

BY-LAWS
OF
COTTAGE PARK HOMEOWNERS' ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the corporation is Cottage Park Homeowners' Association, hereinafter referred to as the "Association", a Minnesota non-profit corporation. The Articles of Incorporation were filed in the office of the Secretary of State on February 2, 1981. The corporation is incorporated pursuant to Minnesota Statutes, Chapter 317. The registered office of the corporation is located in Cottage Park, according to the original plat thereof on file and of record in the office of the County Recorder, Ramsey County, Minnesota, and subsequent plattings or replattings thereof, including but not limited to South Shore Rearrangement of part of Block 1, 2, 3, and 4 Cottage Park on White Bear Lake, and also Tousley Addition (hereinafter "Cottage Park Area"). Meetings of members and directors may be held at such places within the State of Minnesota, County of Ramsey, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Cottage Park Homeowners' Association, its successors and assigns.

Section 2. "Owner" shall mean and refer to the private legal or equitable owner, whether one or more persons or entities, of a fee simple title to any lot which is part of said Cottage Park Area including contract vendees in possession, but excluding those having such interest merely as security for the performance of an obligation and excluding any public body.

Section 3. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision plat in said Cottage Park Area; with the exception any Common Area.

Section 4. "Dwelling Unit Lot" shall mean a Lot, Lots or portions thereof upon which one dwelling unit has been constructed.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

A. The qualifications of members and the manner of their admission into the Association shall be as follows:

(1) Every Owner of a Lot who agrees to pay Association assessments shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

(2) When one or more such persons is an Owner of a Lot, all such persons shall be members.

(3) It shall be the duty of each Owner of a Lot to register his name and the nature of his interest with the Secretary of the Association. If the Owner does not register his interest, the Association shall be under no duty to recognize his ownership.

(4) The share of an Owner in the funds and assets of the Association cannot be assigned, pledged, encumbered or transferred in any manner, except as an appurtenance to his Lot.

B. Members shall be entitled to one vote for each Dwelling Unit Lot owned. When more than one person holds an interest in any Dwelling Unit Lot, all such persons shall be members. The vote for such Dwelling Unit Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Dwelling Unit Lot.

ARTICLE IV
MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at such an hour as may be named by the Secretary in the Notice of said meeting. If the day for the annual meeting of the members is a legal holiday, the meeting will be held on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of a vote of one-fourth (1/4) of the Members.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Any member may at any time waive notice of any meeting by written waiver or attendance.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of the membership 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 thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Manner of Voting. Vote shall be made either in person or by proxy. Proxies must be in writing, signed by the Owner giving the proxy, and filed with the Secretary of the Association one (1) day prior to the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his ownership of the Dwelling Unit Lot. All elections and all questions shall be decided by a majority of the voting power of the Association, except as otherwise provided in any Declaration, By-Laws or by law. Cumulative voting shall not be permitted.

Section 6. Action Taken Without a Meeting. Any action which might be taken at a meeting of the members may be taken without a meeting if authorized in a writing or writings signed by all of the members entitled to vote. Such action shall be effective on the date on which the last signature is placed on such writing or writings or such effective date as is set forth therein.

ARTICLE V

BOARD OF DIRECTORS

Section 1. Number. The affairs of this Association shall be managed by a Board of five ⁶ Directors, who shall be members of the Association.

Section 2. Term of Office. At the first annual meeting the members shall elect three directors for a term of one year and ^{three} ~~two~~

directors for a term of two years. At each annual meeting thereafter the members shall fill the number of vacancies by electing that number of directors for a term of two years.

Section 3. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in accordance with the Declaration and these By-laws, one vote per Dwelling Unit Lot for each directorship to be filled. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 4. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 5. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed, if approved by the Board of Directors, for his actual expenses incurred in the performance of his duties.

Section 6. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Section 7. Regular Meetings. Regular meetings of the Board of Directors shall be held without notice, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 8. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days notice to each director. Notice may be waived by any director by a written waiver or attendance.

Section 9. Quorum. Except as otherwise required by statute or these By-Laws, 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 10. Powers. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of any Common Area, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

- (b) suspend the voting rights and right to enjoyment of any Common Area of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

- (c) 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 any Declaration;

- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 11. Duties. It shall be the duty of the Board of Directors 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 one-fourth (1/4) of the members entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period; and

(d) send written notice of each assessment to every Owner subject thereto.

(e) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(f) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(g) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(h) cause any Common Area to be maintained, repaired, and operated as it may deem appropriate.

ARTICLE VI

OFFICERS

Section 1. Enumeration of Offices. The officers of this Association shall be a President who shall at all times be a member of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create. Officers shall serve without compensation except for reimbursement, if approved by the Board of Directors, for out-of-pocket expenses incurred in the performance of their duties.

