

**BY-LAWS
OF
SIESTA HILLS ASSOCIATION**

**ARTICLE I
NAME AND LOCATION**

The name of this corporation is **SIESTA HILLS ASSOCIATION** hereinafter referred to as the “Association”. The principal office of the Association shall be located at 58281 206th Street, Mankato, MN 56001, or at such other place within the State of Minnesota as may be designated by the Board of Directors.

**ARTICLE II
DEFINITIONS**

Section 1. “Articles” shall mean and refer to the Articles of Incorporation of the Association.

Section 2. “Association” shall mean and refer to Siesta Hills Association, a Minnesota non-profit corporation, its successors and assigns.

Section 3. “Common Area” shall mean and refer to all real property owned by the Association for the common use and enjoyment of the Owners and such other persons to whom the Owners may delegate this right pursuant to the Declaration and to all improvements located thereon and owned or otherwise held by the Association for the common use and enjoyment of said persons.

The Common Area owned or to be owned by the Association is described in the Declaration.

Section 4. “Community” shall mean and refer to Siesta Hills, Common Interest Community Number 114.

Section 5. “Declarant” shall mean and refer to Key City Development, LLC, a Minnesota limited liability company, its successors and assigns.

Section 6. “Declaration” shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Subject Property recorded in the Office of the County Recorder within and for Blue Earth County, Minnesota, on December 11, 2020 as Document No. 585CR810.

Section 7. “Dwelling” shall mean and refer to any portion of a building situated upon the Subject Property designated and intended for use and occupancy as one residential unit.

Section 8. "Governing Documents" shall mean and refer to the Declaration, the Articles and these By-Laws.

Section 9. "Member" shall mean and refer to all Owners who are Members of the Association as provided in the Declaration.

Section 10. "Owner" shall mean and refer to the record owner or contract vendee, whether one or more persons or entities, of a fee simple title to any Unit situated upon the Subject Property, but excluding contract vendors, unless the contract provides otherwise, and others having such interest merely as security for the performance of an obligation.

Section 11. "Subject Property" shall mean and refer to that certain real property described as the Subject Property in the Declaration and shall also include any portion of the Additional Property as may hereafter be added to the condominium pursuant to the Declaration.

Section 12. "Unit" shall mean and refer to a Dwelling together with the parcel of property upon which the Dwelling is situated, as legally described in the instrument of conveyance in favor of the current Owner. Unit shall not be construed to include Common Area as herein defined.

ARTICLE III

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 date selected by the Board of Directors thereafter, at the hour of 7:00 p.m. If the day for an annual meeting is a legal holiday, the meeting shall be held at the same hour on the first day following which is not a legal holiday. At each annual meeting, there shall be, at a minimum, (i) an election of successor directors for those directors whose terms have expired, (ii) a report on the activities and financial condition of the Association, and (iii) consideration of and action on any other matters included in the notice of meeting.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors and must be called by the President in any event upon receipt of a written request for a special meeting signed by twenty-five percent (25%) of the Members entitled to vote or upon written request of any of the first mortgagees holding mortgages on the Subject Property. Upon termination of the Declarant Control Period, a special meeting of the Member shall be held upon a call issued by the Declarant. All of the officers and directors of the Association appointed by the Declarant shall resign at the first meeting of the Members and thereafter the Members shall elect successors or said Directors.

Section 3. Notices. Notice of all meetings of the Members, stating the date, time, place complete agenda thereof, and the procedure for appointment of proxies, shall be given by the President or Secretary unless waived in writing. Such notice shall be in writing and shall be delivered by hand or sent by prepaid United States mail to each Member at the Member's address as

it appears on the books of the Association. Notices shall be mailed not less than twenty-one (21) days nor more than thirty (30) days in advance of any annual meeting, and not less than seven (7) days nor more than thirty (30) days in advance of any special meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. The notice of the meeting may be waived before or after such meeting.

