

**BYLAWS  
OF THE  
BOULDER RIDGE ASSOCIATION OF ROCHESTER  
OLMSTED COUNTY  
COMMON INTEREST COMMUNITY NUMBER 191  
A CONDOMINIUM**

BYLAWS OF  
BOULDER RIDGE ASSOCIATION OF ROCHESTER

TABLE OF CONTENTS

(The Table of Contents is for Informational Purposes and is not a part of the Bylaws)

		<u>PAGE</u>
ARTICLE I	- THE ASSOCIATION.....	1
Section 1.	The Association .....	1
Section 2.	Association's Registered Office .....	1
ARTICLE II	- MEMBERSHIP, VOTING RIGHTS AND MEETINGS OF MEMBERS .....	1
Section 1.	Membership .....	1
Section 2.	Annual Meetings .....	1
Section 3.	Special Meetings .....	2
Section 4.	Votes of the Members .....	2
Section 5.	Determination of a Record Date and Suspension of Members .....	2
Section 6.	Preparation of Member List .....	2
Section 7.	Notice of Meetings.....	3
Section 8.	Place of Meetings.....	3
Section 9.	Conduct of Meetings and Quorum Requirement .....	3
Section 10.	Adjourned Meetings.....	3
Section 11.	Voting Rights .....	3
Section 12.	Proxies .....	4
Section 13.	Action of the Members .....	4
ARTICLE III	- BOARD OF DIRECTORS.....	4
Section 1.	Qualifications of Directors.....	4
Section 2.	Declarant's Right to Appoint Directors.....	4
Section 3.	Members' Election of Directors; Number of Directors .....	5
Section 4.	Nomination and Election Procedures.....	5
Section 5.	Vacancies .....	5
Section 6.	Removal of Directors.....	5
Section 7.	Organizational Meeting of Elected Directors .....	6
Section 8.	Regular Meetings .....	6
Section 9.	Special Meetings.....	6
Section 10.	Waiver of Notice.....	6
Section 11.	Open Meeting Rule and Notice to Members .....	6
Section 12.	Electronic Meetings .....	7
Section 13.	Quorum and Actions of the Board .....	7
Section 14.	Powers.....	7
ARTICLE IV	- OFFICERS.....	9

Section 1.	Required Officers; Election and Appointment of Officers .....	9
Section 2.	Removal of Officers.....	9
Section 3.	President.....	9
Section 4.	Vice President.....	9
Section 5.	Secretary-Treasurer.....	9
ARTICLE V	- BUDGET AND ASSESSMENTS .....	10
Section 1.	Budget Preparation.....	10
Section 2.	Assessment Role Preparation.....	10
Section 3.	Budget Adoption and Assessment Levy.....	11
Section 4.	Budget and Assessment Modifications.....	11
Section 5.	Special Assessments .....	11
Section 6.	Failure to Prepare Budget .....	11
Section 7.	Payment of Assessments.....	12
Section 8.	Working Capital Fund.....	12
ARTICLE VI	- BOOKS AND RECORDS, ANNUAL REPORTS, RESALE CERTIFICATES AND ACCOUNTING CONTROLS.....	13
Section 1.	Books and Records .....	13
Section 2.	Annual Reports .....	13
Section 3.	Resale Certificates .....	13
Section 4.	Accounting Controls.....	14
ARTICLE VII	- AMENDMENTS TO BYLAWS.....	15
Section 1.	Amendments .....	15
ARTICLE VIII	- NOTICES .....	16
Section 1.	Notice of Change of Residence.....	16
Section 2.	Notice of Mortgagees.....	16
ARTICLE IX	- INDEMNIFICATION .....	16
Section 1.	General.....	16
Section 2.	Insurance .....	16
ARTICLE X	- DEFINITIONS .....	17
Section 1.	Definitions.....	17

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OLMSTED COUNTY COMMON INTEREST COMMUNITY NUMBER 191**

**ARTICLE I - THE ASSOCIATION**

**Section 1. The Association.** Pursuant to the requirements of Minnesota Statutes, Section 515B.3-101, Declarant has organized Boulder Ridge Association of Rochester (the "Association") as a Minnesota nonprofit corporation to administer the common interest community known as Boulder Ridge Townhomes.

