

Common Interest Community Number 41

A Condominium

BROCKMAN POINTE ASSOCIATION

BYLAWS

GENERAL

These Bylaws serve a dual role. They are the Bylaws of Brockman Pointe Association, a Minnesota non-profit corporation (the "Association") organized under Minnesota Statutes, Chapter 317A, the Minnesota Non-profit Corporation Act, and they are also the Bylaws of the common interest community described as Common Interest Community No. 41, Brockman Pointe Condominium, Rice County, Minnesota (the "CIC") under Minnesota Statutes, Chapter 515B, the Minnesota Common Interest Ownership Act (the "Act").

SECTION 1

DEFINITIONS

Definitions. Any words or terms used in these Bylaws which are defined in the Act shall have the meaning there ascribed to them. Any words or terms used in these Bylaws which are defined in the Declaration Creating CIC No.41, Brockman Pointe Condominium, filed for record in the office of the Registrar of Titles for Rice County, Minnesota, as Document No. _____ ("Declaration") shall have the meaning there ascribed to them.

SECTION 2

MEMBERS AND VOTING

2.1 **Membership.** Each owner of a unit in Brockman Pointe Condominium shall be a member of the Association, and no other person or entity shall be entitled to membership. The Declarant, or its successors in interest or assigns, shall be entitled to membership in the Association only so long as the same is the owner of one or more units in the CIC.

2.2 **Transfer of Membership.** Each membership is appurtenant to the unit on which it is based and shall transfer automatically by voluntary or involuntary conveyance of the ownership of that unit. It shall be the responsibility of each owner, upon becoming entitled to membership, so to notify the Association in writing, and until so notified, the Association may continue to carry the name of the former owner as a member, in its sole discretion. In the event the owner of any unit should fail or refuse to transfer the membership to the transferee of title of such unit, the Association shall have the right to record the transfer upon the books of the Association and issue a new membership to the transferee, and thereupon the old membership outstanding in the name of the transferor shall be null and void as though the same had been surrendered.

2.3 **Multiple Owners.** When more than one person holds an ownership interest in a unit, the vote for such unit shall be exercised as they between or among themselves determine and jointly signify in writing to the Secretary of the Association, but in no event shall more than the assigned voting power be cast with respect to any unit nor shall the voting power allocated to a unit be split or otherwise cast separately by the several unit owners. In the event multiple owners of a unit cannot agree on the exercise of voting power for such unit, 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 voting power for said unit by a majority vote of the Directors voting at the special meeting. A Director shall not vote upon such determination with respect to a unit of which said Director is one of the multiple owners.

2.4 **Voting.** Each unit shall be entitled to the voting power set forth in Exhibit C to the Declaration. Cumulative voting shall not be permitted. A majority of those voting shall govern all determinations of the unit owners, except where a greater vote is required by the Act, the Declaration, or these Bylaws. No vote shall be cast with respect to any unit while it is owned by the Association. During any period when the assessments against a unit are unpaid for more than sixty (60) days after due and payable, the unit's voting rights may be suspended.

2.5 **Quorum.** Except as otherwise provided in these Bylaws, the presence in person or by proxy of owners representing 20% of the voting power of the Association shall constitute a quorum. If the voting power of a unit is suspended by reason of delinquency in payment of assessments, such voting power shall be deducted from the quorum requirement.

2.6 **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.

SECTION 3

MEETINGS

3.1 **Place of Meetings.** Meetings of the Association shall be held at the CIC or such other suitable place within Rice or Dakota County, Minnesota, and convenient to the unit owners as may be designated by the Board of Directors.

3.2 **Annual Meetings.** The first meeting of the members following the termination of the "period of declarant control" (as described in the Declaration under the authority of Section 515B.3-103 of the Act) shall be deemed to be the "first annual meeting" of the Association. The exact date of such first annual meeting shall be set by the Board of Directors, but such date shall conform to the requirements of Section 515B.3-103 of the Act. At such first annual meeting of the members, the members may designate a regular date for successive annual meetings. If the members fail to designate 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 4.4 of these Bylaws, Directors shall be elected by ballot of the unit owners.

The unit owners 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 15 months, ten percent or more of the members with voting rights may demand a meeting in accordance with Minnesota Statutes, Section 317A.431, Subdivision 2.