Section 4. Quorum. The presence at the meeting of Members, either in person or by proxy, entitled to cast two-thirds (2/3) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Governing Documents. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote at that meeting 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. Proxies. At all meetings of Members, each Member may vote, in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her Unit. Electronic voting is allowed.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE

Section 1. First Board of Directors. Said first Directors shall serve until the first annual meeting of the Members or until their successors have been duly elected and qualified. At the first annual meeting, the Members shall elect the Directors, each for a term of one year and until their successors have been duly elected and have qualified. At each annual meeting thereafter the Members shall elect any new members to the Board of Directors for a term of one year. The Declarant shall have the sole right to appoint and remove members of the Board of directors until the earlier of:

- a. Three (3) years after the date of the first conveyance of a Unit to an Owner other than Declarant.
- b. The conveyance of seventy-five percent (75%) of the Units to Owners other than Declarant; or
- c. Declarant's voluntary surrender of control by giving written notice to the Unit Owners (the "Termination of Declarant Control").

Provided, however, that no later than sixty (60) days after the conveyance of Seventy Five Percent (75 %) of the Units to Owners other than Declarant, at least one (1) member of the Board of Directors shall be elected Owners other than the Declarant at a special meeting of the Owners to be held for such purpose. Upon Termination of Declarant Control, at a meeting of the Owners called by the secretary of the Association, the Owners shall elect a Board of Directors of not fewer than three (3) members of the number of directors set forth herein as amended from time to time.

At the special meeting of Owners after conveyance of Seventy Five percent of the Units, the Owners other than Declarant shall elect one (1) director for an initial term of

one (1) year, and the Declarant shall appoint the remaining two (2) directors. Thereafter, at the expiration of the term of office of each director, a successor shall be elected to serve for a term of three (3) years. The directors shall hold office until their respective successors have been elected and installed.

Section 2. Number and Qualifications of Directors. The initial Board of Directors shall consist of three natural persons. The second Board of Directors and all successive Boards shall consist of three, five, or seven members, as determined by the Board of Directors, all of whom are holders of an interest in at least one of the Units, or, in the case of the Declarant, a representative of the Declarant. Notwithstanding any provision to the contrary set forth herein, the Declarant shall have the right to control the Association, including the right to appoint Directors, as provided in Section 17.6 of the Declaration.

Section 3. Nomination of Directors. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting (or a special meeting called for the election of Directors). The Nominating Committee shall consist of a Chairperson, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. the Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-Members.

Section 4. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the Members or their proxies may cast, with respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 5. Term. The term of each Director, other than the first Directors and the Directors elected at the First Special Election and the Second Special Election (as defined in the Articles), shall extend to the next annual meeting of the Members after the annual meeting at which the Director was elected and until the Director's successor has been duly elected and has qualified.

Section 6. 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 7. Compensation. No Director shall receive compensation for any service rendered to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of his or her duties.

Section 8. 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.

ARTICLE V

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. 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. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day designated for such meeting unless such notice is waived.

Section 2. Special Meetings. Special meetings of the Directors may be called by the President and must be called by the Secretary at the written request of one (1) Director. Not less than three (3) days' notice of such special meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of such meeting.

Section 3. Waiver of Notice. Any Director may waive notice of a meeting, either regular or special, before or after such meeting, and such waiver shall be deemed equivalent to the giving of notice.

Section 4. Quorum. Two (2) Directors, or if there are a total of seven (7) Directors, then three (3) Directors, shall constitute a quorum for the transaction of business at any meeting of the Board.

Section 5. Adjournment When Quorum Lacking. If at any meeting of the Board of Directors there shall be only one (1) Director present, that Director may adjourn the meeting from time to time until a quorum is present. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

Section 6. Manner of Action. Each Director shall be entitled to one (1) vote, and the act of a majority of the Directors present at a meeting at which a quorum is present shall constitute the act of the Board of Directors unless the act of a greater number is required by these By-Laws.

