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BY - LAWS  
OF  
ENGELHAVEN COMMUNITY ASSOCIATION

ARTICLE I.

Definitions

Section 1. "Association" shall mean and refer to ENGELHAVEN COMMUNITY ASSOCIATION, a non-profit corporation organized and existing under the laws of the State of Minnesota.

Section 2. ENGELHAVEN COMMUNITY ASSOCIATION shall mean and refer to that certain real estate located in the Township of Louisville, County of Scott and State of Minnesota, more particularly described as follows, to-wit:

Outlots A,B,C,D,E,F,G,H,I,J,K and L, Engelhaven Subdivision

Section 3. "Common Properties" shall mean and refer to parks, playgrounds, swimmin pools, commons, streets, footways, including buildings, structures and personal properties incident thereto and any other properties owned and maintained by the Association for the common benefit and enjoyment of the residents within ENGELHAVEN.

ARTICLE II.

Location

Section 1. The principal office of the Association shall be located at 5901 Brooklyn Blvd, Minneapolis, Minnesota 55429.

ARTICLE III.

Membership

Section 1. Membership in the Association shall be governed by the provisions of Article III, Section 1 of the Declaration of Covenants, Conditions and Restrictions covering ENGELHAVEN.

Section 2. The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each owner of and becomes a lien against the property on which such assessments are made, as provided by Article V of the Declaration of Covenants, Conditions and Restrictions to which ENGELHAVEN is subject, and recorded in the office of the Register of Deeds in and for Scott County, Minnesota, which Article is hereby incorporated herein by reference, the same as if set forth in full and in detail herein.

Section 3. The membership rights of any person whose interest in ENGELHAVEN is subject to assessments under Article III, Section 2, whether or not he be personally obligated to pay such assessments, may be suspended by action of the Directors during the period when the assessments remain unpaid, but upon payment of such assessments, his rights and privileges shall be automatically restored. If the Directors have adopted and published rules and regulations governing the use of the common properties and facilities as provided in Article IX, Section 1, they may, in their discretion, suspend the rights of any person violating such rules and regulations for a period not to exceed thirty (30) days and impose a fine not to exceed Ten Dollars (10.00) for each infraction of its published rules and regulations, each day during which such infraction exists being deemed a separate and distinct infraction.

#### ARTICLE IV.

##### Voting Rights

Section 1. The association shall have one class of voting membership:

Class A. Members shall be all those owners as defined in Article III. Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article III. When more than one person holds such interest in any Lot, all such Persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

#### ARTICLE V.

##### Property Rights and Rights of Enjoyment of Common Properties

Section 1. Each member shall be entitled to the use and enjoyment of the Common Properties and facilities as provided by deed of dedication and Article IV of the Declaration of Covenants, Conditions and Restrictions applicable to ENGELHAVEN.

Section 2. Any member may delegate his rights of enjoyment in the Common Properties and facilities to the members of his family who reside in ENGELHAVEN or to any of his tenants who reside thereon under a leasehold interest for a term of one year or more. Such member shall notify the Secretary in writing of the name of any such person and of the relationship of the member to such person. The rights and privileges of such person are subject to suspension under Article III, Section 3, to the same extent as those of the member.

#### ARTICLE VI.

##### Association Purposes and Powers

Section 1. The Association has been organized for the following purposes and is hereby vested with the following powers:

(a) All those purposes and powers listed and enumerated in Article II of the Articles of Incorporation of the Association, which Article is hereby made a part hereof by reference, the same as if set forth in full and in detail herein.

(b) Subject to the provisions of Article II of the recorded Declaration of Covenants, Conditions and Restrictions covering ENGELHAVEN and to the extent permitted by law the corporation may participate in mergers and consolidations with other non-profit corporations organized for the same purposes; provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

(c) The corporation shall have the power to mortgage its properties only to the extent authorized under the recorded Declaration of Covenants, Conditions and Restrictions applicable to said properties.

(d) The corporation shall have power to dispose of its real properties only as authorized under the recorded covenants, and restrictions applicable to said properties.

Section 2. The quorum for any action governed by Section 1 (c) and (d) hereof shall be as follows:

At the first meeting duly called as provided therein, the presence of members, or of proxies, entitled to cast sixty percent (60%) of all of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in said Articles, and the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than thirty (30) days following such preceeding meeting.