3.3 **Special Meetings.** It shall be the duty of the President 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 therefor signed by owners entitled to cast at least 20% of all of the votes in the Association, or by three 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 or more special meetings may be held before there has been a "first annual meeting."

3.4 **Notice of Meetings.** It shall be the duty of the Secretary to send to each unit owner, at least twenty-one days, and not more than thirty days, in advance of an annual meeting of the unit owners, and not less than seven days and not more than thirty days in advance of any other meetings, 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 unit owners of record at the address of their respective units or to such other address or addresses as any of them may have designated in writing to the Secretary.

3.5 **Adjourned Meetings.** If any meeting of unit owners cannot be organized because a quorum is not present, the unit owners 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.

3.6 **Order of Business.** The order of business at all annual meetings of the unit owners 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 organizational meeting of new Board of Directors.
- (l) Adjournment.

3.7 **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 members meeting, so that a reasonable opportunity is afforded to challenge and count proxies.
- b) All mail 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 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 15 days before the meeting.

SECTION 4

BOARD OF DIRECTORS

4.1 **First Board of Directors.** The first Board of Directors shall consist of four persons designated in the Articles of Incorporation, who need not be unit owners, 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 occurs the "first annual meeting" of the Association, and shall have generally the powers and

duties as set forth in Bylaw 4.5. Notwithstanding the foregoing, not later than sixty (60) days after conveyance of fifty (50%) percent of the units that may be created to unit owners other than the Declarant or an affiliate of the Declarant, a meeting of the unit owners shall be held at which one (1) of the members of the first Board of Directors shall be elected by unit owners other than the Declarant or an affiliate of the Declarant.

4.2 Number and Qualification. The number of Directors constituting the Board of Directors after the first Board of Directors shall be five (5). All Directors elected by the unit owners shall themselves be unit owners, officers or employees of a corporate unit owner, or partners or employees of a partnership unit owner.

4.3 Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations also may be made by any two members in a written nomination to the Secretary or by motion and second from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

4.4 Terms and Election. Directors shall be elected by plurality, subject however to Declarant's rights during the "Period of Declarant Control" as specified in the Declaration. At the first annual meeting of the Association, following the termination of the "Period of Declarant Control", the members shall elect two directors for a term of one (1) year, two directors for a term of two (2) years, and one director for a term of three (3) years. At the expiration of the initial term of office of each director, his successor shall be elected for a three (3) year term. At the first annual meeting, the one candidate receiving the greatest number of votes shall serve a three (3) year term; the two candidates receiving the second and third greatest number of votes shall serve two (2) year terms; and the two candidates receiving the fourth and fifth greatest number of votes shall serve one (1) year terms of office. At all other annual meetings, the number of candidates to be elected shall equal the number of vacancies in the Board of Directors as of the date of the annual meeting, and the candidates receiving the highest number of votes at such meetings shall be declared elected to serve three (3) year terms. Cumulative voting is not permitted. A director shall hold office until his successor has been elected and shall have qualified or until he has been removed in accordance with the provisions of these Bylaws.

4.5 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the CIC and may act on behalf of the Association and do all such acts and things except as by the Act or by the Declaration or by these Bylaws may not be delegated to the Board of Directors by the unit owners. Such powers shall include, but shall not be limited to, those set forth in Section 515B.3-102 of the Act.

4.6 Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal and substitution by a corporate or partnership unit owner under Bylaw 7.1, shall be filled

by a special election of the members and each person so elected shall be a Director until a successor is elected and qualified at the next annual meeting of the Association.

4.7 **Removal of Directors.** At any regular or special meeting of the unit owners duly called, any one or more of the Directors may be removed with or without cause by a majority of the unit owners 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. Any Director whose removal has been proposed by the unit owners shall be given an opportunity to be heard at the meeting.

4.8 **Organization Meeting.** The first meeting of the Board of Directors each year following the annual meeting of unit owners shall be held within ten (10) 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.

4.9 **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 the Directors, but at least two 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.

4.10 **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 Directors.

4.11 **Open Meetings.** Except as otherwise provided in the Act, meetings of the Board of Directors must be open to the unit owners. To the extent practicable, the Board shall give reasonable notice to the unit owners 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 unit 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.

4.12 **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. Participating in a meeting by this means constitutes personal presence at the meeting.

4.13 **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

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.

4.14 **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 be 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.

4.15 **No Proxies.** Directors shall not vote by proxy.