**Section 2. Association's Registered Office.** The Association's Registered Office is located at 12400 Whitewater Drive, Suite 120, Minnetonka, Minnesota 55343. To change the location of the Association's registered office, the Association must comply with the requirements of Minnesota Stat. § 317A.123.

**ARTICLE II - MEMBERSHIP, VOTING RIGHTS AND MEETINGS OF MEMBERS**

**Section 1. Membership.** The Association has Members. The number of Members always equals the number of Units in the Common Interest Community. If a Person is the sole owner of a Unit, the Person is a Member of the Association. If more than one Person owns a Unit, all Owners of the Unit are, collectively, a single Member of the Association. Acceptance of an ownership interest in a Unit constitutes the Owner's consent to admission as a Member of the Association. If an Owner ceases to own a Unit, the Owner's membership rights automatically transfer to the Person or Persons who succeed to the Owner's ownership interest in the Unit. Only Owners of Units may be Members.

**Section 2. Annual Meetings.** The Association must hold a meeting of its Members at least once each calendar year. The Board must schedule the time of each annual meeting, and the secretary of the Association must provide notice of the annual meeting pursuant to Section 7 of this Article II. At each annual meeting of the Members:

- (a) The Members must elect successors for directors whose terms have expired or whose terms will expire before the next annual meeting;
- (b) The Board or its designated representative must report to the Members on the Association's activities and financial condition; and
- (c) The Members must consider and act upon any additional matters included in the notice of meeting. The Board is authorized to determine what, if any, additional matters will be placed on the agenda for the annual meeting and included in the notice of meeting; provided, however, if twenty percent of the Members with voting rights execute and present to the president or treasurer, at least 30 days prior to the date established for the annual meeting, a written demand that an additional matter be included

on the agenda for an annual meeting, the Board must include the matter on the agenda for the annual meeting and in the notice of meeting.

**Section 3. Special Meetings.** The president may call a special meeting of the Members at any time and must call a special meeting of the Members if:

- (a) the Board adopts a resolution directing the president to call a special meeting; or
- (b) twenty percent of the Members with voting rights execute and present to the president or treasurer a written demand for a special meeting of the Members which demand must state the purpose for which the special meeting is to be held.

The Association president must schedule a special meeting within 60 days of the occurrence of either of the events described in Subsection (a) and (b). No business may be transacted at a special meeting except as stated in the notice of meeting.

**Section 4. Votes of the Members.** Although the Board and the Members have the right to place additional matters on the agenda of an annual meeting of the Members pursuant to Section 2 of this Article II or to call a special meeting pursuant to Section 3 of this Article II, neither the Board nor the Members may cause the Members to decide, at an annual or special meeting of the Members or otherwise, matters these Bylaws delegate to the exclusive authority of the Board pursuant to Section 14 of Article III. Notwithstanding the forgoing, either the Board or the Members may, pursuant to Section 2 or Section 3 of this Article II, conduct a non-binding, advisory vote of the Members on any issue.

**Section 5. Determination of a Record Date and Suspension of Members.** The Board must fix a date not more than 60 days before the date of an annual or special meeting of the Members as the date for the determination of the Members entitled to notice of and entitled to vote at the meeting (the "Record Date"). Only Members on the Record Date are entitled to notice of and are permitted to vote at the meeting. If a Member is delinquent in the payment of assessments levied against the Member's Unit or otherwise in violation of the Project Documents as of the Record Date, the Board must provide the delinquent Member with notice of the meeting, but the Board may suspend the Member and prohibit the Member from voting at the meeting. To suspend a Member, the Board must provide the Member a notice stating the Member is delinquent in the payment of assessments levied against the Member's Unit or otherwise in violation of the Project Documents and stating the Member is suspended and will not be allowed to vote at the meeting unless the Member pays all assessments due and payable as of the Record Date or otherwise cures the Member's violation of the Project Documents. The Board must provide the Member an opportunity to be heard by the Board not less than five days before the effective date of the suspension. After the opportunity for a hearing, the Board must decide, by resolution, whether or not to enforce the suspension.

