

AMENDED AND RESTATED BY-LAWS OF VILLAGES AT RIVER WOODS HOMES ASSOCIATION

ARTICLE I NAME AND LOCATION

The name of this corporation is **VILLAGES AT RIVER WOODS HOMES ASSOCIATION**, hereinafter referred to as the "Association". The principal office of the Association shall be located at the residence of the person then serving as Secretary of the Association, 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 filed in the Office of the Secretary of State, April 10, 1972, in Book I-38, page 305, and further of record in the Offices of the Hennepin County Register of Deeds and the Dakota County Recorder of Deeds, together with any amendments thereto.

Section 2. "Association" shall mean and refer to VILLAGES AT RIVER WOODS HOMES ASSOCIATION, a Minnesota non-profit corporation, its successors and assigns.

Section 3. "Bylaws" shall mean these Amended and Restated Bylaws of the Villages at River Woods Homes Association, and any amendments hereto, together with the original Bylaws of the Villages at River Woods Homes Association

Section 4. "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 these Bylaws 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 as described in the Declaration and any amendments thereto.

Section 5. "Community" shall mean and refer to the Villages at River Woods.

Section 6. "Declarant" shall mean and refer to the original declarant, Pentom, Inc., a Minnesota corporation, and its successors and assigns.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Subject Property dated April 6, 1972 and on record in the offices of the Association and in the Office of the Register of Deeds for Dakota County, Minnesota.

Section 8. The terms “ Dwelling,” and “ Living Unit” shall be synonymous and 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 9. “ Governing Documents” shall mean and refer to the Declaration, the Articles and these By-Laws, and any amendments or restatements thereof.

Section 10. “ Lot” shall mean and refer to any parcel of land shown upon any recorded subdivision map of the Village of River Woods, with the exception of the Common Area.

Section 11. “ Member” shall mean and refer to all Owners who are Members of the Association as provided in the Articles and Declaration, but excluding persons who hold an interest merely as security for the performance of an obligation.

11.1 “ Class A Members” shall mean all Owners other than Pentom, Inc.

11.2 “ Class B Members” shall mean Pentom, Inc. (“ Declarant”), which shall hold limited-duration ownership and Membership Units as specified in the Declaration terminating on or before December 31, 1974.

Section 12. “ 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 Living Unit situated upon the Subject Property.

Section 13. The terms “ River Woods” and “ Subject Property” shall be synonymous and each shall mean and refer to that certain real property described as follows in the Articles:

Lots 1 through 73, Block 1; Lots 1 through 16, Block 2; Lots 1 through 12, Block 3, and Outlot A, all in Villages at River Woods according to the plat thereof on file and of record in the Office of the Register of Deeds in and for the County of Dakota, State of Minnesota, and such additions thereto as may hereafter be brought within the jurisdiction of this corporation by annexation as provided for in accordance with the provisions of [Article II, section 2 of the Declaration],

all as further described in the Declaration.

Section 14. “ Unit” shall mean and refer to a Dwelling together with the Lot 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 **MEETINGS 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. or as otherwise determined by the Board of Directors. 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.

Section 2. Minimum Agenda at Annual Meeting. 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 3. Special Meetings. Special meetings of the Members for any purpose may be called at any time by the President, the Vice President, the Secretary, the Treasurer 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 all the votes of the entire membership.

Section 4. 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 or other person authorized to call the meeting, unless notice is waived in writing. Notice of meeting may be given to each Member by any of the following means:

- (a) Voice mail message delivered to the Member's direct telephone line or cell phone service, in which case a written record shall be maintained and made available on request of the Member of the telephone number, date and time of delivery and content of the message. Notice by voice mail message shall be deemed given at the date and time so recorded.
- (b) Sending by U.S. mail of a copy of the notice to the address designated by the Member or the Member's address as it appears on the books of the Association. Notice by mail shall be deemed given as of the date and time deposited in the United States mail, first class, with sufficient postage attached.
- (c) Handing a copy of the notice to the Member. Notice by personal delivery shall be deemed given as of the date and time the notice is handed to the Member.
- (d) Sending a copy of the notice to the Member via facsimile transmission or electronic mail at the number or address designated by the Member. Notice via facsimile or electronic transmission shall be deemed given as of the date and time recorded by the machine or program sending the transmission.
- (e) Any other method of delivery that conforms to applicable statutory law.

