

FIRST RESTATEMENT OF BY-LAWS FOR TOWNHOUSE
VILLAGES AT RIVER WOODS HOMES ASSOCIATION

ARTICLE I.
NAME AND LOCATION

The name of the corporation is Townhouse Villages at River Woods Homes Association, hereinafter referred to as the "ASSOCIATION." The principal office of the ASSOCIATION shall be located at 334 River Woods Lane, Burnsville, Minnesota, 55337, but meetings of members and directors may be held at such other places as may be designated by the Board of Directors.

ARTICLE II.
DEFINITIONS

Section 1. "ASSOCIATION" shall mean and refer to Townhouse Villages at River Woods Homes Association, a non-profit corporation organized and existing under the laws of the State of Minnesota, its successors and assigns.

Section 2. "River Woods Townhouses" shall mean and refer to that certain real property located in Dakota County, Minnesota, and legally described as follows:

TOWNHOUSE VILLAGES AT RIVER WOODS 1ST ADDITION;
TOWNHOUSE VILLAGES AT RIVER WOODS 2ND ADDITION;
TOWNHOUSE VILLAGES AT RIVER WOODS 3RD ADDITION;
TOWNHOUSE VILLAGES AT RIVER WOODS 4TH ADDITION;
TOWNHOUSE VILLAGES AT RIVER WOODS 5TH ADDITION;
TOWNHOUSE VILLAGES AT RIVER WOODS 6TH ADDITION;
TOWNHOUSE VILLAGES AT RIVER WOODS 7TH ADDITION;
TOWNHOUSE VILLAGES AT RIVER WOODS 8TH ADDITION;
TOWNHOUSE VILLAGES AT RIVER WOODS 9TH ADDITION; and
TOWNHOUSE VILLAGES AT RIVER WOODS 10TH ADDITION.

Section 3. "Common Area" shall mean all real property owned by the ASSOCIATION for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of River Woods Townhouses with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot situated within River Woods Townhouses, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declaration" shall mean and refer to the Restatement of Declaration of Covenants, Conditions and Restrictions applicable to River Woods Townhouses recorded in the Office of the Register of Deeds in and for Dakota County, Minnesota, as Document No. 536887, including subsequent revisions or restatements of said document.

Section 7. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 8. "Living Unit" shall mean and refer to any building situated within River Woods Townhouses designated and intended for use and occupancy as a residence by a single family.

Section 9. "Family" shall mean an individual, or two (2) or more persons each related by blood, marriage or adoption, living together as a single housekeeping unit; or a group of not more than three (3) individuals who have attained the age of majority or who are emancipated not so related maintaining a common household and using common cooking and kitchen facilities.

ARTICLE III. MEETINGS OF MEMBERS

Section 1. "Annual Meetings" Annual meetings of members shall be held in April of each year at a date set by the board of directors.

Section 2. "Special Meetings" Special meetings of the members for any purpose may be called at any time by the president or three (3) or more members of the board of directors, or upon written request of the members who have a right to vote ten percent (10%) of all of the votes.

Section 3. "Notice of Meetings" Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by sending a copy of the notice by mail, postage thereon fully prepaid to the owner at his address appearing on the books of the corporation. Each member shall register his address with the Secretary, and notices of meetings shall be mailed to him at such address. Notice of any meeting, regular or special, shall be mailed at least fifteen (15) days in advance of the meeting and shall set forth in general the nature of the business to be transacted, together with the place, day and hour of the meeting; provided, however, that if the business of any meeting shall involve an election governed by Article V or any action governed by the Articles of Incorporation or by the Declaration notice of such meeting shall be given as required therein.

Section 4. "Quorum" The presence at the meeting of members entitled to cast, or of proxies entitled to cast, ten percent (10%) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereafter shall have the 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 corporate meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary or such individual designated by the secretary. No proxy shall extend beyond a period of eleven (11) months from the date of mailing by the secretary to any member, and every proxy shall automatically cease upon sale by the member of his home or other interest in River Woods Townhouses.

Section 6. "Minutes" Minutes shall be recorded at all regular and special meetings of the members.

ARTICE IV.
BOARD OF DIRECTORS

Section 1. "Number" The management and affairs of this corporation shall be managed by a board of nine (9) directors, who need not be members of the corporation.

Section 2. "Term of Office" At the first meeting of the members, the members shall elect three (3) directors for a term of one (1) year, three (3) directors for a term of two (2) years and three (3) directors for a term of three (3) years; and at each annual meeting thereafter the members shall elect three (3) directors for a term of three (3) years.

Section 3. "Removal" Any director may be removed from the board with or without cause, by a majority vote of the members of the ASSOCIATION present, voting in person, or by proxy, at a special meeting of the members, called for that purpose or by a two-thirds majority vote of the board members voting in person or by proxy at a special meeting of the board of directors called for that purpose.

Section 4. "Vacancies" Vacancies on the board of Directors, as the result of death, resignation or removal, shall be filled by the majority of the remaining directors, any such appointed director shall hold office until his successor is elected by the members, who may make such election at the next annual meeting of the members or at any special meeting duly called for that purpose.

