

BY-LAWS
OF
VALHALLA FIFTEEN

The name of the organization shall be the VALHALLA FIFTEEN ASSOCIATION (hereinafter called the "Association".)

ARTICLE I

OBJECT

1. This non-profit Association is formed to govern the condominium property situated in the County of Olmsted, State of Minnesota, described as follows:

Lot 15, Block 4, Valhalla Fourth Subdivision, according to the recorded plat thereof, Olmsted County, Minnesota,

and which property has been submitted to the provisions of the Apartment Ownership Act of the State of Minnesota pursuant to document entitled "Condominium Declaration for Valhalla Fifteen (hereinafter called the "Declaration".)

2. All present or future owners, tenants, future tenants, or any other person that might use the facilities of the project in any manner, including contract for deed buyers, are subject to the provisions of the Declaration, these By-laws and Resident Policies adopted pursuant hereto. The mere acquisition or rental of any of the condominium units (hereinafter referred to as "units") of the project or the mere act of occupancy of any of said units will signify that the provisions of the Declaration, these By-laws, and such Resident Policies are accepted, ratified, and will be complied with.

3. This Association shall have no corporate seal.

ARTICLE II

MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

1. Membership. Any person on becoming an owner of such unit shall automatically become a member of this Association and be subject to these By-Laws. Such membership shall terminate without any formal Association action whenever such person ceases to own a unit, but such termination shall

not relieve or release any such former owner from any liability or obligation incurred under or in any way connected with the Association during the period of such ownership and membership in this Association, or impair any rights or remedies which the Board of Directors of the Association or others may have against such former owner and member arising out of or in any way connected with such ownership and membership and the covenants and obligation incident thereto. No certificates of stock shall be issued by the Association but the Board of Directors may, if it so elects, issue one membership card to the owner(s) of a unit. Such membership card shall be surrendered to the Secretary whenever ownership of the unit designated thereon shall terminate.

2. Voting. Voting shall be based upon the percentage of the undivided interest of each unit owner in the general common elements as set out in Exhibit A to the Declaration. An owner of an undivided fractional interest in and to a condominium unit shall be entitled to a vote equal to his fractional ownership interest in such unit. The votes attributable to each unit shall not be split for voting purposes. Cumulative voting is prohibited. A member shall be deemed to be in good standing and entitled to vote at any annual or at a special meeting of members only if he shall have executed and filed a proxy pursuant to paragraph 3 of Article VIII hereof, if required thereby, fully paid all assessments made or levied against him and the condominium unit owned by him, and shall have filed evidence of ownership of his unit as required by Article VIII, paragraph 1 hereof.

3. Majority of Unit Owners. As used in these By-laws the term "majority of unit owners" shall mean those owners with 51% or more of the votes in accordance with the undivided interests in the general common elements.

4. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a "majority of unit owners" as defined in paragraph 3 of this Article shall constitute a quorum. An affirmative vote of a majority of the unit owners present, either in person or by proxy, shall be required to transact business; provided, however, that no business shall be transacted unless a minimum of one-third of all of the owners, either in person or by proxy, vote affirmatively.

5. Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

ARTICLE III

ADMINISTRATION

1. Association Responsibilities. The owners of the units will constitute the Association, which will be administered by a Board of Directors.

2. Place of Meetings. Meetings of the Association shall be held at such place as the Board of Directors may determine.

3. Annual Meetings. The first annual meeting of the Association shall be held on December 6, 1976. Thereafter the annual meetings of the Association shall be held on the first Monday of December of each year. At such meetings there shall be elected by ballot of the owners a Board of Directors in accordance with the requirements of paragraph 5 of Article IV of these By-Laws. The owners may also transact such other business of the Association as may properly come before them.

4. Special Meetings. It shall be the duty of the President to call a special meeting of the owners as directed by Resolution of the Board of Directors or upon a petition signed by a majority of unit owners and having been presented to the Secretary. The notice of any special meeting shall be given to all members by delivery to the unit of the member or by mailing to the registered mailing address of the member. Such notice shall be delivered or mailed at least three days prior to the meeting and shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of the owners of sixty per cent or more of the total undivided interest in the general common elements, either in person or by proxy.

5. Adjourned Meeting. If any meeting of owners cannot be organized because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight hours from the time the original meeting was called.

6. Order of Business. The order of business at all meetings of the owners shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Reports of committees.
- (f) Report of manager.
- (g) Unfinished business.
- (h) New business.