Additional notice of each meeting may be given to residents of the Community at large by posting a copy of the notice in the location customarily used to notify Members of community events and concerns.

Notice shall be given not less than fifteen (15) 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. The notice of the meeting may be waived by any Member before or after such 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 or the Declaration, notice of such meeting shall be given or sent as provided therein.

Section 5. One Unit, One Vote. Pursuant to Article VI of the Articles and Article IV, Section 1 of the Declaration, each Unit shall be entitled to one vote and only one vote on any matter presented to the Members. The Owner of each Unit shall be the Member entitled to vote on behalf of that Unit; provided, however that if there is more than one Owner for a particular Unit, the Owners shall decide among themselves which of them shall exercise that Unit's one vote.

Section 6. Quorum. The presence at the meeting of Members, either in person or by proxy, entitled to cast one-tenth (1/10) 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 7. 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. No proxy shall extend beyond a period of eleven (11) months from the date filed with the Secretary. Every proxy shall be revocable and shall automatically terminate upon conveyance by the Member of his or her Unit.

ARTICLE IV BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE

Section 1. Number and Qualifications of Directors. The management and affairs of the Association shall be managed by a Board of nine (9) directors who shall have been duly elected and qualified. Directors shall be members of the Association.

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 Directors for a term of two (2) years, and three 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. The term of each Director, other than the first Directors, 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 3. 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 or her successor shall be selected by a majority of the remaining members of the Board and shall serve until his or her 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 4. 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 5. 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
NOMINATION AND ELECTION OF DIRECTORS

Section 1. 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 specifically 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 (2) 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 by secretly 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.

ARTICLE VI
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 voting and Common Area enjoyment rights/right to use of the recreational facilities of any Member for any period during which any assessments remain unpaid by said Member;
- (c) suspend the said Common Area enjoyment rights/right to use of the recreational facilities of any Member for any period not to exceed sixty (60) days and/or to impose a fine not to exceed Ten Dollars (\$10.00) per day for each infraction of the Board's published rules and regulations (including those of any committee reporting to the Board) occurring after the Member has been given notice required by these Bylaws, each day during which any infraction exists being deemed a separate and distinct infraction; provided, however, that nothing contained in this section 1(c) shall be deemed to deny an Owner access to and from his or her Unit or Dwelling located in the Subject Property;
- (d) 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;

- (e) declare the office of a member of the Board of Directors to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (f) employ at will a manager, an independent contractor or such other employees, as they deem necessary, and 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 a maximum contract term of three (3) years and termination by either party without cause or payment of a termination fee on ninety (90) days or less written notice;
- (g) appoint and remove at pleasure all officers, agents and employees of the Association, fix their compensation, and require of them such security or fidelity bonds as the Board may deem expedient; provided that nothing contained in these Bylaws 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 4;
- (h) call special meetings of the Members whenever the Board deems necessary and the Board shall call a meeting at any time upon written request of twenty-five (25) percent of the voting membership, as provided in Article III, Section 2; and
- (i) establish, levy and assess and collect and enforce the assessments or charges referred to in Article XII or otherwise authorized by the Governing Documents.