Section 7. Board Meeting Open to Members. Except as otherwise provided in this Section, meetings of the Board of Directors shall be open to Members. The Board shall give reasonable notice to Members of the date, time, and place of each Board Meeting. No notice need be given to Members if: (i) the date, time, and place of meeting were announced at a previous Board meeting; (ii) the date, time, and place of the meeting were posted in a location accessible to Members and designated by the Board from time to time; or (iii) if an emergency requires immediate consideration of a matter by the Board. Meetings may be closed to Members to discuss the following: (1) personnel matters; (2) pending or potential litigation, arbitration or other potentially

adversarial proceedings between Members, between the Board or the Association and Members, or other matters in which any Member may have an adversarial interest, if the Board determines that closing the meeting is necessary to discuss strategy or otherwise protect the position of the Board or Association or the privacy of a Member or occupant of a Unit; or (3) criminal activity arising within the 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 any investigation of the activity.

ARTICLE VI
THE BOARD OF DIRECTORS: POWERS, DUTIES AND RESTRICTIONS

Section 1. Powers. The Board of Directors shall have the power to:

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the enjoyment rights of any Member for any period during which any assessments remain unpaid, and to suspend the said enjoyment rights for any period not to exceed thirty (30) days and to impose a fine not to exceed Ten Dollars (\$10.00) for each infraction of its published rules and regulations, each day during which infractions exist being deemed a separate and distinct infraction; provided, however, that nothing contained in this section 1(b) shall be deemed to deny an Owner access to and from his or her Unit or Dwelling located in the Subject Property;
- (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 the Governing Documents;
- (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; provided, however, that any agreement for professional management of the Subject Property, or any other contract providing for services by the Declarant, shall provide for termination by either party without cause or payment of a termination fee on ninety (90) days or less written notice and a maximum contract term of three (3) years.

Section 2. 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 by one-fourth of the members entitled to vote;

- (b) supervise all officers, agents and employees of this Association, and see that their duties are properly performed;
- (c) as more fully provided in the Declaration:
 - (1) fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period;
 - (2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - (3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or bring an action at law against the Owner personally obligated to pay the same;
- (d) 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;
- (e) procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate and in accordance with the Declaration;
- (g) cause the Common Area and exterior of the Dwellings to be maintained as set forth in the Declaration.

ARTICLE VII
OFFICERS AND THEIR DUTIES

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

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board 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 unless he or she shall sooner resign, or shall be removed, or otherwise become disqualified to serve.

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

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

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

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

Section 8. Duties. The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice President

(b) The Vice President shall act in the place and stead of the President in the event of his or her absence, inability or refusal to act and shall exercise and discharge such other duties as may be required by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and disburse such funds as directed by resolution of the Board of Directors; sign all checks and promissory notes of the Association; keep proper books of account; and

prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meetings, and deliver a copy of each to the Members.

ARTICLE VIII BOOKS AND RECORDS

The Association shall keep adequate records of its membership, minutes of Members' meetings, minutes of Board of Directors meetings, committee meetings, contracts, leases and other agreements to which the Association is a party, and material correspondence and memoranda relating to its operations, and financial records sufficiently detailed to enable the Association to prepare the annual report and to comply with all applicable laws. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member and by any first mortgagee of a Unit. The Governing Documents shall be available, during reasonable business hours, for inspection by any Member and by any first mortgagee of a Unit at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE IX ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments all of which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eight percent (8%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien and interest, costs, and reasonable attorneys' fees in any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of such Owner's Unit.

ARTICLE X INSURANCE

Section 1. Required Coverage. The Association shall obtain and maintain, at a minimum, a master policy or policies of insurance in accordance with the insurance requirements set forth in the Act and the additional requirements set forth herein, issued by a reputable insurance company or companies authorized to do business in the State of Minnesota, as follows:

(a) Property insurance in broad form covering all risks of physical loss for the full insurable replacement costs of the improvements on the Common Area, together with any units that share a roof, siding or wall as required by Section 515B.3-113(b) of the Act, less deductibles, exclusive of land, footings, excavation and other items normally excluded from coverage (but including all building service equipment and machinery). The policy or policies shall cover personal property owned by the Association and shall name the Association as the named insured. The policy or policies shall also contain “Inflation Guard” and “Agreed Amount” endorsements, if reasonably available. Such policy or policies shall include such additional endorsements, coverages, deductibles and limits with respect to the foregoing and other hazards as may be required from time to time by the regulations of the FHA or Federal National Mortgage Association (“FNMA”) as a precondition to their insuring, purchasing or financing a mortgage on a Unit. The Board may also, on behalf of the Association enter into binding written agreements with a mortgagee, insurer or servicer, including without limitation the FHA or FNMA, obligating the Association to keep certain specified coverages or endorsements in effect.

