

**RESTATED BY-LAWS  
OF  
THE PRESERVE AT NOTTINGHAM HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I  
NAME AND LOCATION**

The name of the corporation is The Preserve at Nottingham Homeowners Association, Inc., hereinafter referred to as the "Association." The principal office of the Association shall be located at 17252 74th Ave N., Maple Grove, Minnesota 55311, but meetings of Members and Directors may be held at such places within Hennepin County, Minnesota, as may be designated by the Board of Directors.

**ARTICLE II  
DEFINITIONS**

Capitalized terms in these By-Laws shall have the meanings set forth in Article I of the Declaration of Covenants for The Preserve at Nottingham filed as Hennepin County Recorder Document No. 7346376, as the same has been and may be amended from time to time, which is hereinafter referred to as the "Declaration."

**ARTICLE III  
MEETINGS OF MEMBERS**

Section 1. Annual Meetings. Regular annual meetings of the Members shall be held on dates to be determined by the Board.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board or upon written request of the Members who are entitled to vote 25% of all of the votes.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the person authorized to call the meeting, by mailing such notice, postage prepaid, at least 15 days before the meeting, to each Member entitled to vote at the meeting, addressed to the Member's address last appearing on the books of the Association, or supplied by the Member to the Association for the purpose of notice. The notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, 20% of the total votes shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote at the meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or be represented.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. Members shall have the voting rights specified in Article V of the Articles of Incorporation and Article VII of the Declaration. All proxies shall be in writing and filed with the Secretary prior to the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her Lot.

Section 6. Action by Members without Meeting. Any action required by law to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a

meeting if consent in writing setting forth the action so taken shall be signed by Members holding a sufficient number of votes to take the action as if all Members were present at a duly called meeting. For example, if a majority vote of a quorum of Members is required to take an action at a meeting of the Members, those Members holding a majority of all votes in the Association may take the same action by written record of action without holding a meeting.

#### **ARTICLE IV**

##### **BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE; REMOVAL; VACANCY; COMPENSATION**

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors, who need not be Members of the Association. The initial Board of Directors shall consist of the three individuals elected by the Incorporator of this Association and thereafter the Board of Directors shall consist of five individuals or such greater number as may be specified by amending these By-Laws.

Section 2. Terms of Office. The initial directors shall serve until successors have been duly elected and qualified at the organizational meeting of the Members. Thereafter, the directors shall be elected by the Members to staggered terms of three years each.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association at a meeting called for that purposes (and perhaps other purposes) with at least 21 days advance notice. If a director is removed by the Members at such a meeting, his or her successor shall be elected by the Members at the same meeting. Any director may be removed from the Board and replaced by a majority vote of the other directors, if such director shall be absent from three consecutive regular meetings of the Board. Each successor shall serve for the unexpired term of his or her predecessor.

Section 4. Vacancy. In the event of death or resignation of a director, his or her successor shall be elected by the remaining directors at a special meeting of the Board called for that purpose (and perhaps other purposes) within 30 days after such death or resignation. Each successor shall serve for the unexpired term of his or her predecessor.

Section 5. Compensation. No director shall receive compensation from the Association for any service he or she may render to the Association. However, any director may be reimbursed for his or her actual expenses incurred in the performance of his duties.

Section 6. Delegation of Management Duties. The Board may delegate to a manager, managing agent or management company the financial management, administrative management and property management duties imposed upon the Association's officers and directors by the Articles, By-Laws, Declaration of Covenants and law. However, such delegation shall not relieve the officers and directors of the ultimate responsibility for the performance of their duties as prescribed by said documents and by law.

#### **ARTICLE V**

##### **NOMINATION AND ELECTION OF DIRECTORS**

Section 1. Nominations. Nominations for election to the Board may be made by a Nominating Committee appointed by the Board. Nominations may also be made from the floor at the annual meeting.

Section 2. Election. Election to the Board shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under

the provisions of Article V of the Articles of Incorporation and Article VII of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

## **ARTICLE VI MEETINGS OF DIRECTORS**

Section 1. Organizational Meeting of Newly Elected Board of Directors. The organizational meeting of each newly-elected Board shall be held within 30 days after its election, at such place and time fixed by such directors at the annual meeting at which they were elected. No further notice of such organizational meeting shall be necessary, providing a quorum shall be present.

Section 2. Regular Meetings. Regular meetings of the Board shall be held monthly, bimonthly or quarterly as determined by the Board, without notice at such place and hour as may be fixed from time to time by resolution of the Board.