ARTICLE IV

BOARD OF DIRECTORS

1. Number and Qualification. The affairs of this Association shall be governed by a Board of Directors composed of a minimum of three and a maximum of eleven persons. Directors need not be owners of units. The following persons shall act in such capacity and shall manage the affairs of the Association until their successors are elected at the first annual meeting and have held their first meeting to-wit:

Kenneth Weestrand
Dennis Weestrand
Delbert Wischmann

2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association, the operation and maintenance of a first class residential condominium project and the protection and defense of the same.

3. Other Powers and Duties. The Board of Directors shall be empowered and shall have the duties as follows:

- (a) To administer and enforce the provisions of the Declaration and these By-Laws.
- (b) To establish and enforce compliance with such reasonable rules (herein called "Resident Policies") as may be necessary for the

operation, use and occupancy of this condominium project with the right to amend same from time to time. A majority of the unit owners may, either at any annual meeting or at a special meeting called for such purpose, amend existing or adopt new Resident Policies. A copy of the Resident Policies shall be delivered or mailed to each member promptly upon adoption.

(c) To keep in good order, condition and repair all of the general common elements and limited common elements, and all items of personal property, if any, used in the enjoyment of the Condominium project.

(d) To obtain and maintain such insurance as is required by applicable statutes and the Declaration and such other insurance as the Board deems necessary or advisable in the best interests of the Association members.

(e) To prepare and adopt a budget to determine, levy, collect and enforce prompt payment of the assessments to be paid by each of the owners towards the gross expenses of the condominium project, including the costs of renting or purchasing the Recreational Area as set out in the Declaration. To levy and collect, in advance or after incurred, at any time and from time to time, special assessments whenever in the opinion of the Board it is necessary to do so in order to meet increased operating or maintenance costs, or additional capital expenses, or because of emergencies. All assessments for actual or estimated expenses shall be in itemized statement form, shall set forth in detail the various expenses for which the assessments are being made and shall be mailed to the registered mailing address of the owner or delivered to the owner's unit once each month or at such other times as the Board determines is necessary or desirable, and shall be due on the date or dates stated in the notice or on the first day of the following month if no dates are stated.

(f) To borrow funds but only when so authorized by unanimous authority of all of the unit owners, and when so authorized to authorize

the officers of this Association to execute all such instruments evidencing such indebtedness as is expressly authorized. Any such authorized indebtedness shall be the several obligation of all of the unit owners only in the same proportion as their interest in the general common elements.

(g) To authorize the officers of this Association to enter into contracts and leases.

(h) To establish a bank account for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors.

(i) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the owners.

(j) To prepare and deliver at least annually to each owner a statement showing all receipts, expenses or disbursements since the last such statement.

4. Manager. The Board of Directors may employ a Manager at a compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in paragraph 3 of this Article, and those of the Secretary and Treasurer set out in Article V.

5. Election and Term of Office. At the first annual meeting of the Association the term of office of the Directors then elected shall be staggered so that the terms of one-third of the Directors expires annually. At the expiration of the initial term of office of each Director elected at the first annual meeting, his successor shall be elected to serve a term of three years. The Directors shall hold office until their successors have been elected and have held their first meeting.

6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even

though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association. Such successor shall serve only for the then unexpired term of the Director whose vacancy is being filled.

7. Removal of Directors. At any regular or special meeting of the Association duly called, any one or more of the Directors may be removed with or without cause by a majority vote of the owners, and a successor may then and there be elected to fill the vacancy thus created for the unexpired term of the removed Director. Any Director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

8. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

9. Regular Meeting. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least four such meetings shall be held during each calendar year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least three days prior to the day named for such meeting.

10. Special Meetings. Special meetings of the Board of Directors may be called by the President on three days' notice to each Director, given personally, or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two Directors.

11. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

12. Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

13. Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

ARTICLE V

OFFICERS

1. Designation. The officers of the Association shall be a President, a Secretary and a Treasurer, all of whom shall be elected by and from the Board of Directors.

2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either

with or without cause, and his successor elected, at any regular meeting of the Board of Directors, or any special meeting of the Board called for such purpose.

4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of President of an Association including but not limited to the power to appoint Committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

5. Secretary. The Secretary shall keep all the minutes of the meeting of the Board of Directors and of meetings of the Association; shall keep such books and papers as the Board of Directors may direct; and shall perform all the duties incident to the office of Secretary.

