

BY-LAWS

ISLAND VIEW CONDOMINIUM ASSOCIATION

ARTICLE I

GENERAL

Section 1. By-Laws Applicability: These are the By-Laws of Island View Condominium Association, a Minnesota nonprofit corporation (hereinafter called the "Association"), the Articles of Incorporation of which were filed in the office of the Secretary of State of the State of Minnesota on April 20, 1990, which is organized for the purpose of being and constituting the association of unit owners for Island View Condominium, a Condominium, a condominium to be organized pursuant to the provisions of the Minnesota Uniform Condominium Act, being Chapter 482, Session Laws of 1980, Minnesota Statutes, Sections 515A.1-101 to 515A.4-118 (hereinafter referred to as the "Act"), by Declaration For Condominium dated September 1, 1992 (hereinafter referred to as the "Declaration"), as the same way be amended.

Section 2. Interest in Association Property: No unit owners shall have any severable right or interest in any property, funds, or reserves of the Association, but merely a right to the joint use and enjoyment thereof so long as he continues as a unit owner. [2]

Section 3. Personal Application: All present or future unit owners, tenants, future tenants, or their employees or any other person that might use the facilities of the condominium in any manner, are subject to these By-Laws.

The acquisition or rental of any of the units of the condominium or the act of occupancy of any of said units will signify that the Declaration and these By-Laws are accepted, ratified and will be complied with.

Section 4. Definitions: Any words or terms used to these By-Laws which are defined in the Act shall have the meaning there ascribed to them. Any words or terms used in these By-Laws which are defined in the Declaration shall have the meaning there ascribed to them.

ARTICLE II

MEMBERS, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

Section 1. Membership: Each owner of a unit in Island View Condominium, shall be a member of the Association, and no other person or entity shall be entitled in membership except that a unit owner may assign the vote for his unit to the first mortgagee of the unit. The Declaration [scribe question: should this be "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 Island View Condominium. Membership in the Association shall be established by recording with the Registrar of Titles [3] for Rice County, Minnesota, a deed or other instrument establishing record title in a unit in Island View Condominium, in the name of such owner or in the case of a purchaser in possession under a contract for deed, the contract for deed, or the delivery in the Association of a certified copy of such instrument.

The new owner qualifies for membership immediately upon the completion of the above procedures. The share of a member in the funds and assets of the Association cannot be assigned, pledged, encumbered or transferred in any manner, except as an appurtenance to his unit in the condominium.

Section 2. Voting: Voting shall be a percentage basis, and the percentage of the vote in which the unit owner is entitled is the percentage assigned to the unit in the Declaration or its Amendments. Cumulative voting shall not be permitted. A majority on a percentage basis of those voting shall govern all determinations of the unit owners, except where a higher percentage is required by the Act, the Declaration, or these By-Laws. No vote shall inure to any unit while it is owned by the Association. If authorized by the Board in each instance, unit owners may vote by mail.

Section 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 [4] jointly signify in writing to the Secretary of the Association, but in no event shall more than the assigned vote be cast with respect to any unit nor shall the vote 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 such unit by a majority vote of the Directors voting at a special meeting. A Director shall not vote upon such determination with respect to a unit of which he is one of the multiple owners.

Section 4. Quorum: Except as otherwise provided in these By-Laws, the presence in person or by proxy of owners representing a majority of the voting power of the Association (based upon the allocation of voting power set forth in the Declaration) shall constitute a quorum.

Section 5. Proxies: Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointment time of each meeting.

ARTICLE III

ADMINISTRATION

Section 1. Association Responsibilities: The Association will have the responsibility of administering the condominium [5] through its duly elected Board of Directors and of approving the annual budget, establishing and collecting monthly assessments, and arranging for the management of the condominium.

Section 2. Place of Meetings: Meetings of the Association shall be held at the principal office of the condominium or such other suitable place within Rice County, Minnesota and convenient to the unit owners as may be designated by the Board of Directors.

Section 3. Annual Meetings: The first annual meeting of the Association shall be held during the month of October, the exact date to be decided by the Board of Directors. At such first annual meeting of the members, the members may designate a regular October date for successive annual meetings. If the members fail to 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

succeeding business day. At such meetings in accordance with the requirements of Section 2 of Article IV of these By-Laws, there shall be elected by ballot of the unit owners a Board of Directors. The unit owners also may transact such other business of the Association as property may come before them.

Section 4. Special Meetings: It shall be the duty of the [6] President to call a special meeting of the unit owners as directed by resolution of the Board of Directors or upon like presentation to the Secretary of a petition therefor signed by not less than 25% in percentage interest of the unit owners. 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 by consent of 80% in percentage interest of the unit owners present, either in person or by proxy.