Section 3. Special Meetings. Special meetings of the Board shall be held when called by the President of the Association, or by any two directors after not less than three days written notice to every director.

Section 4. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 5. Adjournment When Quorum Lacking. If at any meeting of the Board there shall be less than a quorum present, the majority of those present may adjourn the meeting until a quorum is present. At any such adjourned meeting where a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such director for the purpose of determining a quorum.

Section 6. Action Taken Without a Meeting. Any action required or permitted to be taken at a Board meeting may be taken by written action signed by the number of directors that would be required to take such an action at a Board meeting duly called for such purpose at which all directors were present. The written action is effective when signed by the required number of directors, unless a different effective time is provided in the written action. When written action is taken by less than all directors, all directors shall be notified immediately of its effective date. Failure to provide the notice does not invalidate the written action.

Section 7. Electronic Communications. A conference among directors by any means of communication through which the directors may simultaneously hear each other during the conference constitutes a board meeting, if the same notice is given of the conference as would be required by Sections 2 or 3 for a meeting, and if the number of directors participating in the conference would be sufficient to constitute a quorum at a meeting. Participation in a meeting by electronic means constitutes presence in person at the meeting.

**ARTICLE VII**  
**POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

Section 1. Powers. The Board shall have power to:

- a. adopt and publish rules and regulations and architectural control standards not inconsistent with the Declaration governing the use of any Common Areas and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- b. publish rules and regulations not inconsistent with the Declaration governing the enforcement of the architectural control standards, restricted uses and activities on Lots, and the maintenance standards of each Lot, and to establish penalties for the infraction thereof. Any new or amended rules and regulations established pursuant to Article VII, Section 1(a) or (b) shall require approval at an Annual Meeting of the Association by the majority of Members present and shall become effective ten (10) days thereafter. A simple majority of the Members present at an Annual Meeting and not a quorum shall be required to approve any new or amended rules and regulations provided proper notice of the Annual Meeting has been given;
- c. suspend a Member's voting rights and rights to use any Common Areas and facilities during any period in which the Member is in default in the payment of any assessment levied by the Association;
- d. impose sanctions against Owners violating the Association's published rules and regulations or architectural control standards; such sanctions may include fines and/or suspension of the voting rights and the rights to use any Common Areas and facilities for up to 60 days per infraction, provided that no sanctions may be imposed against an Owner before the Owner has been given notice of the alleged infractions and an opportunity to be heard by the Board;
- e. exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration; and
- f. employ a manager, independent contractors, employees or such other persons as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board to:

- a. 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 when such statement is requested in writing by 25% of Members who are then entitled to vote;
- b. supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- c. act by resolution to levy and collect annual and special assessments and enforce liens for assessments, as more fully provided in the Declaration;
- d. issue, or to cause an appropriate officer to issue, upon request by any person, a certificate setting forth whether all assessments have been paid and if not, which assessments are unpaid;
- e. procure and maintain insurance as required by the Declaration;

- f. cause all officers or employees having fiscal responsibilities to be bonded, as the Board may deem appropriate;
- g. cause the Common Areas and facilities (if any) to be maintained at the expense of the Association.

Section 3. Reserve Fund. The Board shall have the power and authority to levy as part of the monthly assessment such sums of money as it deems necessary to establish a Reserve Fund to provide for maintenance, repairs and replacement of the Association's common property that must be replaced on a periodic basis, such as sanitary sewers, storm sewers, storm water holding ponds and other utilities in the Common Areas (if any), recreational and other common facilities in the Common Areas (if any), and subdivision entrance improvements (if any). The reserve funds shall not be expended for other purposes and especially shall not be expended for maintenance of houses, garages or other residential improvements. The portion of the annual assessments which constitutes the homeowners' contribution to the Reserve Fund shall be specifically identified. Such monies shall be credited to an appropriate account on the books of the Association with the designation "RESERVE FUND FOR ASSOCIATION PROPERTY." Such reserves shall be in addition to and separate from the reserves for contingencies regularly maintained by the Association. The Board shall, on a quarterly basis cause those funds to be invested in certificates of deposit, savings accounts, United States of America Government Bonds or state or municipal bonds.