4.16 **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.

4.17 **Compensation.** The Directors will 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 recordkeeping functions.

SECTION 5

OFFICERS

5.1 **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 in their judgment may be desirable, and such officers need not be Directors.

5.2 **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.

5.3 **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).

5.4 **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.

5.5 **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.

5.6 **Treasurer.** The Treasurer shall have the 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.

5.7 **Committees.** The Board shall appoint members of a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors may establish other committees and appoint their members as deemed appropriate in carrying out its purposes.

SECTION 6

ANNUAL REPORT

The Association shall prepare and provide to each unit owner at or prior to each annual meeting a report of the affairs of the Association including at least the following information:

- a. A statement of any capital expenditures in excess of two percent of the current budget or \$5,000.00 (whichever is greater) approved by the Association for the current year or succeeding two fiscal years;
- b. A statement of the balance of any reserve or replacement fund and any portion of the fund designated for any specified project by the Board of Directors;
- c. A copy of the statement of revenues and expenses for the Association's last fiscal year and a balance sheet as of the end of said fiscal year.
- d. A statement of the status of any pending litigation or judgments to which the Association is a party.
- e. A statement of the insurance coverage provided by the Association; and
- f. A statement of the total past due assessments on all units, current as of not more than 60 days prior to the date of the meeting.

SECTION 7

MISCELLANEOUS

7.1 Right of Corporate or Partnership Unit Owner to Substitute. Whenever a director or officer of the Association is an officer or employee of a corporate unit owner or a partner or employee of a partnership unit owner, the respective corporation or partnership may be written notice to the Association remove such director or officer of the Association and designate another such person to serve the unexpired balance of the term.

7.2 Indemnification of Officers and Directors. To the full extent permitted by Minnesota Statutes, Section 317A.521 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.

7.3 Termination of Contracts. If entered in prior to expiration of the period of Declarant control, (i) any management contract, employment contract, or lease of recreational facilities, units, garages or other parking facilities, (ii) any contract, lease or license binding the Association to which a Declarant or an affiliate of a Declarant is a party, or (iii) any contract, lease or license binding the Association or any unit owner other than the Declarant or an affiliate of the Declarant which is not bona fide or which was unconscionable to the unit owners at the time entered into under the circumstances then prevailing, may be terminated without penalty by the Association at any time, after the expiration of Declarant control upon not less than 90 days' notice to the other party.

7.4 Notice. "Notice" has the meaning given in Section 317A.011, subdivision 14 of the Minnesota Non-profit Corporation Act.

7.5 Amendments to Bylaws. These Bylaws may only be amended in a manner authorized by Minnesota Statutes, Section 317A.181, and may not be amended without written consent of the Declarant and the written consent of the Secretary of Veterans Affairs or appropriate FHA official during all times while Declarant retains control of the Association.

7.6 Conflicts. In case any of these Bylaws conflicts with the provisions of the Act, the provisions of the Act will apply. 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 apply.

7.7 Inspection of Books and Records. Current copies of the Declaration, Bylaws, other rules concerning the CIC, and the books, records, and financial statements of the Association shall at all times, during reasonable and normal business hours, be available for inspection by any unit owner, prospective purchaser, unit lender or the holder, insurer and guarantor of a mortgage on any unit at the principal office of the Association, and copies of the same may be purchased at reasonable cost.

7.8 **Financial Statements.** The Association shall have no obligation to have its financial statements audited, but any mortgage holder shall be entitled, upon written notice, to have an audited financial statement of the Association for the immediately preceding fiscal year prepared at its expense (unless one is otherwise available, in which case it shall be provided free of charge to the party so requesting). Any financial statement shall be furnished free of charge within a reasonable time upon request from any such owner, lender, holder, issuer or guarantor or any prospective owner, lender, holder, insurer, or guarantor.

7.9 **Notice to Association.** An owner who mortgages the owner's unit shall notify the Association through the management agent, if any, or the President or the Board of Directors in the event there is no management agent, of the name and address of the mortgagee and the Association shall maintain such information in a book entitled "Mortgagees of Units."

CERTIFICATE

The foregoing were adopted as the Bylaws of Brockman Pointe Association, a Minnesota non-profit corporation, at the first meeting of the Board of Directors on the 12 day of July, 2002.

BROCKMAN POINTE ASSOCIATION

By: Wally Murray
Secretary