**Section 6. Preparation of Member List.** After establishing the Record Date for determining Members right to receive notice of and to vote at a meeting, the Board must prepare

an alphabetical list of the names of the Members who are entitled to receive notice of the meeting and to vote at the meeting. The list must show the address of each Member entitled to vote at the meeting and number of votes each Member is entitled to cast at the meeting. Beginning 2 business days after the Board gives notice of an annual or special meeting, as provided for in Section 7 below, and continuing through the date of the meeting, the Board must make the list of Members available to Members for inspection. The list must be available at the Association's principal place of business or at a reasonable location identified in the notice of meeting. The list must also be available at the meeting. A Member or his or her agent or attorney is entitled, on written demand, to inspect and copy the list at a reasonable time at the Member's expense during the period it is available for inspection and at any time during the meeting or an adjournment.

**Section 7. Notice of Meetings.** The secretary must deliver a notice of each annual or special meeting of the Members to each Member at least 21 days prior to an annual meeting and at least 7 days prior to a special meeting, but the Secretary may not deliver the notice of meeting more than 30 days prior to an annual or special meeting. The notices must be hand delivered or mailed to all Members at the address of the Member's Unit. A Member may, by written notice delivered to the Board, designate another address for the receipt of notices of annual and special meetings. The notice must state the date, time and place of the meeting, the purposes of the meeting, and the procedures for appointing proxies.

**Section 8. Place of Meetings.** The Board must hold meetings of the Members at the Association's office, if any, or at another location, reasonably convenient to the Members, the Board designates.

**Section 9. Conduct of Meetings and Quorum Requirement.** The Board may establish procedures to govern the conduct of meetings of the Members. The presence, in person or by written proxy statements, of Members eligible to vote who hold 25% or more of the total number of eligible votes in the Association constitutes a quorum.

**Section 10. Adjourned Meetings.** If any meeting of Members cannot be organized for lack of a quorum, a majority of the Members who are present, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called and this process may be continued until a quorum is obtained.

**Section 11. Voting Rights.** Section 7 of the Declaration establishes the procedure for calculating the Fractional Allocation used to determine the number of votes in the Association assigned to each Unit. The Fractional Allocation assigned to each Unit is a fraction, the numerator of which is 1 and the denominator of which is the number of Units in the Common Interest Community. As set forth in Section 1 of this Article II, the number of Members in the Association is always equal to the number of Units in the Common Interest Community. Therefore, each Member is entitled to one vote on Association matters. Members may cast a vote in person or by a written proxy at annual and special meetings of the Members. The Board may adopt a resolution providing for a vote of the Members on any issue except the election of directors via mailed ballots pursuant to Minn. Stat. § 317A.447 and Minn. Stat. §515B.3-110(6). If there is more than one Owner of a Unit, only one of the Owners may cast the vote allocated to

the Unit. If the Owners of a Unit do not agree on how to cast their vote, the Owners must abstain from voting, and the Board may disregard any attempt by one or more of the Owners of the Unit to cast a vote without the agreement of the other Owners of the Unit. The Board is not responsible for determining if all Owners of a Unit agree on how to cast the vote assigned to that Unit. Absent an apparent disagreement among the Owners of a Unit, the Board may accept the vote of one Owner of the Unit.

**Section 12. Proxies.** A Member may execute a written proxy statement appointing a third party to cast the Member's vote at an annual or special meeting of the Members. The Member must deliver the proxy statement to the Association secretary at least 24 hours before the scheduled time of the meeting. A proxy statement is valid for a period of 11 months unless the proxy statement itself indicates that it is valid for a different period of time. A proxy statement is not valid for more than three years from its execution. A Member may revoke a proxy at any time, by attending a meeting and voting in person; delivering a written statement of revocation to the secretary; or delivering a subsequent proxy form to the secretary. The Board may adopt a resolution requiring the use of a specified proxy form and may adopt other proxy procedures provided the procedures do not violate Minnesota law.

**Section 13. Action of the Members.** If a quorum is present or if a quorum has been present at a meeting, the affirmative vote of a majority of Members present, either in person or by proxy, and entitled to vote, which must also be a majority of the required quorum, is the act of the Members.