(b) Comprehensive public liability insurance covering the ownership, existence, use, operation or management of the Subject Property, with minimum limits of \$1,000,000 per occurrence, against claims for death, bodily injury and property damage, and such other risks as are customarily covered by such policies for projects similar in construction, location, and use to the Subject Property. Unit owners, the Board, any management agent, and their respective employees, agents and all persons acting as agents shall be included as additional insureds as required by Section 515B.3-113(a)(2) of the Act. The policy shall contain a “severability of interest” endorsement which shall preclude the insurer from denying the claim of an owner or occupant of a Unit because of the negligent acts of the Association or other owners or occupants and shall cover claims of one or more insured parties against other insured parties. The policy shall include such additional endorsements, coverages and limits with respect to such hazards as may be required by the regulations of the FHA or FNMA as a precondition to their insuring, purchasing or financing a mortgage on a Unit.

(c) Fidelity bond or insurance coverage against dishonest acts on the part of directors, officers, managers, trustees, employees or persons responsible for handling funds belonging to or administered by the Association if deemed to be advisable by the board or required by the regulations of the FHA or FNMA as a precondition to their insuring, purchasing or financing a mortgage on a Unit. The fidelity bond or insurance shall name the Association as the named insured and shall, if required by the regulations of the FHA or FNMA as a precondition to their insuring, purchasing or financing a mortgage on a Unit, be written in an amount equal to the greater of (i) the estimated maximum of Association funds, including reserves, in the custody of the Association or management agent at any given time while the bond is in force, or (ii) a sum equal to three months aggregate assessments on all Units plus reserves. An appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers, or a waiver of defense based upon the exclusion of persons serving without compensation shall be added.

(d) Worker's compensation insurance, as required by law.

Policies carried pursuant to subsections (a) and (b) shall provide that:

- (1) each Member and secured party of a Unit is an insured person under the policy with respect to liability arising out of the Member's interest in the Common Area or the Member's membership in the Association;
- (2) the insurer waives its rights to subrogation under the policy against any Member (or members of Member's household) and against the Association and Directors;
- (3) no act or omission by any Member or secured party, unless acting within the scope of authority on behalf of the Association, shall void the policy or be a condition to recovery under the policy; and
- (4) the Association's policy shall be the primary insurance if, at the time of a loss under the policy, there is other insurance in the name of a Member covering the same property covered by the Association's policy.

Section 2. Association Coverage of Units. In addition to casualty insurance on the Common Area and Units with shared roofs, siding or walls, the Association, through the Board of Directors, may elect to obtain and continue in effect, on behalf of all Owners, adequate broad-form blanket casualty and fire insurance in such form as the Board of Directors deems appropriate in an amount equal to the full replacement value, without deduction for depreciation or coinsurance, of all of the Dwellings, including the structural portions and fixtures thereof but exclusive of land, footings, excavation and other items normally excluded from coverage, owned by such Owners. Insurance premiums from any such blanket insurance coverage, and any other insurance premiums paid by the Association shall be an expense of the Association to be included in the regular annual assessments of the Owners, as levied by the Association. The insurance coverage with respect to

the Dwellings shall be written in the name of, and the proceeds thereof shall be payable to the Association as trustee for the Owners.

Section 3. Replacement or Repair of Property. Any portion of the Subject Property that has been damaged or destroyed by a loss covered by the Association's insurance shall be promptly repaired or replaced by the Association unless (i) the Community is terminated; (ii) such repair or replacement would be illegal; or (iii) 80% of Members (including every Member and first mortgagee on a Unit which shall not be rebuilt) vote not to rebuild. If less than the entire Subject Property is repaired or replaced, the insurance proceeds attributable to the damaged Common Area shall be used to restore the damaged area to a condition compatible with the remainder of the Community, the proceeds attributable to Units which are not rebuilt shall be distributed to the owners of those Units and the secured parties of those Units, as their interests may appear, and the remainder of the proceeds shall be distributed to all Unit owners and secured parties as their interests may appear, in proportion to their common expense liability. The cost of repair or replacement of improvements to the Common Area in excess of insurance proceeds and reserves shall be paid as a common expense, and the cost of repair of a Unit in excess of insurance proceeds shall be paid by the respective Unit owner.