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 (1/4) of the Class A 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 Article V of the Declaration:
 - (1) fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment date or period, and at the same time,
 - (2) prepare a roster of the Units 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) 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) foreclose the lien against any Unit 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 and the amount of any unpaid assessment, such that
 - (1) such certificate shall be conclusive evidence of any assessment therein stated to have been paid or the amount of any unpaid assessment, and
 - (2) a reasonable charge may be made by the Board for the issuance of these certificates;
- (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;
- (h) enforce the provisions of the Governing Documents and any rules and regulations promulgated thereunder related to the use, appearance, or condition of the Units; and
- (l) delegate specific duties to a Committee or officer of the Association subject to the oversight of the Board.

ARTICLE VII

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly at such time and place as shall be determined from time to time by a majority of the Directors.

Section 2. Notice of Regular Meetings. Notice of regular meetings is hereby dispensed with.

Section 3. Special Meetings. Special meetings of the Directors may be called by the President or any Officer of the Association and must be called by the Secretary at the written request of two (2) or more Directors. Not less than three (3) days' notice of such special meeting shall be given, which notice shall state the time, place and purpose of such meeting. Notice may be given by any of the means listed in Article 3, Section 4.

Section 4. 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 5. Quorum. The majority of the Board of Directors shall constitute a quorum thereof. If at any meeting of the Board of Directors a quorum is not present, the Chairperson shall adjourn the meeting 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 the Declaration, Articles or these By-Laws.

The transaction of any business at any meeting of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the Directors not present signs a written waiver of notice, or a consent to the holding of such meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed in the Association records and made part of the minutes of the meeting.

Section 7. Board Meeting Open to Members. Except as otherwise provided in this Section 7, 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 by posting the same in the location customarily used to notify Members of community events and concerns. No further 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 said customary location, or in such other location which is accessible to Members as may be 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 any 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 criminal activity.

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, 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 officer 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; keep the corporate seal of the Association (if any) and affix it on all papers requiring such seal; 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.

Until otherwise determined by the Board, the residence of the Secretary shall be the principal office of the Association during the term of the Secretary, and all books and

records of the Association shall be kept there. Upon leaving office for any reason, the departing Secretary shall immediately deliver all books and records to the person appointed by the Board as his or her successor.

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.

Upon leaving office for any reason, the departing Treasurer shall immediately deliver all financial books and records to the person appointed by the Board as his or her successor, together with a financial statement sufficient to advise the successor Treasurer of the Association's financial state of affairs.

ARTICLE IX COMMITTEES

Section 1. Standing Committees. The Standing Committees of the Association shall be:

The Nominating Committee
The Recreation Committee
The Maintenance Committee
The Architectural Control Committee
The Publicity Committee
The Audit Committee

The Board of Directors may appoint such other committees as it deems desirable. Unless otherwise provided herein, each Committee shall consist of a chairperson and two (2) or more members and shall include a member of the Board of Directors for Board contact. The committees shall be appointed by the Board of Directors prior to each annual meeting of the Board and shall serve from the close of such annual meeting until the close of the next annual meeting. Each such committee appointment shall be announced at the annual meeting.

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

Section 3. Recreation Committee. The Recreation Committee shall advise the program and activities of the Association and shall perform such other functions as the Board, in its discretion, determines.

Section 4. Maintenance Committee. The Maintenance Committee shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Common Area, 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 perform such other functions as the Board, in its discretion, determines.

Section 5. Architectural Control Committee. The Architectural Control Committee shall consist of three (3) or more representatives appointed by the Board, who shall have the powers, duties and functions described in Article VI of the Declaration, including the authority to promulgate, interpret and enforce rules and regulations regarding building and land use, and shall have all such other ancillary and complementary powers as are necessary for it to properly discharge its duties and perform its functions under Article VI.

Section 6. Publicity Committee. The Publicity Committee shall inform the Members of all activities and functions of the Association and shall, after consulting with the Board of Directors, makes such public releases and announcements as are in the best interests of the Association.

Section 7. Audit Committee. The Audit Committee shall supervise the annual audit of the Association's books and approve the annual budget and balance sheet statement to be presented to the Members at the regular annual meeting as provided in Article VIII, Section 8(d). The Audit Committee may request the Treasurer's assistance as it deems appropriate.