### ARTICLE III - BOARD OF DIRECTORS

**Section 1. Qualifications of Directors.** Each director other than the directors a Declarant or a Declarant's designee appoints pursuant to Section 2 below must be an Owner, or if an Owner is a corporation, limited liability company, partnership or other legal entity other than a natural person or persons, a designated agent of the Owner. After a Declarant's right to appoint directors pursuant to Section 2 expires, a majority of the directors must be Owners or designated agents of Owners other than a Declarant or representatives of a Declarant.

**Section 2. Declarant's Right to Appoint Directors.** The Declarant designated the Association's initial Board in the Articles of Incorporation. The Board has three members. The Declarant, or any Person the Declarant designates, has the exclusive right to remove one or more of the three directors designated in the Articles of Incorporation or their approved successors, at will, and appoint successors, until the earlier of:

- (a) five years from the date the Declaration is filed or recorded in the County land records;
- (b) a Declarant's voluntary surrender of the right to appoint directors; or
- (c) the date 60 days after the date Declarant has conveyed 75% of the Units to Purchasers, (the "Declarant Control Period").

**Section 3. Members' Election of Directors; Number of Directors.** The Board has three members until the date of the annual or special meeting the Board calls pursuant to the following sentence. Within 60 days of the date a Declarant has sold 50% of the Units to Purchasers, the Board must call and hold an annual or special meeting of the Members. At that meeting the Members must elect two additional directors. From and after that election, the Board consists of five directors. Within 60 days after the Expiration of the Declarant Control Period, as defined in Section 2 of this Article III, the Board must call and hold an annual or special meeting of the Members. At that meeting, the terms of all five directors expire, and the Members must elect five directors. Members must elect 2 directors to serve 3 year terms; 2 directors to serve 2 year terms; and 1 director to serve a 1 year term. Thereafter, the Members elect directors for three year terms except as otherwise set forth in Section 5 or 6 of this Article III. Directors take office upon election or if the term of the elected director's predecessor has not expired, the expiration of the preceding director's term. Directors hold office until they resign, the Members remove them pursuant to Section 5 below or their terms expire and the Members elect successor directors. To calculate the percentage of Units a Declarant has sold to Purchasers, the number of Units a Declarant has sold to Purchasers is divided by the total number of Units a Declarant may create if a Declarant adds all Additional Real Estate to the CIC.

**Section 4. Nomination and Election Procedures.** Prior to each annual meeting, the Board must appoint a nominating committee. The nominating committee must include a chairperson, who must be a member of the Board, and two or more Members who may but need not be members of the Board. The nominating committee may make as many nominations for election to the Board as the committee, in its discretion, determines appropriate, but the committee must nominate at least one person for each open seat on the Board. Members may also make nominations from the floor at the annual meeting. Members vote by secret, written ballot for Board members. Provided a quorum is present, the candidate receiving the most votes is elected.

**Section 5. Vacancies.** During the Declarant Control Period, the Declarant may fill any vacancies that occur on the Board. If, after the expiration of the Declarant Control Period, one or more vacancies occur on the Board as a result of one or more director's death or resignation, the remaining directors may vote to fill the vacancy or vacancies even if the remaining directors constitute less than a quorum. The affirmative vote of a majority of the remaining directors is necessary to elect an interim director. If a majority of the remaining directors do not agree on an interim director, the seat remains vacant until the next annual or special meeting of the Members. Each director so elected is a director until the next annual or special meeting of the Members at which time the Members must elect a successor to serve the remainder of the original director's term. If the original director's term has expired, the Members must elect a successor director.

**Section 6. Removal of Directors.** During the Declarant Control Period, the Declarant may remove directors a Declarant appointed and may appoint a successor director. After the expiration of the Declarant Control Period, the Members may, with or without cause, remove a director at any annual or special meeting duly called, and the Members must immediately elect a successor to serve the remainder of the original director's term. If the

Members propose the removal of a director, the director must be given an opportunity to be heard before the Members vote on the director's removal.