Section 5. "Compensation" No Director shall receive compensation for any service he may render to the ASSOCIATION as a director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties and for other services performed on behalf of the ASSOCIATION.

Section 6. "Action Taken Without a Meeting" After a reasonable attempt to notify all directors, 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 a majority of the board members. An action so approved shall have the same effect as though taken at a meeting of the directors.

Section 7. "Code of Ethics" The board of directors shall establish a code of ethics to govern the conduct of the board members.

ARTICLE V.
NOMINATION AND ELECTION OF DIRECTORS

Section 1. "Nomination" 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. The Nominating Committee shall consist of a Chairman, 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 2. "Election" Election to the board of directors shall be made by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The person receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI.
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. The board of directors shall have the power:

- (a) To 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 infraction thereof.
- (b) To suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the ASSOCIATION.

Such rights may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations.
- (c) To exercise for the ASSOCIATION all powers, duties and authority vested in or delegated to this ASSOCIATION and not reserved to the membership by other provisions of these by-laws, the articles of incorporation, or the Declaration.
- (d) To 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 or fifty percent of meetings, over any 12 month period of the board of directors.
- (e) To appoint and remove at pleasure all officers, agents and employees of the ASSOCIATION, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these by-laws shall be construed to prohibit the employment of any member, officer or director of the ASSOCIATION in any capacity whatsoever, subject to the provisions of Article IV, Section 5 of the by-laws
- (f) To call special meetings of the members whenever it deems necessary and the Board secretary shall call a meeting at any time upon written request of ten percent (10%) of the voting membership, as provided in Article III, Section 2

and Section 3 of these by-laws.

- (g) To establish, levy and assess and collect the assessments or charges referred to in Article IV of the Declaration.

Section 2. "Duties" It shall be the duty of the board of directors:

- (a) To 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 of the members when such is required in writing by ten percent (10%) of the votes of the membership, as provided in Article III, Section 2 of the by-laws.
- (b) To supervise all officers, agents and employees of this ASSOCIATION, and to see that their duties are properly performed.
- (c) As more fully provided in Article IV of the Declaration:
 - (1) to fix the amount of the assessment against each Lot for each assessment period at least thirty (30) days in advance of such date or period and, at the same time;
 - (2) to prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the ASSOCIATION and shall be open to inspection by any member, and at the same time;
 - (3) to send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - (4) to enforce the provisions of Article IV, Section 7 of the Declaration.
- (d) To issue, or to cause an appropriate representative to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid and the amount of any unpaid assessment. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid or the amount of any unpaid assessment. A reasonable charge may be made by the board for the issuance of those certificates.
- (e) To procure and maintain adequate liability and hazard insurance on property owned by the ASSOCIATION.
- (f) To cause all officers or employees having fiscal responsibilities to be bonded as it may deem appropriate.
- (g) To cause the common area to be maintained.

ARTICLE VII.

DIRECTORS MEETING

Section 1. A regular meeting of the board of directors shall be held on a day, time and place agreed upon by a majority of the directors.

Section 2. Notice of such regular meeting is hereby dispensed with.

Section 3. Special meetings of the board of directors shall be held when called by the president of the ASSOCIATION or by any three directors after not less than three (3) days notice to each director.

Section 4. The transaction of any business at any meeting of the board of directors, however called and noticed, or wherever held or action taken without a meeting shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present or if a majority of the board of directors sign a document approving said action.

Section 5. The majority of the board of directors shall constitute a quorum thereof.

Section 6. The president or presiding individual shall see that the secretary of another individual shall record minutes of all regular or special meetings.

ARTICLE VIII 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, and 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 shall sooner resign, or shall be removed, or otherwise become disqualified to serve.

Section 4. "Special Appointments" The board may elect such other officials as the officers of the ASSOCIATION may require, such of whom shall hold office for such period, have such authority, and perform such duties as the board may, from time to time, determine.

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

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

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

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

- (a) President - The president shall preside at all meetings of the board of directors; shall see that orders and resolutions of the board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall sign all promissory notes.
- (b) Vice President - The vice president shall act in the place and stead of the president in the event of his/her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of the person by the board.
- (c) Secretary - The secretary shall personally or through a delegate 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.
- (d) Treasurer - The treasurer shall perform or cause to be performed the following: (i) receive and deposit in appropriate bank accounts all monies of the ASSOCIATION and shall disburse such funds as directed by resolution of the board of directors; (ii) keep proper books of account; (iii) [as amended at a duly authorized meeting on October 28, 1986] cause a review and management letter of the association books by a public accountant at the end of each fiscal year with authority for a full audit to be caused at the board's discretion; and (iv) shall prepare an annual budget and a statement of income and expenditures and mail a copy of each to the members. The treasurer shall also be a member of the finance committee and shall have the authority to co-sign checks.

ARTICLE IX.
COMMITTEES

Section 1. The standing committees of the ASSOCIATION shall be:

The Nominating Committee
The Maintenance Committee
The Architectural Control Committee

The Communications Committee
The Finance Committee

Unless otherwise provided herein, each committee shall consist of a chairperson and two or more members and shall include a member of the board of directors for board contact. The board of directors may appoint such other committees as it deems desirable.

