

**DEERHAVEN ESTATES HOMEOWNERS ASSOCIATION  
BYLAWS**

**SECTION 1  
GENERAL**

The following are the Bylaws of DeerHaven Estates Homeowners Association, a Minnesota nonprofit corporation (the "Association"). The Association is organized for the purpose of operating and managing DeerHaven Estates, a residential community. The terms used in these Bylaws shall have the same meaning as they have in the Declaration of DeerHaven Estates (the "Declaration").

**SECTION 2  
MEMBERSHIP**

**2.1 Owners Defined.** All Persons described as Owners in Section 4 of the Declaration shall be members of the Association. No Person shall be a member solely by virtue of holding a security interest in a Unit. A Person shall cease to be a member at such time as that Person is no longer an Owner.

**2.2 Registration of Owners and Occupants.** Each Owner shall register with the Secretary of the Association, in writing, within 30 days after taking title to a Unit, (i) the name and address of the Owners and Occupants of the Unit, (ii) the nature of such Owner's interest or estate in each Unit owned; (iii) the address at which the Owner desires to receive notice of any meeting of the Owners, if other than the Unit address; (iv) the name and address of the secured party holding the first mortgage of the Unit, if any; (v) the name of the Owners, if there are multiple Owners of the Unit, who shall be authorized to cast the vote with respect to the Unit. The Owner shall have a continuing obligation to advise the Association in writing of any changes in the foregoing information.

**2.3 Transfers.** The interest, rights and obligations of an Owner in the Association may be assigned, pledged, encumbered or transferred, but only along with and as a part of the title to the Owner's Unit or as otherwise specifically authorized by the Governing Documents or by law.

**SECTION 3  
VOTING**

**3.1 Entitlement.** Votes shall be allocated to each Unit as provided in the Declaration. However, no vote shall be exercised as to a Unit while the Unit is owned by the Association.

**3.2 Authority to Cast Vote.** At any meeting of the Owners, an Owner included on the voting register presented by the Secretary in accordance with Section 4.6, or the holder of such Owner's proxy, shall be entitled to cast the vote which is allocated to the Unit owned by the Owner.

If the Owners of a Unit fail to agree as to who shall cast the vote, or fail to register pursuant to Section 2.2, the vote shall not be cast.

**3.3. Voting by Proxy.** An Owner may cast the vote which is allocated to the Owner's Unit and be counted as present at any meeting of the Owners by executing a written proxy naming another Person entitled to act on that Owner's behalf, and delivering the same to the Secretary before the commencement of any such meeting. All proxies granted by an Owner shall remain in effect until the earliest of the following events: (i) revocation by the granting Owner by written notice or by personally attending and voting at the meeting for which the proxy is effective, (ii) eleven months after the date of the proxy, unless otherwise provided in the proxy, or (iii) the time at which the granting Owner is no longer an Owner.

**3.4 Voting by Mail Ballot.** The entire vote on any issue, except the removal of directors, may be determined by mailed ballots, subject to the following requirements.

- a. The notice of the vote shall: (i) clearly state the proposed action, (ii) indicate the number of responses needed to meet the quorum requirements, (iii) state the percentage of approvals necessary to approve each matter other than election of directors, and (iv) specify the time by which a ballot must be received by the Association in order to be counted.
- b. The ballot shall: (i) set forth each proposed action and (ii) provide an opportunity to vote for or against each proposed action.
- c. The Board of Directors shall set the time for the return of ballots, which shall not be less than 15 nor more than 30 days after the date of mailing of the ballots to the Owners. The Board of Directors shall provide notice of the results of the vote to the Owners within 10 days after the expiration of the voting period.
- d. Approval by written ballot under this Section is valid only if the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

**3.5 Vote Required.** A majority of the votes cast at any properly constituted meeting of the Owners, or cast by mail in accordance with Section 3.4, shall decide all matters properly brought before the Owners, except where a different vote is specifically required by the Governing Documents. The term "majority" as used herein shall mean in excess of 50% of the votes cast at a meeting, in person or by proxy, or voting by mail, in accordance with the allocation of voting power set forth in the Declaration. Cumulative voting shall not be permitted.

## SECTION 4 MEETINGS OF OWNERS

**4.1 Place.** All meetings of the Owners shall be held at the office of the Association or at such other place in the State of Minnesota reasonably accessible to the Owners as may be designated by the Board of Directors in any notice of a meeting of the Owners.

**4.2 Annual Meetings.** An annual meeting of the Owners shall be held in each fiscal year on a date, and at a reasonable time and place, designated by the Board of Directors. At each annual meeting of the Owners, (i) the Persons who are to constitute the Board of Directors shall be elected pursuant to Section 6, (ii) a report shall be made to the Owners on the activities and financial condition of the Association, and (iii) any other matter which is included in the notice of the annual meeting, and is a proper subject for discussion or decision by the Owners, shall be considered and acted upon at the meeting.

**4.3 Special Meetings.** Special meetings of the Owners may be called by the President as a matter of discretion. Special meetings of the Owners shall be called by the President or Secretary within 30 days following receipt of the written request of a majority of the members of the Board of Directors or of Owners entitled to cast at least 25% of all the votes in the Association. The meeting shall be held within 90 days following receipt of the request. The request shall state the purpose of the meeting, and the business transacted at the special meeting shall be confined to the purposes stated in the notice. The purpose for which the meeting is requested and held must be lawful and consistent with the Association's purposes and authority under the Governing Documents.