## ARTICLE VII

### Board of Directors

Section 1. The management and affairs of this corporation shall be managed by a Board of not less than three (3) nor more than nine(9) Directors, provided that the number of Directors shall always be an odd number. Directors need not be members of the Corporation. The number of Directors may be changed by amendment of the By-Laws of the corporation. At the first meeting of the members, the members shall elect one-third (1/3) of the Directors for a term of one (1) year, one-third (1/3) of the Directors for a term of two (2) years and one-third (1/3) for a term of three (3) years; and at each annual meeting thereafter the members shall elect one-third (1/3) of the Board of Directors for a term of three (3) years.

Section 2. Vacancies in the Board of Directors shall be filled by the majority of the remaining Directors, any such appointed Director to hold office until his successor is elected by the members, who may make such election at the next annual meeting of the members or at any special meeting duly called for that purpose.

#### ARTICLE VIII

##### Election of Directors: Nominating Committee: Election Committee

Section 1. Election to the Board of Directors shall be by written ballot as hereinafter provided. At such election, the members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to exercise under the provisions of the recorded covenants applicable to ENGELHAVEN. The names receiving the largest number of votes shall be elected.

Section 2. Nominations for election to the Board of Directors shall be made by a nominating committee which shall be one of the Standing Committees of the Association.

Section 3. 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 of Directors prior to each annual meeting of the members so serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each such annual meeting.

Section 4. 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. Such nominations may be made from among members or non-members as the Committee in its discretion shall determine. Nominations shall be placed on a written ballot as provided in Section 5 and shall be made in advance of the time fixed in Section 5 for mailing of such ballots to members.

Section 5. All Elections to the Board of Directors shall be made on written ballots which shall:

- (a) Describe the vacancies to be filled.
- (b) Set forth the names of those nominated by the Nominating Committee for such vacancies; and
- (c) Contain a space for a write-in vote by the members for each vacancy.

Such ballots shall be prepared and mailed by the Secretary to the members at least fourteen (14) days in advance of the date set forth therein for a return (which shall be a date not later than the day before the annual meeting or special meeting called for elections).

Section 6. Each member shall receive as many ballots as he has votes. Notwithstanding that a member may be entitled to several votes, he shall exercise on any one ballot only one vote per lot for each vacancy shown thereon. The completed ballots shall be returned as follows: Each ballot shall be placed in a sealed envelope marked "Ballot" but not marked in any other way. Each such "Ballot" envelope shall contain only one ballot and the members shall be advised that, because of the verification procedures of Section 7, the inclusion of more than one ballot in any one "Ballot" envelope shall disqualify the return. Such "Ballot" envelope, or envelopes (if the member or his proxy is exercising more than one vote), shall be placed in another sealed envelope which shall bear on its face the name and signature of the member or his proxy, the number of ballots being returned and such other information as the Board of Directors may determine will serve to establish his right to cast the vote or votes presented in the ballot or ballots contained therein. The ballots shall be returned to the Secretary at the principal office of the Association.

Section 7. Upon receipt of each return, the Secretary shall immediately place it in a safe or other locked place until the day set for the annual or other special meeting at which the elections are to be held. On that day, the external envelopes containing the "Ballot" envelopes shall be turned over, unopened, to an Election Committee which shall consist of five (5) members appointed by the Board of Directors. The Election Committee shall then adopt a procedure which shall:

- (a) establish that the number of envelopes marked "Ballot" corresponds to the number of votes allowed to the members or his proxy, identified on the outside envelope containing them; and
- (b) that the signature of the member of his proxy on the outside envelope is genuine; and
- (c) if the vote is by proxy, that a proxy has been filed with the Secretary as provided in Article XIV Section 2, and that such proxy is valid.

Such procedure shall be taken in such manner that the vote of any member or his proxy shall not be disclosed to anyone, even the Election Committee.

The outside envelopes shall thereupon be placed in a safe or other locked place and the election Committee shall proceed to the opening of the "Ballot" envelopes and the counting of the votes. If any "Ballot" envelope is found to contain more than one ballot, all such ballots shall be disqualified and shall not be counted. Immediately after the announcement of the results, unless a review of the procedure is demanded by the members present, the ballots and the outside envelopes shall be destroyed.