Section 2. The Nominating Committee shall have the duties and functions described in Article V of the by-laws.

Section 3. The Maintenance Committee shall advise the board of directors on all matters pertaining to the maintenance, repair or improvement of the Common Properties and facilities of the ASSOCIATION, and shall periodically review the adequacy of the insurance coverage afforded the ASSOCIATION and advise the board of directors; and shall do a monthly review and adjustment of the maintenance budget, and shall prepare a proposed annual maintenance/pool budget; and shall perform such other functions as the board, in its discretion, determines.

Section 4. The Architectural Control Committee shall have the duties and functions described in Article VI of the Declaration. It shall watch for any proposals, programs, or activities which may affect the residential value of River Woods Townhouses and shall advise the board of directors regarding ASSOCIATION action on such matters.

Section 5. The Communications Committee shall inform the members of all activities and functions of the ASSOCIATION and shall, after consulting with the board of directors, make such public releases and announcements as are in the best interests of the ASSOCIATION and shall perform such other functions as the board in its discretion determines.

Section 6. The Finance Committee shall supervise the annual management letter and/or audit and approve the annual budget and balance sheet statement as provided in Article VIII, Section 8(d) of the by-laws, and shall review and approve monthly financial statements, and shall make recommendations for fee increases. [As amended at a duly authorized meeting on October 28, 1986].

Section 7. With the exception of the Nomination Committee and the Architectural Control Committee (but then only as to those functions that are governed by Article VI of the Declarations, each committee shall have the power to appoint a subcommittee from among its membership and may delegate to any such subcommittee any of its powers, duties and functions.

Section 8. It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the ASSOCIATION as is further concerned with the matter presented.

ARTICLE X.
BOOKS AND RECORDS

Section 1. The books, records and papers of the ASSOCIATION shall at all times, during reasonable business hours, be subject to the inspection of any member. The Declarations, the Articles of Incorporation and the By-laws of the ASSOCIATION shall be available for inspection by any member at the principal office of this ASSOCIATION, where copies may be purchased at a reasonable cost.

ARTICLE XI.
ASSESSMENTS

[As amended at the April 18, 1988 annual meeting of the Association]

As more fully provided in the Declaration, each member is obligated to pay to the ASSOCIATION annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. The delinquent assessment policy for the ASSOCIATION shall be (i) assessments which remain unpaid more than ten (10) days after the due date shall result in a \$10.00 administrative charge; (ii) assessments which remain unpaid more than twenty (20) days after the due date shall result in an additional \$10.00 administrative charge; and (iii) assessments which remain unpaid for more than thirty (30) days after the due date may, at the discretion of the board of directors, be referred to the ASSOCIATION'S attorney for collection. The ASSOCIATION, through its legal counsel, may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees required for collection or court action shall be added to the amount of such assessments. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area or abandonment of his lot.

ARTICLE XII.
AMENDMENTS

Section 1. These by-laws may be amended, at a regular or special meeting of the members, by a majority vote when a quorum of members are present in person or by proxy, provided that the voting and quorum requirements specified for any action under any provision of these by-laws shall apply also to any amendments of such provision and provided further that those provisions of these by-laws which are governed by the Articles of Incorporation of this ASSOCIATION may not be amended, except as provided in the Articles of Incorporation or applicable law; and further that any matter stated herein to be or which is in fact governed by the Declaration may not be amended except as provided in such Declaration.

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

ARTICLE XIII.
DISSOLUTION

The corporation may be dissolved only with the assent given in writing and signed by the members entitled to cast two-thirds (2/3) of the votes. Written notice of a proposal to dissolve, setting forth the reasons therefor

and the dispositions to be made of the assets (which shall be consonant with Article XIV hereof) shall be mailed to every member at least ninety (90) days in advance of any action taken.

ARTICLE XIV.
DISPOSITION OF ASSETS UPON DISSOLUTION

Upon dissolution of the corporation, the assets, both real and personal of the corporation, shall be dedicated to an appropriate public agency to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the corporation. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust, or other organization to be devoted to purposes, as nearly as practicable the same as to those to which they were required to be devoted by the corporation. No such disposition of ASSOCIATION properties shall be effective to divest or diminish any right or title of any member vested in him under the recorded Declaration applicable to the member unless made in accordance with the provisions of such Declaration.

ARTICLE XV.
MISCELLANEOUS

The fiscal year of the ASSOCIATION shall begin on the first day of November and end on the 31st day of October of the following year.

IN WITNESS WHEREOF, the undersigned, being the President and Secretary, respectively, of the Townhouse Villages at River Woods Homes Association, the Minnesota non-profit corporation referred to in these By-laws, declare and certify that pursuant to Article XII of the By-laws executed on April 3, 1972 and at the annual meeting of the Association held on April 11, 1984, a quorum of the members were present and approved this First Restatement of By-laws for Townhouse Villages at River Woods Homes Association and said Restatement shall take effect as of April 11, 1984.

TOWNHOUSE VILLAGES AT RIVER WOODS
HOMES ASSOCIATION

By: /s/ Patricia DeVine
Its President

By: /s/ Patricia Harris Picard
Its Secretary