**4.4 Notice of Meetings.** At least 21, but not more than 30, days in advance of any annual meeting of the Owners, and (subject to Section 6.3 of the Declaration) at least 7, but no more than 30, days in advance of any special meetings of the Owners, the Secretary shall send to all persons who are Owners as of the date of sending the notice, notice of the time, place and agenda of the meeting, by United States mail, or by hand delivery, at the Owner's Unit address or to such other address as the Owner may have designated in writing to the Secretary. The notice shall also be sent to the Eligible Mortgagee, upon request, at the address provided by the Eligible Mortgagee. Any Eligible Mortgagee shall, upon request, be entitled to designate a representative to be present at any meeting. Notice of meetings to vote upon amendments to the Articles of Incorporation shall also be given separately to each officer and director of the Association.

**4.5 Quorum/Adjournment.** The presence of Owners in person or by proxy, who have the authority to cast in excess of fifty percent (50%) of all the votes in the Association shall be necessary to constitute a quorum at all meetings of the Owners for the transaction of any business, except that of adjourning the meeting to reconvene at a subsequent time. Any meeting may be adjourned from time to time, but until no longer than 15 days later, without notice other than announcement at the meeting as initially called. If a quorum is present at the reconvened meeting, any business may be transacted which might have been transacted at the meeting as initially called

had a quorum then been present. The quorum, having once been established at a meeting or a reconvened meeting, shall continue to exist for that meeting notwithstanding the departure of any Owner previously in attendance in person or by proxy. The Association may not be counted in determining a quorum as to any Unit owned by the Association.

**4.6 Voting Register.** The Secretary shall have available at the meeting a list of the Unit numbers, the names of the Owners, the vote attributable to each Unit and the name of the Person (in the case of multiple Owners) authorized to cast the vote.

**4.7 Agenda.** The agenda for meetings of the Owners shall be established by the Board of Directors, consistent with the Governing Documents, and shall be sent to all Owners along with the notice of the meeting.

## **SECTION 5 ANNUAL REPORT**

The Board of Directors shall prepare an annual report on behalf of the Association to be mailed or delivered to each Owner together with the notice of the annual meeting. The report shall contain at a minimum:

- A statement of any capital expenditures in excess of two percent of the current budget approved by the Association for the current year or succeeding two fiscal years.
- b. A statement of the balance in any reserve or replacement fund and any portion of the fund designated for any specified project by the Board of Directors.
- c. A copy of the statement of revenues and expenses for the Association's last fiscal year, and a balance sheet as of the end of said fiscal year.
- d. A statement of the status of any pending litigation or judgments to which the Association is a party.
- e. A statement of the insurance coverage provided by the Association.
- f. A statement of the total past due assessments on all Units, current as of not more than 60 days prior to the date of the meeting.

## **SECTION 6 BOARD OF DIRECTORS**

**6.1 Number and Qualification.** The affairs of the Association shall be governed by a Board of Directors. The first Board of Directors shall consist of the person or persons designated as

directors in the Articles of Incorporation of the Association or appointed to replace them by the Declarant, subject to the rights of Owners to elect directors as set forth in Section 6.2. Upon the expiration of the term of the member or members of the first Board of Directors, the Board of Directors shall be composed of three (3) directors, a majority of whom shall be Owners, or a duly authorized representative of the Owner if the Owner is a corporation, partnership, limited liability company, trust or other entity which has the capacity to hold title to real estate.

**6.2 Term of Office.** The terms of office of the members of the Board of Directors shall be as follows:

- a. Subject to Subsection b, the terms of all directors appointed by Declarant shall terminate upon the earliest of (i) voluntary surrender of control by Declarant (ii) an Association meeting which shall be held within 60 days after conveyance to Owners other than a declarant of 75% of the total number of Units authorized to be included in the common interest community or (iii) the date five (5) years following the date of the first conveyance of a Unit to an Owner other than a declarant. The term of office of any director elected to the first Board of Directors by Owners other than the Declarant shall terminate at the same time as those appointed by Declarant.
- b. Notwithstanding the provisions of Subsection a, the Owners other than Declarant shall have the right to nominate and elect not less than 33 1/3% of the directors at a meeting of the Owners held within 60 days following the conveyance by Declarant of 50% of the total number of Units authorized to be included in the common interest community.
- c. The first terms of office of the directors elected by the Owners immediately following the termination of the terms provided for in Subsection a. shall be one year for one of the directors, two years for one of the directors, and three years for one of the directors. The nominee or nominees receiving the greatest numbers of votes shall fill the longer terms. Each term of office thereafter shall be two years and shall expire upon the election of a successor at a subsequent annual meeting of the Owners; provided, that a director shall continue in office until a successor is elected. A number of nominees equal to the number of vacancies, and receiving the greatest numbers of votes, shall be elected, notwithstanding that one or more of them does not receive a majority of the votes cast. A director appointed or elected to fill an uncompleted term shall serve until the natural termination of that term, unless removed in accordance with these Bylaws. There shall be no cumulative voting for directors.

**6.3 Nominations.** Nominations for election to the Board of Directors shall be made by nominating committee appointed by the Board of Directors, or from the floor at the annual meeting or by "write-in" if authorized by the Board.