#### ARTICLE IX

#### Powers and Duties of the Board of Directors

5 Section 1. The Board of Directors shall have power:

- (a) To call special meetings of the members whenever it deems necessary and it shall call a meeting at any time upon written request of one-fourth (1/4) of the voting membership, as provided in Article XIII, Section 2.
- (b) to appoint and remove at pleasure all officers, agents, and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any member, officer or Director of the Association in any capacity whatsoever.
- (c) To establish, levy and assess and collect the assessments or charges referred to in Article III, Section 2.
- (d) To adopt and publish rules and regulations governing the use of the Common Properties and facilities and the personal conduct of the members and their guests thereon.
- (e) To exercise for the Association all powers, duties and authority vested in or designated to this Association, except those reserved to the meeting or to members in the covenants.

Section 2. It shall be the duty of the Board of Directors:

- (a) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members or at any special meeting of the members when such is requested in writing by one-fourth (1/4) of the voting membership, as provided in Article XIII, Section 2.
- (b) To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.
- (c) As more fully provided in Article V of the Declaration of Covenants applicable to ENGELHAVEN.

(1) To fix the amount of the assessment against each Lot for each assessment period at least thirty (30) days in advance of such date or period and, at the same time;

(2) To prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any member, and at the same time;

(3) To send written notice of each assessment to every owner subject thereto,

(d) To issue or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

(e) To act as an Environmental Control Committee or to appoint an Environmental Control Committee consisting of three or more representatives and to perform those duties provided in Article VI of the Declaration of Covenants applicable to ENGELHAVEN. Members appointed to the Environmental Control Committee need not be members of the Association.

#### ARTICLE X.

##### Directors' Meetings

Section 1. A regular meeting of the Board of Directors shall be held monthly on a day, time and place agreed upon by a majority of the Directors.

Section 2. Notice of such regular meeting is hereby dispensed with.

Section 3. Special meetings of the Board of Directors shall be held when called by any officer of the Association or by any two Directors after not less than three (3) days' notice to each director.

Section 4. The transaction of any business at any meeting of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice of a quorum is present and, if either before or after the meeting, each of the Directors not present signs a written waiver of notice, or a consent to the holding of such meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made part of the minutes of the meeting.

Section 5. The majority of the Board of Directors shall constitute a quorum thereof.

#### ARTICLE XI.

##### Officers

Section 1. The officers shall be a president, a vice president, a secretary and a treasurer. The president and the vice president shall be members of the Board of Directors.

Section 2. The officers shall be chosen by majority vote of the Directors.

Section 3. All officers shall hold office during the pleasure of the Board of Directors.

Section 4. The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out and sign all notes, checks, loans, mortgages, deeds and all other written instruments.

Section 5. The vice president shall perform all the duties of the president in his absence.

Section 6. The secretary shall be exofficio the secretary of the Board of Directors, shall record the votes and keep the minutes of all proceedings in a book to be kept for the purpose. He shall sign all certificates of membership. He shall keep the records of Association. He shall record in a book kept for that purpose the names of all members of the Association together with their addresses as registered by such members (see Article XIII, Section 3).

Section 7. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors, provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The treasurer shall sign all checks and notes of the Association, provided that such checks and notes shall also be signed by the president or the vice president.

Section 8. The treasurer shall keep proper books of account and cause an annual audit of the Association books to be made by a certified public accountant at the completion of each fiscal year. He shall prepare an annual budget and an annual balance sheet statement and the budget and balance sheet statement shall be presented to the membership at its regular annual meeting.

## ARTICLE XII

### Committees

Section 1. The Standing Committees of the Association shall be:

The Nominations Committee  
The Recreation Committee  
The Maintenance Committee  
The Environmental Control Committee  
The Publicity Committee  
The Audit Committee

Unless otherwise provided herein, each committee shall consist of a Chairman and two or more members and shall include a member of the Board of Directors for Board contact. The committees shall be appointed by the Board of Directors at its first regular meeting following each annual meeting and shall serve until the first regular meeting of the Board of Directors following the next annual meeting. The Board of Directors may appoint such other committees as it deems desirable.

Section 2. The Nominations Committee shall have the duties and functions described in Article VIII.

Section 3. The Recreation Committee shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board, in its discretion, determines.

Section 4. The Maintenance Committee shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Common Properties and facilities of the Association, and shall perform such other functions as the Board, in its discretion, determines.

Section 5. The Environmental Control Committee shall have the duties and functions described in Article VI, Declaration of Covenants, and Restrictions applicable to ENGELHAVEN. It shall watch for any proposals, programs or activities which may adversely affect the residential quality of ENGELHAVEN and shall advise the Board of Directors regarding Association action on such matters.