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

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year and until his successor is elected, unless he shall sooner resign, or shall be removed, or otherwise 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 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. The duties of the officers are as follows:

- (a) President. The President shall preside at all meetings of the Board of Directors and Association members; shall see that orders and resolutions of the Board are carried out; shall sign all written instruments; and shall co-sign all checks and promissory notes;
- (b) Secretary. 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 shall perform such other duties as required by the Board;
- (c) Treasurer. 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; shall sign all checks and promissory

notes of the Association; keep proper books of account; 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 VII

COMMITTEES

The Board of Directors may appoint committees as deemed appropriate in carrying out its purpose.

ARTICLE VIII

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the office of the Association.

ARTICLE IX

DIRECTOR'S AND OFFICER'S INDEMNITY

Each director and officer at any time serving the Association shall be indemnified and held harmless by the Association from all costs and expenses, including attorney's fees, which may be imposed upon or reasonably incurred by him in connection with or arising out of the defense or settlement of any claims, action, suit or proceeding brought against him by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time of incurring such expenses, and each such director or officer shall be indemnified

and held harmless by the Association against any judgment that may be rendered against him in such action; provided, however, that no director or officer shall be indemnified by the Association with respect to matters as to which he is finally adjudged in any such action, suit or proceeding to have been guilty of willful or fraudulent conduct detrimental to the best interests of the Association. The foregoing right of indemnification shall not be exclusive of other rights to which any such director or officer may be entitled as a matter of law and shall inure to the benefit of his heirs, executors, administrators and personal representatives.

ARTICLE X ASSESSMENTS

Section 1. Personal Obligation of Assessments. Each Owner of any Lot who desires membership in the Association shall covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as herein provided. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall be the personal obligation of the person desiring membership who was the Owner at the time when the assessment became due and payable.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the members of the Association and for the improvement, operation, maintenance and repair of any Common Area. The Association shall have the right, power and authority to collect levies for taxes and special assessments on any Common Area as part of the annual assessment, if such taxes and special assessments are not

collected by the governmental body from the Owners or paid by the Owners to the governmental body when the same is due and payable.

Section 3. Amount of Annual Assessment. Assessments against the members shall be levied by a majority vote of the Board of Directors of the Association and paid by the members to the Association in accordance with the following provisions:

(a) Until January 1, 1982, the maximum annual assessment shall be \$_____ per Dwelling Unit Lot. This maximum may be increased by a vote of two-thirds (2/3) of the Members who are voting in person or by proxy at a meeting duly called for this purpose.

(b) From and after January 1, 1982, the maximum annual assessment may be increased each year not more than ten percent (10%) above the maximum assessment for the previous year without a vote of the membership. The maximum annual assessment may be increased above this ten percent (10%) by a vote of two-thirds (2/3) of the members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon any Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action by the members under Article X, Sections 3 or 4, shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate and may be collected on an annual basis.

Section 7. Due Dates. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The assessments shall also be set forth upon a roll of the Lots which shall be available in the office of the Association for reasonable inspection. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Dwelling Unit Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Dwelling Unit Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of six percent (6%) per annum. An action to recover a money judgment for unpaid assessments may be brought. No Member may waive or otherwise escape liability for the assessments by non-use of any Common Area and facilities or abandonment of his Lot.

ARTICLE XI

AMENDMENTS

These By-Laws may be amended, at a regular or special meeting of the members, by a majority vote of a quorum of voters present.

ARTICLE XII

SEVERABILITY AND CONFLICT

In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control. If any provisions of these By-Laws, or the application thereof in any circumstances shall be judicially held in conflict with the Constitution or laws of the United States or the State of Minnesota, then the Constitution or laws shall be deemed controlling, but the validity of the remainder of the By-Laws or the application of the provision in issue to other circumstances shall not be affected thereby.

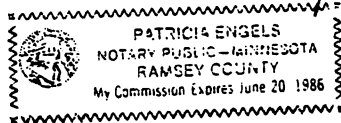
IN WITNESS WHEREOF, we, being all of the initial directors of the Cottage Park Homeowners' Association, have hereunto set our hands this 2nd day of February, 1981.

Dennis J. Trooien
Dennis J. Trooien

Susan L. Ahlcrone
Susan L. Ahlcrone

STATE OF MINNESOTA)
COUNTY OF RAMSEY) ss.

The foregoing instrument was acknowledged before me this 2nd
day of February, 1981, by Dennis J. Trooien
Susan L. Ahlcrona.



Patricia Engels
Notary Public

CERTIFICATION

I, the undersigned, do hereby certify:

THAT the foregoing By-Laws constitute the original By-Laws of
said Association, as duly adopted at a meeting of the Board of
Directors thereof, held on the 2nd day of February,
1981.

IN WITNESS WHEREOF, I have hereunto subscribed my name this
2nd day of February, 1981.

Dennis J. Trooien