Section 4. Cancellation; Notice of Loss. All policies of property insurance and comprehensive liability insurance maintained by the Association shall provide that the policies shall not be cancelled or substantially modified, for any reason, without at least 30 days prior written notice to the Association, all of the insureds, and all mortgagees of Units (including, if applicable, the FHA or FNMA).

Section 5. Review of Policies. All insurance policies shall be reviewed at least annually by the Board of Directors in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the property which may have been damaged or destroyed.

Section 6. Blanket Casualty Insurance by Owner. If the Association does not elect to maintain blanket casualty and fire insurance pursuant to Section 2 of this Article, then any Owner of a Unit shall carry, maintain, and timely pay the premium or premiums on a policy of fire, extended coverage, vandalism, and malicious mischief insurance, with an all-risk endorsement. Said insurance shall cover a minimum of the entire replacement cost of the improvements on such Unit and shall provide for at least ten (10) days' notice to the Board of Directors of the Association before cancellation or material change in such insurance.

Section 7. Reallocation of Interests for Destroyed Units. If, pursuant to Section 3, a Unit is not rebuilt after a casualty, that Unit's entire interest in the Common Area, votes in the Association and common expense liability are automatically reallocated as if the Unit had been condemned, and the Association shall promptly prepare, execute and record an amendment to the Declaration reflecting the reallocations.

ARTICLE XI
NO CORPORATE SEAL

There shall be no corporate seal.

ARTICLE XII
AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy, provided that such additional consent required by Section 9 of the Declaration is obtained, and provided that during the Declarant control period, both the Declarant (and the Federal Housing Administration if it has insured loans against any Units) shall have the right to veto amendments.

Section 2. In the case of any conflict between the Articles and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws; the Declaration shall control.

ARTICLE XIII
MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 2. Financial Statement. A review of the Association's financial statements shall be made at the end of the Association's fiscal year, unless prior to 30 days after the end of that fiscal year, at a meeting or by mailed ballot, Members to which at least thirty percent (30%) of the votes in the Association are allocated vote to waive the review requirement for that fiscal year. A waiver vote shall not apply to more than one fiscal year and shall not affect the Board's authority to cause a review or audit to be made. The review shall be made by a independent certified public accountant licensed to do business in the State of Minnesota and shall be prepared in accordance with generally accepted accounting principles. The financial statements shall be presented on a full accrual basis using an accounting format that separates operating activity from replacement reserve activity. The financial statements shall be delivered to all Members within 120 days of the end of the fiscal year.

Section 3. Annual Report. An annual report shall be prepared by the President or Treasurer and shall be provided to each member at or prior to the annual meeting of members. The annual report shall contain: (1) a statement of any capital expenditures in excess of two percent (2%) of the current budget or five thousand dollars (\$5,000), whichever is greater, approved by the Association for the current fiscal year and for the succeeding two fiscal years; (2) a statement of the balance in any reserve or replacement fund; (3) 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; (4) a statement of the status of any pending litigation or judgments to which the Association is a party; (5) a detailed description of the insurance coverage provided by the Association including a statement as to which, if any, of the items referred to in § 515B.3-113(b) are insured by the association; (6) a statement of the total past due assessments on all Units, current as of not more than sixty (60) days prior to the date of the annual meeting; and (7) any other matter which the officers or directors of the Association deem appropriate.

Section 4. Committees. The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of said Siesta Hills Association, a Minnesota non-profit corporation, and that the foregoing By-Laws constitute the By-Laws of said Siesta Hills Association as duly adopted at a meeting of the Members thereof held on the 15th day of December, 2020.



Secretary

THIS INSTRUMENT DRAFTED BY:

Stacey R. Edwards Jones
Attorney ID #295000
Jones Law Office
212 Madison Ave
Mankato, MN 56001