The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and of holders of first mortgages on the units, and their registered mailing addresses. Such list shall also show the number of the apartment unit owned by such member. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

6. Treasurer. The Treasurer shall keep the financial records and books of account of the Association and be responsible for deposit of Association funds.

ARTICLE VI

INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall indemnify every Director and officer, his heirs, executors and administrators, against all loss, cost and expense, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of

his being or having been a Director or officer of the Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director or officer may be entitled. All liability, loss, damage, costs and expenses incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as Common Expenses; provided, however, that nothing in this Article VI contained shall be deemed to obligate the Association to indemnify any member or owner of a condominium unit, who is or has been a Director or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Declaration as a member or owner of a condominium unit covered thereby.

ARTICLE VII

AMENDMENTS

These By-Laws may be amended by the Association at a duly called annual meeting, or at any duly called special meeting called for such purpose, and shall be amended only in the same manner as the Declaration may be amended as set out in paragraph 20 thereof.

ARTICLE VIII

EVIDENCE OF OWNERSHIP, MAILING ADDRESS AND REQUIRED PROXIES

1. Proof of Ownership. Any person on becoming an owner of a condominium unit shall furnish to the Manager or Board of Directors, for the records of the Association, a photocopy or a certified copy of the instrument vesting that person with an interest or ownership.

2. Mailing Address. For purposes hereof, the registered mailing address of each owner and member shall be the address of his unit in the Condominium Project unless written notification of some other address is given to the Secretary, but all owners of a unit shall have only one registered mailing address. Any notice of a registered mailing address other than that of the unit shall be in written form and signed by all of the owners of the condominium unit or by such person as is authorized by law to represent the interests of all owners thereof.

3. Required Proxies. If a proxy is not required to be given to the vendor of a unit pursuant to the terms of a contract for deed or other instrument evidencing the sale of a unit, and if title to a condominium unit is held by more than one person or by a firm corporation, partnership, association, or other legal entity, or any combination thereof, such owners shall execute and file as herein required a proxy appointing and authorizing one person or alternate persons to attend all annual and special meetings of members and thereat to cast whatever vote the owner themselves might cast if personally present.

ARTICLE IX

COMPLIANCE

These By-Laws are set forth to comply with the requirements of the State of Minnesota Apartment Ownership Act. If any of these By-Laws conflict with the provisions of said statute, it is hereby agreed and accepted that the provisions of the statute will control.

AMENDMENT NUMBER ONE
TO CONDOMINIUM BYLAWS
FOR VALHALLA FIFTEEN ASSOCIATION

The undersigned, being the owner of 80% or more of the total percentage of undivided interests in the general common elements of the condominium project created by the Condominium Declaration for Valhalla and recorded in the office of the Register of Deeds, Olmsted County, Minnesota, in Book A-4 on Page 837 as Document No. 372367 and covering the property situated in said county described as follows:

Lot Fifteen (15), Block Four (4), Valhalla Fourth Subdivision, except that part thereof described as beginning at the most Westerly corner of Lot Seventeen (17), Block Two (2), Valhalla First Subdivision; thence on an assumed bearing of South 51°46'15" East along the Southwesterly line of said Lot Seventeen (17) and the Southwesterly line of Lot Eighteen (18), Block Two (2), Valhalla First Subdivision a distance of 269.88 feet to the most southerly corner of said Lot Eighteen (18); thence North 80°27'55" West a distance of 251.25 feet; thence South 38°28'40" West a distance of 389.03 feet; thence South 89°55'07" West a distance of 136.16 feet; thence North 56°18'31" West a distance of 68.0 feet to the most Southerly corner of Lot One (1), Block Two (2), Valhalla First Subdivision; thence Easterly and Northerly along the Southerly and Southeasterly line of said Block Two (2), Valhalla First Subdivision to the point of beginning, according to the Plat thereof on file and of record in the office of the Register of Deeds in and for said County.

and the holder of all recorded first mortgages covering or affecting all condominium units in said condominium project, do hereby, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, agree to amend said Condominium Bylaws as follows:

1. By adding to Article IV, Paragraph #3 as follows:

"(k) to furnish to a first mortgagee at his request written notification of any default by the mortgagor of such mortgaged unit which is not cured within thirty (30) days.

(l) The Board shall not have the right by act or omission to seek to abandon, partition, subdivide, encumber, sell or transfer the common elements unless at least 75% of the first mortgagees (based upon one vote for each first mortgage owned) of condominium units have given their prior written approval. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the condominium project shall not be deemed a transfer within the meaning of this clause.