Section 5. Notice of Meetings: It shall be the duty of the Secretary to send to each unit owner, at least 21 days in advance of any annual or regularly scheduled meeting and at least 7 days in advance of any other meeting, notice of the time, place and complete agenda of the meeting. The notice shall be hand-delivered or sent by United States mail to all unit owners of record at the address of their respective units and to such other addresses and mortgage holders as any of them may have designed [sic] to the Secretary. The delivery or mailing of a notice in the manner provided in this paragraph shall be considered notice served.

Section 6. 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 48 hours nor more [7] than 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.

Section 7. 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. Election of Board of Directors.
- G. Unfinished Business.
- H. New Business.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. First Board of Directors: The first Board of Directors shall consist of three 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 By-Laws of the Association, to elect officers, to [8] 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 Section 3 of this Article IV.

Section 2. Number and Term: The number of Directors constituting the Board of Directors after the first Board of Directors shall be ~~three (3)~~ FOUR (4), unless there are less than three (3) units, in which case there shall be the same number of Directors as units. All Directors elected by the unit owners shall themselves be unit owners, or officers, employees of a corporate unit owner, or partners or employees of a partnership unit owner.

At the first annual meeting of the Association the term of office of one Director shall be fixed at three (3) years, the term of office of one Director shall be fixed at two (2) years, and the term of office of one Director shall be fixed at one (1) year. At the expiration of the initial term of office of each Director, his successor shall be elected for a three (3) year term. The Directors shall hold office until their successors have been duly elected and hold their first meeting.

Section 3. Powers and Duties: The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the condominium and may do all such acts and things except as by law or by the Declaration or by these By-Laws [9] may not be delegated to the Board of Directors by the unit owners. Such powers and duties of the Board of Directors shall include, but shall not be limited to, the following:

- a. Operation, care, upkeep and maintenance of the Common Elements.
- b. Determination of the assessments for common expenses required for the affairs of the condominium, including, without limitation, the operation and maintenance of the condominium, which must include the establishment of an adequate reserve fund for the periodic maintenance, repairs and replacement of improvements to the common elements, these common elements that must be replaced on a periodic basis, and those limited common elements which the Association is obligated to maintain. Such routine and foreseeable assessments shall be payable in regular installments rather than by special assessments.
- c. Collection of the common expenses from the unit owners.
- d. Employment and removal of a manager, managing agent, independent contractors and such other employees as it deems advisable, and entering into contracts and agreements for the purpose of providing for the performance of its powers and duties. The Board may further delegate any of its powers and duties to such persons or entities as the Directors may determine.
- e. Opening of bank accounts on behalf of the Association and designating the signatories required therefor.
- f. Owning, conveying, encumbering, leasing and otherwise dealing with units conveyed to it or purchased by it as the result of enforcement of the lien for assessments or otherwise.
- g. Obtaining of insurance for the condominium, pursuant to the provisions of the Declaration.
- h. Making of repairs, additions and improvements to, or alterations of, the condominium and repairs to and restoration of the condominium in accordance with the Declaration and the other provisions of these By-Laws.

- i. Dedicating or transferring permits, licenses and easements [10] for public utilities, roads and other public purposes consistent with the intended use of the common elements and reasonably necessary or useful for the proper maintenance of operation of the project.
- j. Adopting and amending of uniform rules and regulations governing the details of operation and use of common elements.
- k. Preparing and providing to each unit owner an annual report as required hereinbelow.

Section 4. Limitation on Contracts. Any contract providing for services by Declarant or an affiliate of Declarant or to which Declarant or an affiliate of the Declarant is a part, and any agreement for professional management, employment contract or, if entered into prior to the expiration of Declarant control pursuant to Section 515A.3-103 of the Act, any contract or lease, must provide for termination by either party without cause or a payment of a termination fee or penalty on ninety (90) days' or less written notice and for cause on thirty (30) days' or less written notice without payment of a termination fee or penalty. No contract providing for services by the Declarant or an affiliate of Declarant, and no management agreement for the condominium shall be entered into for a term exceeding one year, but may be renewable by agreement of the parties for successive one-year periods.

Section 5. Vacancies: Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of a majority of [11] the remaining Directors, and each person so elected shall be a Director until a successor is elected and qualified at the next annual meeting of the Association.

Section 6. Removal of Directors. At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority on a percentage basis of the unit owners, 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.

Section 7. 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 each annual meeting, and no notice shall be necessary to the Directors in order to legally constitute such meeting, providing a majority of the whole Board shall be present.

Section 8. Regular Meetings: Regular meetings of the Board of Directors may be held at such time and place within Rice County, 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, personally or by mail or telephone, at least three (3) days prior to the day named for such meeting. [12]

Section 9. Special Meetings: Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director, given personally or by mail or telephone, which notice shall state the time, place within Rice County, 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.