## **ARTICLE VIII OFFICERS AND THEIR DUTIES**

Section 1. Enumeration of Officers. The officers of this Association shall be a President and Vice President, who shall at all times be Members of the Board, a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board. Each officer shall hold office for one year and until his/her successor shall have been elected and qualified, unless he/she shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

#### Section 8. Duties.

- a. The President shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out; shall sign all written instruments and may sign checks and promissory notes.
- b. The Vice President shall act in the place and stead of the President whenever the President is absent, or is unable or refuses to act, and shall exercise and discharge such other duties as may be required by the Board.
- c. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses and voting agreements, if any, and shall perform such other duties as required by the Board.
- d. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association; shall disburse such funds as directed by resolution of the Board; may sign checks and promissory notes of the Association; shall keep proper books of account; may cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members.

#### **ARTICLE IX COMMITTEES**

The Board shall appoint an Architectural Control Committee, as provided in the Declaration. In addition, the Board may appoint a Nominating Committee, as provided in these By-Laws, and other committees deemed appropriate in carrying out its purpose.

#### **ARTICLE X BOOKS AND RECORDS**

The books and records of the Association shall be subject to inspection at all times, during reasonable business hours, by any Member and by any first mortgagee of any Lot. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member and by any first mortgagee at the principal office of the Association, where copies may be purchased at reasonable cost. Any first mortgagee shall be allowed to have an audited financial statement prepared at its own expense.

#### **ARTICLE XI ASSESSMENTS**

As more fully provided in Article VIII of the Declaration, each Member is obligated to pay to the Association annual and special Assessments which are secured by a continuing lien upon the property against which the Assessment is made. Any Assessments which are not paid when due shall be delinquent. If the Assessment is not paid within 30 days after the due date, the Assessment shall bear interest from the date of delinquency at the rate of 8% per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the

property. Interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such Assessment. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Areas or abandonment of his Lot.

## **ARTICLE XII LIMITATION ON CONTRACTS**

Section 1. Management Contracts; Service Contracts. Any agreement for professional management of the Lots and/or Common Areas, or any other contract providing for services, shall provide for termination by the Association for cause upon 30 days written notice thereof, and the term of any such agreement may not exceed one year, renewable by agreement of the parties for successive one year periods.

Section 2. Leases and Licenses of Common Areas. The Association shall not lease any part of the Common Areas or common facilities to the Declarant or to any person controlled by the Declarant. The Association shall not franchise or license to the Declarant or to any person controlled by the Declarant for the provision of a central television antenna or similar services.

## **ARTICLE XIII INDEMNIFICATION**

Every director, officer, employee or agent of the Association who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, wherever brought, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director, officer, employee or agent of the Association, or that he or she is or was serving at the specific request of the Board as a director, officer, employee, agent, partner or trustee of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Association, to the extent permitted by and in accordance with Sections 317A.161(21) and 317A.521 of Minnesota Statutes, as presently enacted or hereafter amended from time to time, against judgments, fines, amounts paid in settlement and expenses, including attorneys' fees, reasonably incurred by him or her in connection with such action, suit or proceeding. The Board may, at any time, approve indemnification of any other person which the Association has the power to indemnify under the Minnesota Statutes set forth herein. The indemnification with respect to a person who is or was serving as a director, officer, employee, agent, partner or trustee of another corporation, partnership, joint venture, trust or other enterprise shall apply only to the extent that such person is not indemnified by such other corporation, partnership, joint venture, trust or other enterprise. The indemnification provided by this Article shall continue as to a person who has ceased to be a director, officer, employee, agent, partner or trustee; shall inure to the benefit of the heirs, executors and administrators of such person; shall apply whether or not the claim against such person arises out of matters occurring before the adoption of this Article; and shall not be exclusive of other rights to which such person may be entitled. In the event any provision of this Article shall be held by any court of competent jurisdiction to be inconsistent with Sections 317A.161(21) or 317A.521 of Minnesota Statutes, as presently enacted or hereafter amended from time to time, such provision shall be deemed to be separable and the remainder of this Article shall be deemed to be valid and in full force and effect.

## **ARTICLE XIV MISCELLANEOUS**

Section 1. Amendments. These By-Laws may be amended, at a regular or special meeting of the Members, by a majority vote of a quorum of Members present in person or by proxy.

Section 2. Conflicts Among Documents. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control. In the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

Section 3. Fiscal Year. Each fiscal year of the Association shall end on the 31 st day of March.

Section 4. Violations. Failure of any Owner to comply with the provisions of these By-Laws, the Articles of Incorporation, or the Declaration shall give rise to a cause of action in the Association and in any aggrieved Owner for the recovery of damages, or for injunctive relief, or both.

Section 5. Corporate Seal. The Association shall have no Corporate Seal.

These Restated Bylaws hereinabove were duly adopted at the Annual Meeting of the Association on the 20th day of January 2010.