(m) To allow first mortgagees to examine the books and records of the Condominium Owners Association or the condominium project.

(n) To establish an adequate reserve fund for replacement of the common elements which fund must be funded by regular monthly payments.

(o) To furnish to the Federal Home Loan Mortgage Corp. a notice (c/o a first mortgagee at first mortgagee's address) in writing of any loss to or taking of, the common elements of the condominium project if

such loss or taking exceeds \$10,000."

2. By adding to Article IV a Paragraph #14 as follows:

"14. The Board of Directors shall have the authority to join a Valhalla Management Association formed for the purpose of performing on behalf of this Association any or all of the duties and services listed in Paragraph #3 and Paragraph #4 including the hiring of a manager to perform any of the duties listed in Paragraph #3 and Paragraph #4. Upon joining the Valhalla Management Association, the Board shall elect from its Board one of its members to serve as a Director on the Valhalla Management Association Board. The first set of Directors of the Valhalla Management Association shall serve staggered terms so that one-third of the terms shall expire each year. The Valhalla Management Association shall be incorporated as a Minnesota non-profit corporation. The Board may withdraw from the Valhalla Management Association with or without cause if such withdrawal is first approved by a vote representing 80% of the owners at a special meeting of its owners called for such purpose. The person elected to the Valhalla Management Association Board may be removed and replaced with or without cause by a 51% vote of the owners of this Association or with or without cause by a 51% vote of the Directors of this Association or upon a majority vote of the Valhalla Management Association Board if the Director has been absent from three consecutive regularly scheduled monthly meetings of the Valhalla Management Association Board. The Valhalla Management Association Board shall have the authority to appoint to its Board as Directors for one year terms up to three persons selected by the Manager."

3. Said Bylaws, as hereby amended, shall otherwise be in full force and effect.

This instrument is exempt from State Deed Tax.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be duly executed this 20th day of APRIL, 1976.

In Presence of:

METRO DEVELOPMENT CORP.
By [Signature]
Its [Signature]
By [Signature]
Its [Signature]

Owner of 80% or more of the total percentage of undivided interests in the general common elements.

374265

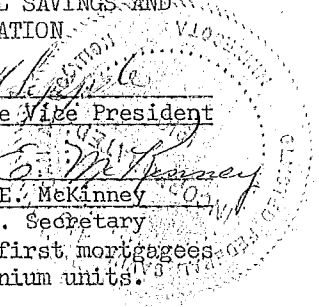
374265

OLMSTED FEDERAL SAVINGS AND
LOAN ASSOCIATION

By [Signature]
Its Executive Vice President

And [Signature]
Its Rose E. McKinney
Ass't. Secretary

Holder of all first mortgages
on all condominium units.



STATE OF MINNESOTA)
)SS.
COUNTY OF HENNEPIN)

On this 26th day of April, 1976, before me, a Notary Public within and for said County personally appeared [Signatures] to me personally known, who being by me duly sworn did say that they are the [Signatures] and [Signatures] of METRO DEVELOPMENT CORP., the corporation named in the foregoing instrument, and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors and said [Signatures] and [Signatures] acknowledged said instrument to be the free act and deed of said corporation.

STATE OF MINNESOTA)
)SS.
COUNTY OF OLMSTED)

[Signature]
DELBERT E. WISCHMANN
NOTARY PUBLIC - MINNESOTA
HENNEPIN COUNTY
My Commission Expires May 17, 1981

On this 27th day of April, 1976, before me, a Notary Public within and for said County, personally appeared Wm. H. Sipple and Rose E. McKinney to me personally known, who, being each by me duly sworn did say that they are respectively the Executive Vice President and the Ass't. Secretary of OLMSTED FEDERAL SAVINGS AND LOAN ASSOCIATION, the corporation named in the foregoing instrument, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors and said [Signatures] and [Signatures] acknowledged said instrument to be the free act and deed of said corporation.

[Signature]
CAROL L. DICKMAN
NOTARY PUBLIC - MINNESOTA
COUNTY OF HENNEPIN
My Commission Expires Nov. 26, 1981

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PROCEED
GRANTOR
GRANTEE
TRACKED
PAID
CHRG.

REGISTER OF DEEDS OFFICE }
 Olmsted County, Minn. } ss.
 I hereby certify that the within instrument
 was filed in this office for record on

APR 28 1976

at 10 o'clock A.M.
 Book B-4 of Misc on page 168
James H. Benson Register of Deeds
 By Charles M. Baker Deputy

Metro Dev.