Section 10. 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 him of the time, place and purpose thereof. If all the Directors are present at the meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Board of Directors Quorum: At all meetings of the Board of Directors a majority of Directors shall constitute a quorum for the transaction of the 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 shall be adjourned from time to time [13] 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.

Section 12. 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.

Section 13. Compensation: The Directors will receive no compensation for their services. However, when authorized by the Board of Directors, Directors and officers may be reimbursed for expenses incurred in connection with the business of the Association.

Section 14. Special Notices to Servicers: The Board may authorize the officers of the Association, on behalf of the Association, to execute and enter into a binding written agreement with a servicer of one or more first mortgages on units obligating the Association to notify such servicer whenever (a) damage to a living unit covered by a mortgage owned by FMHA exceeds \$1,000.00, and (b) the damage to common elements and related facilities exceeds \$10,000.00, or such other events as the Board of Directors may deem reasonable to include in such agreement.

ARTICLE V

OFFICES

Section 1. Designation: The principal officers of [14] the Association shall be a 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 Directors may appoint an assistant secretary and such other officers as in their judgment may be desirable, and such officers need not be Directors.

Section 2. Election of Officers: The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. President: The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall see that all orders and resolutions of the board are carried out; shall sign all leases, mortgages, deeds and

other written instruments; and shall co-sign all checks and promissory notes (except to the extent that the Board of Directors authorizes the delegation of such authority by the President). He shall have the power to appoint committees from among the unit owners, from time to time, so he may in his discretion deem appropriate to assist in conducting the affairs of the Association.

Section 4. Secretary: The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all [15] meetings of the Association. If the Association adopts a seal, he shall keep the corporate seal of the Association and affix it on all papers requiring said seal. He shall serve notice of 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.

Section 5. 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. He 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.

ARTICLE VI

ANNUAL REPORT

The Association shall prepare and provide to each unit owner annually within sixty (60) days of the close of the fiscal year 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 \$5000.00 (whichever is greater) anticipated by the Association during the current year or succeeding two fiscal years;
- b. A statement of the status and amount of any reserve of [16] 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 financial condition for the Association for the last fiscal year;
- d. A statement of the status of any pending suits or judgments in which the Association is a party;
- e. A statement of the insurance coverage provided by the Association; and
- f. A statement of any unpaid assessments on individual units by the Association, identifying the unit numbers and the amount of the unpaid assessment.

ARTICLE VII

OBLIGATION OF UNIT OWNERS

Section 1. Maintenance and Repair:

- a. Every unit owner must perform promptly all maintenance and repair work within his own unit, which, if omitted, would affect the common elements of another unit or units, being expressly responsible for the damages and liabilities that his failure to do so may engender.
- b. The painting and decorating of the exterior surface of exterior doors and exterior window sashes shall be the responsibility of the Association.
- c. If maintenance, repairs, or replacement to the common elements or to the unit of another owner are necessitated by the negligence, misuse or neglect of a unit owner, the expense thereof shall be charged to such offending unit owner.
- d. All maintenance and repair of internal installations of [17] the unit, which are not common facilities as defined in the Declaration, shall be at the unit owner's expense.

Section 2. Use of Units – Internal Changes:

- a. All units shall be used for residential purposes only.
- b. A unit owner shall not make structural modifications or alterations in his unit or installations located therein or in adjacent common elements without previously notifying the Association or the management agent in writing. The Association or its representative shall have the obligation to answer within 30 days, and failure to do so within the stipulated time shall mean that there is no objection to the proposed modifications or alterations which would jeopardize or impair the soundness, safety or exterior appearance of the unit [scribe note: original document has a typo and reads "united" instead of "unit"] to be altered or modified, any other unit, or the common elements.

Section 3. Rules of Conduct:

- a. No unit owner or occupant shall post any advertisements or posters of any kind in or on the condominium, except as authorized by the Association, nor shall signs, billboards, notices or other advertising matter of any kind be placed on the exterior of any unit or in the interior of any unit so as to be visible from the outside of the unit.
- b. Unit owners and occupants shall exercise extreme care [18] about making noises or about the use of musical instruments, radios, televisions, and amplifiers that may disturb other residents. No nuisance shall be allowed which is a source of annoyance to the other owners or which interferes with the peaceful possession or proper use of the condominium by all unit owners.
- c. No laundry, clothes, rugs, etc. shall be hung on or dusted from windows, balconies or building facades.
- d. No unit owner or occupant shall install wiring for any electrical installation, television or radio antenna, etc., on the exterior of a building or protruding through the walls or the roof of a building, nor shall any owner or occupant install an antenna or antenna dish on the exterior building or on any common area except as authorized by the Association.