**Section 7. Organizational Meeting of Elected Directors.** A newly elected Board must hold its first meeting within 14 days of its election at a place a majority of the directors present at the election must determine and announce at the election. No additional notice of the initial meeting is necessary.

**Section 8. Regular Meetings.** The Board must hold regular meetings at the times and places the Board determines and announces at the Board's previous meeting. The Board must hold at least two regular meetings each year.

**Section 9. Special Meetings.** Any director may call a special meeting of the Board on 5 days notice to each director. The notice may be given personally, by mail or by telephone, and must state the date, time, place and purpose of the meeting.

**Section 10. Waiver of Notice.** A director may waive notice of a meeting of the Board. The waiver may be given before, at or after a meeting and may be made orally or in writing or implied from attendance at the meeting without objection.

**Section 11. Open Meeting Rule and Notice to Members.** Board meetings must be open to the Owners. To the extent practicable, the Board must give reasonable notice to the Owners of the date, time, and place of a Board meeting. Notice is not required if the date, time, and place of meetings are provided for in the Declaration, Articles of Incorporation, or Bylaws; announced at a previous meeting of the Board; posted in a reasonably accessible location the Board designates from time to time; or if an emergency requires the Board to consider a matter immediately. "Notice" has the meaning given in Minn. Stat. § 317A.011, subdivision 14. The Board may close meetings to discuss the following:

- (1) personnel matters;
- (2) pending or potential litigation, arbitration or other potentially adversarial proceedings between Owners or between the Board or the Association and an Owner or Owners or other matters in which any Owner may have an adversarial interest, if the Board determines that closing the meeting is necessary to discuss strategy or to otherwise protect the position of the Board or the Association or the privacy of an Owner or occupant of a Unit; or
- (3) criminal activity arising within the Common Interest Community if the Board determines that closing the meeting is necessary to protect the privacy of the victim or that opening the meeting would jeopardize investigation of the activity.

Nothing in this subsection imposes a duty on the Board to provide special facilities for meetings. This subsection does not require the Board to allow Members to address the Board during the meeting or to otherwise participate in the Board's discussion, but the Board may allow Members to address the Board or participate to the extent the Board deems appropriate. The failure to give

notice as required by this subsection does not invalidate the Board meeting or any action taken at the meeting.

**Section 12. Electronic Meetings.** A conference among directors via any means of communication through which the participants and any Owners wishing to attend may simultaneously hear each other during the conference constitutes a meeting of the Board if the same notice is given of the conference as is required for a meeting, and if the number of directors participating in the conference is sufficient to constitute a quorum at the meeting. The participation in the meeting by that means constitutes a directors presence, in person, at the meeting.

**Section 13. Quorum and Actions of the Board.** A majority of the directors constitutes a quorum for the transaction of business. Robert's Rules of Order govern the conduct of Board meetings. The Board may, by resolution, modify the applicability of Robert's Rules of Order or adopt alternative rules of procedure to govern the conduct of its meetings.

**Section 14. Powers.** The Board has the exclusive authority to:

- (a) Adopt, amend and revoke rules and regulations not inconsistent with the Association's Articles of Incorporation, these Bylaws or the Declaration, as follows: (i) regulating the use of the Common Elements; (ii) regulating the use of the Units and the conduct of Unit occupants, which may jeopardize the health, safety or welfare of other occupants, which involves noise or other disturbing activities, or which may damage the Common Elements or other Units; (iii) regulating or prohibiting animals; (iv) regulating changes in the appearance of the Common Elements and conduct which may damage the Common Interest Community; (v) regulating the exterior appearance of the Common Interest Community, including, for example, the exterior of the Dwellings, balconies and patios, window treatments, and signs and other displays, regardless of whether inside a Unit; (vi) regulating the time and manner of payment of annual assessments or special assessments. The Board may adopt rules and regulations obligating Owners to pay assessments by means of direct deposits into the Association's bank accounts provided the rules and regulations provide exceptions or variance procedures to accommodate Owners who cannot reasonable comply with a direct deposit requirement; (vii) implementing the Association's Articles of Incorporation, these Bylaws and the Declaration, and exercising the powers granted in Minn. Stat. Ch. 515B.3-102; and (viii) otherwise facilitating the operation of the Common Interest Community.
- (b) Adopt and amend budgets of revenues, expenditures, and reserves and levy assessments for Common Expenses against Units and collect assessments from Owners;

