of such persons.

8.2 Payment of Assessments. Annual Assessments shall be due and payable in monthly installments as determined by the Board, in advance, on the first day of each month. Special Assessments, limited Assessments, and other Assessments shall be due when designated by the Board. 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 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, 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, incurred by the Board in collecting any such unpaid Assessment.

- a. 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, 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, and fines, are paid prior to the date.
- b. The Board shall have the right and duty to attempt to recover all Assessments for Common Expenses, together with any charges, attorneys' fees, or expenses relating to 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 a Mortgagee of such Unit, notice of a default of more than thirty 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 Mortgagee.

- d. The rights and remedies referred to in this Section shall not limit the remedies available to the Association under the Declaration or by law.

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' Mortgagees, and detailed and accurate records of the receipts and expenditures of the Association. With the exception of records that may be privileged or contain confidential information, all Association records, including receipts and expenditures and any vouchers authorizing payments, shall be available for examination by Owners and Mortgagees for a proper purpose, 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 Financial Audit/Review. The Board shall cause the financial records of the Association to be "reviewed" by an independent certified public accountant on an annual basis. The reviewed financial records shall be delivered to all Members within one hundred eighty days after the end of the Association's fiscal year; however, the Board may obtain an audit notwithstanding this provision.

8.7 Enforcement of Obligations. All Owners and Occupants and their guests are obligated and bound to observe the provisions of the Governing Documents, the Conservation Easement, the Rules and Regulations, and the Act. The Association may impose any or all of the charges, sanctions and remedies authorized by the Governing Documents, the Rules and Regulations, or by law to enforce and implement its rights and to otherwise enable it to manage and operate the Association. Without in any way limiting the foregoing, but subject to Section 13.6 of the Declaration, an Owner shall be liable for the expense of any maintenance, repair, or replacement of the Property rendered necessary by such Owner's acts or omissions, or by the acts or omissions of Occupants or guests in or visiting the Owner's Unit.

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 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; subject to any approval rights of 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, or actual receipt by either facsimile transmission mail or electronic mail 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 Mortgages, if required) 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 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, or actual receipt by either facsimile transmission mail or electronic mail; except that registrations pursuant to Section 2.3 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 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 among the provisions of the Act, the Declaration, the Association's Articles of Incorporation, these Bylaws, or the Rules and Regulations, the Act shall control unless it permits the documents to control. As among the Declaration, the Articles, these Bylaws, and Rules and Regulations, the Declaration shall control. As among the Articles, these Bylaws, and the Rules and Regulations, the Bylaws shall control. In the event of any conflict

among the provisions of the Declaration, Bylaws, the Rules and the Conservation Easement, the Conservation Easement 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, the Secretary of Afton Creek Preserve Homeowners Association, hereby executes these Bylaws.

**AFTON CREEK PRESERVE
HOMEOWNERS ASSOCIATION**

By _____

Its Secretary