Section 6. The Publicity Committee shall inform the members of all activities and functions of the Association and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of the Association.

Section 7. The Audit Committee shall supervise the annual audit of the Association's books and approve the annual budget and balance sheet statement to be presented to the membership at its regular annual meeting as provided in Article XI, Section 8. The treasurer shall be an ex officio member of the Committee.

Section 8. With the exception of the Nominations Committee, and the Architectural Control Committee (but then only as to those functions that are governed by Article VI of the Declaration of Covenants and Restrictions applicable to ENGELHAVEN, each committee shall have power to appoint a subcommittee from among its membership and may delegate to any such subcommittee any of its powers, duties and functions.

Section 9. It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

### ARTICLE XIII.

#### Meeting of the Members

Section 1. The regular annual meeting of the members shall be held on the first Thursday in November of each year. If the day for the annual meeting of the members shall fall upon a holiday, the meeting shall be held on the first day following which is not a holiday.

Section 2. Special meeting of the members for any purpose may be called at any time by the president, the vice president, the secretary or treasurer, or by any two or more members of the Board of Directors, or upon written request of the members who have a right to vote one-fourth (1/4) of all of the votes of the entire membership, or who have a right to vote one-fourth (1/4) of the votes of the Class A Membership.

Section 3. Notice of any meetings shall be given to the membership by the Secretary. Notice may be given to the member either personally or by sending a copy of the notice through the mail postage thereon fully prepaid to his address appearing on the books of the corporation. Each member shall register his address with the Secretary, and notices of meetings shall be mailed to him at such address. Notice of any meeting, regular or special, shall be mailed at least six (6) days in advance of the meeting, and shall set forth in general the nature of the business to be transacted, provided, however, that if the business of any meeting shall involve an election governed by Article VIII or any action governed by the Articles of Incorporation or by the Declaration of Covenants, Conditions and Restrictions applicable to ENGELHAVEN, notice of such meeting shall be given or sent as provided herein.

Section 4. Except as otherwise provided herein, the presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class or membership shall constitute a quorum for any action governed by these By-Laws. Any action governed by the Articles of Incorporation or by the Covenants applicable to ENGELHAVEN shall require a quorum as therein provided.

#### ARTICLE XIV

Section 1. At all corporate meetings of members, each member may vote in person or by proxy.

Section 2. All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond a period of eleven months, and every proxy shall automatically cease upon sale by the member of his home or other interest in ENGELHAVEN.

#### ARTICLE XV

##### Books and Papers

Section 1. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection of any members.

#### ARTICLE XVI

##### Corporate Seal

Section 1. The Association shall have a seal which shall be circular in form and shall have inscribed thereon the name of the corporation, the name of the State of Minnesota and the words "corporate seal".

#### ARTICLE XVII

##### Amendments

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of each class

of members present in person or by proxy, provided that the voting and quorum requirements specified for any action under any provision of these By-Laws shall apply also to any amendment of such provision and provided further that those provisions of these By-Laws which are governed by the Articles of Incorporation of this Association may not be amended except as provided in the Articles of Incorporation or applicable law; and provided further that any matter stated herein to be or which is in fact governed by the Declaration of Covenants, Conditions and Restrictions applicable to ENGELHAVEN may not be amended except as provided in such Declaration.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration of Covenants, Conditions and Restrictions applicable to ENGELHAVEN, and these By-Laws, the Declaration shall control.

#### ARTICLE XVIII

##### Dissolution

The corporation may be dissolved only with the assent given in writing and signed by the members entitled to cast two-thirds (2/3) of each class of its membership. Written notice of a proposal to dissolve, setting forth the reasons therefor and the disposition to be made of the assets (which shall be consonant with Article XIX hereof) shall be mailed to every member at least ninety (90) days in advance of any action taken.

#### ARTICLE XIX

##### Disposition of Assets Upon Dissolution

Upon dissolution of the corporation, the assets, both real and personal of the corporation, shall be dedicated to an appropriate public agency or utility to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the corporation. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to purposes as nearly a practicable the same as those to which they were required to be devoted by the corporation. No such disposition of Association properties shall be effective to divest or diminish any right or title of any member vested in him under the recorded Declaration of Covenants, Conditions and Restrictions applicable to ENGELHAVEN, unless made in accordance with the provisions of such Declaration.

IN WITNESS WHEREOF, we, being all of the Directors of the Association, have hereunto set our hands this \_\_\_\_ day of \_\_\_\_\_, 1968.