- (c) Hire and discharge managing agents and other employees, agents and independent contractors; provided, however, any management contract entered into during the Declarant Control Period, must grant the Association the right to terminate the contract, without cause or penalty, any time after the expiration or termination of the Declarant Control Period.
- (d) Institute, defend, or intervene in arbitration, litigation or administrative proceedings (i) in the Association's name on behalf of the Association or two or more Members on matters affecting the Common Elements or other matters affecting the Common Interest Community or (ii) with the consent of the Owners of the affected Units on matters affecting only those Units;
- (e) Make contracts and incur liabilities.
- (f) Regulate the use, maintenance, repair, replacement and modification of Common Elements and Units;
- (g) Make improvements to the Common Elements provided the cost of improvements may not exceed \$25,000 per improvement or \$50,000 for all improvements over a 12 month period unless the Members approve the project at a special or annual meeting of the Members. This limitation on improvements does not impair or restrict the Board's authority to expend sums to maintain or repair the Common Elements, regardless of the cost of the maintenance or repairs;
- (h) Acquire, hold, encumber, and convey in its own name any right, title, or interest to real estate or personal property, and convey or encumber Common Elements but only pursuant to the provisions of Minn. Stat. Ch. 515B;
- (i) Grant public utility easements through, over or under the Common Elements, and, with the approval of a majority of Members other than a Declarant or an Affiliate of a Declarant, grant other public or private easements, leases and licenses through, over or under the Common Elements;
- (j) Impose and receive any payments, fees, or charges for the use, rental, or operation of the Common Elements other than Limited Common Elements and for services the Association provides to Owners;
- (k) Impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, Bylaws, and the Association's rules and regulations, if any;
- (l) Impose reasonable charges including reasonable costs and attorneys' fees, for the evaluation, preparation and recordation of Amendments to the

Declaration, resale certificates, statements of unpaid assessments or furnishing copies of Association records;

- (m) Provide for the indemnification of directors and officers and maintain directors' and officers' liability insurance;
- (n) Establish reasonable procedures governing the conduct of meetings of the Members, the election of directors and the use of proxies;
- (o) Exercise any other powers conferred by Minn. Stat. Ch. 317A, Minn. Stat. Ch. 515B, the Declaration, or Bylaws;
- (p) Exercise any other powers the Board deems necessary and proper for the governance and operation of the Association.

#### ARTICLE IV - OFFICERS

**Section 1. Required Officers; Election and Appointment of Officers.** The Association must have a president, a vice president, and a secretary-treasurer. The Declarant must appoint the officers during the period of time Declarant is entitled to appoint directors as set forth in Article III. Thereafter, the Board must elect officers annually at the organizational meeting of each new Board. The president, vice president and secretary-treasurer must be directors. The Board may appoint an assistant treasurer, an assistant secretary, or other officers the Board deems appropriate.

**Section 2. Removal of Officers.** The Board may, by affirmative vote, remove any officer either with or without cause. The Board must elect a successor at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

**Section 3. President.** The president is the chief executive officer of the Association. He or she has general active management of the Association and, when present, presides at all meetings of the Association and the Board. He or she has all of the general powers and duties usually vested in the president of a Minnesota non-profit corporation including, but not limited to, the authority to execute and deliver contracts and other documents in the name of the corporation; the authority to appoint committees from among the Owners from time to time as he or she may in his or her discretion decide are appropriate to assist in the conduct of the affairs of the Association; and the duty to see that orders and resolutions of the Board are carried into effect.

**Section 4. Vice President.** The vice president must take the place of the president and perform his or her duties whenever the president is absent or unable to act. If neither the president nor the vice president is able to act, the Board must appoint a director to act as president on an interim basis. The vice president must also perform other duties the Board imposes on him or her.

**Section 5. Secretary-Treasurer.** The secretary-treasurer must maintain records of and, when necessary, certify to proceedings of the Board and the members. He or she must keep