- e. Outside storage of any items, including but without limiting the generality of the foregoing, sporting equipment, toys, outdoor cooking equipment (except lawn furniture and one gas or charcoal grill per unit if allowable by applicable ordinance), yard and garden tools and equipment, and trash and garbage containers shall not be allowed.
- f. No boats, snowmobiles, trailers, camping vehicles, tractor/trailers or trucks in excess of 9000 pounds gross weight, or unlicensed or inoperable vehicles shall at any time be stored or parked more than two consecutive days in any 30 day [19] period on the common elements without the express written approval of the Board of Directors, which may be withheld without stated reason.
- g. No additional air conditioning or air cooling unit shall be installed or placed on any part of the unit, other than that which was originally installed, without the prior written consent of the Board of Directors.
- h. Save for emergency repairs, no repairs or adjustments to motor vehicles may be carried out on the common elements.
- i. No one shall harm, mutilate, destroy, alter or litter any of the landscaping work or improvements on the common elements, including grass, trees and flower beds.
- j. No motor vehicles shall be driven or parked on any part of the common elements other than on a driveway or parking space.
- k. The sidewalks, walkways, halls, passages and driveways shall not be obstructed or used for any other purpose than ingress to and egress from the units and parking areas within the common elements.
- l. No pets except as allowed in this subparagraph shall be permitted to be kept on the property of any owner nor may any pets, whether or not owned by the unit owner remain overnight on the real estate. Provided, however, that unit owners may keep the following: (a) caged birds; (b) aquarium fish; (c) either [20] one cat or one dog. The Board of Directors may adopt rules making specified portions of the property off limits to pets and requiring the person in charge of the pet to clean up after it.
- m. No stores of coal or any combustible, flammable or offensive goods, provisions or materials shall be kept on any part of the Real Estate except for reasonable quantities and kinds of usual household materials.
- n. Use of any recreational elements shall be in accordance with the rules and regulations, as determined from time to time by the Board of Directors and posted.
- o. No fencing shall be erected, located, kept or maintained on any part of the common elements other than that which originally was erected by the Declarant, without the written consent of the Board of Directors.
- p. No part of the common elements shall be used by anyone in such a manner so as to interfere with the use and enjoyment of the units or the common elements.
- q. No building or structure shall be erected, located, kept or maintained on the common elements except: (i) structures for common use (including leasing or assignment to unit owners) located thereon as of the recording of the Declaration; and (ii) encroachments permitted under paragraph E.3 of the Declaration.
- r. No part of the common elements shall be used by the owners for the erection, placing or maintenance of clotheslines, [21] incinerators, garbage disposal equipment, recreation or

- athletic equipment, tents, fences or other barriers or for the placing or disposing of rubbish, garbage or waste without the prior written consent of the Board of Directors.
- s. Notwithstanding any other restriction to the contrary, the Board of Directors may permit the use of small garden patches by unit owners or a size and location to be determined by the Board of Directors. All costs involved shall be paid by the user.
 - t. The Board of Directors may from time to time adopt, promulgate and publish other rules of conduct reasonably relating to the enjoyment of the condominium by unit owners and occupants.

Section 4. Right of Entry:

- a. A unit owner shall be deemed to grant the right of entry to any person authorized by the Association in case of any emergency originating in or threatening his unit, whether the unit owner is present at the time or not.
- b. A unit owner shall permit the person authorized by the Association to enter his unit for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services, provided that requests for entry is at a reasonable time. In case of an emergency, such right of entry shall be immediate.
- c. No unit owner or occupant shall cause to be installed [22] any locking devices on the front entry door other than the standardized locking mechanism provided on all entry doors in the building.

ARTICLE VIII

AMENDMENTS TO BY-LAWS

These By-Laws may only be amended in the same manner and to the same extent as the Declaration.

ARTICLE IX

CONFLICTS

In case any of these By-Laws conflicts with the provisions of the Act, the provisions of the Act will apply. In case any of these By-Laws conflict with the provisions of the Declarations or Articles of Incorporation, the provisions of the Declaration of Articles of Incorporation will apply.

ARTICLE X

BOOKS AND RECORDS

Current copies of the Declaration, By-Laws, other rules concerning the project, 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 or unit lender and by the holder, insurer and guarantor of a mortgage on any unit, and copies of the same may be purchased at reasonable cost (except that financial statements shall be provided free of charge). The Association's annual [23] financial statements shall be audited by qualified auditors and the expense of such audit shall be a common expense. Any financial statement shall be furnished within a reasonable time following such request.

The forgoing were adopted as the By-Laws of Island View Condominium Association, a Minnesota non-profit corporation, at the first meeting of the Board of Directors on September 15, 1992.

/s/ Phillip M. Parsons, Secretary

STATE OF MINNESOTA

COUNTY OF RICE

The foregoing instrument was acknowledged before me this 14th day of September 1992, by Phillip M. Parsons, on behalf of Island View Condominium Association.

/s/ Moni Shelstad, Notary Public

This instrument drafted by:

SCHMITZ & OPHAUG

P.O. Box 237

Northfield MN 55057