Section 8. Subcommittees. With the exception of the Nominating Committee and the Architectural Control Committee (but then only as to those functions that are governed by Article VI of the Declaration), each committee shall have the power to appoint a subcommittee from among its membership and may delegate to that subcommittee any of its powers, duties and functions.

Section 9. Member Complaints. Each committee shall have the duty 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 the Board or to such other committee, director, or officer of the Association as is further concerned with the matter presented.

ARTICLE X

ARCHITECTURAL CONTROL COMMITTEE PROCEDURES

Section 1. Approval Required. No exterior additions, removals or alterations (including changes in color or appearance) to any building or structure on any Unit within the Subject Property nor any additional buildings, fences, outbuildings, hedges, walls, patios or patio covers, decks, courts, porches, retaining walls, walkways, in-ground pools, landscaping structures, or other structures shall be commenced, erected or maintained (except such as were installed or approved by the Declarant in connection with the initial construction of the improvements) on any Unit within the Subject Property, until the plans and specifications showing the nature, kind, shape, height, materials, location and approximate cost of same, together with an application to allow the addition, removal or alteration, shall have been submitted to and approved in writing by the Architectural Control Committee.

(a) The Architectural Control Committee may determine an application for approval on written submissions only; however, it may in its discretion hear additional oral argument in person from the Owner and such experts as the Owner may choose to provide, and shall hear argument as required by section 3 of this Article.

(b) An application for approval must be denied or approved within thirty (30) days of the date it was received by the Committee. In the event the Committee fails to approve or disapprove an application within thirty (30) days after the application and supporting plans and specifications have been submitted to it, and furthermore has not brought suit to enjoin the proposed addition, alteration

or removal before its completion, such approval shall be deemed to have been given. During the time in which the Association has a Class B membership, all decisions of the Architectural Control Committee may be vetoed by the Declarant.

Section 2. Factors to Be Considered. In determining whether to permit or deny any application submitted under this Article, the Architectural Control Committee shall consider whether the proposed addition, removal or alteration is harmonious with the external design, character and location of the Unit in relation to surrounding properties and other buildings within the Community and its topography. In determining whether a proposed addition, removal or alteration is harmonious with the design, character, location and topography of the Community as a whole, the Architectural Control Committee may consider such factors as location, size, color, materials, sight-lines, noise levels, conformity with existing natural or man-made elements of the Community; effect on property values within the Community, quality of design; and the restrictions and requirements set forth in this Article X and any rules promulgated by the Committee interpreting this Article X, together with such other factors as the Committee members in the reasonable exercise of their judgment deem relevant.

Section 3. Removal of Violations. No Owner may make any addition, removal or alteration to any Unit unless the Owner has first obtained the approval of the Architectural Control Committee.

(a) *First Notice of Violation.* In the event the Architectural Control Committee determines that an addition, removal or alteration has been made without prior approval, the Chairperson of the Committee shall first notify the Owner in person or by telephone that the addition, removal or alteration violates the Declaration and these Bylaws. The Chairperson shall inform the Owner of the nature of the violation, and require the Owner to either conform to the requirements of this Article or to remove the addition, removal or alteration and return the Unit to its former state within five (5) business days of the giving of notice under this subsection (a).

(b) *Second Notice of Violation.* If the Owner does not conform or remove the violation within five (5) business days after receiving notice under subsection (a) from the Chairperson, the Committee on behalf of the Association shall give the Owner written notice of the violation, together with a demand requiring the Owner within ten (10) business days to either conform to the requirements of this Article or immediately remove the addition, removal or alteration and return the Unit to its former state.

(c) *Owner's Response.* Within ten (10) days of receipt of written notice given under subsection (b), the Owner shall notify the Committee in writing whether the Owner elects to comply by restoring the Unit to its former condition in a timely manner or wishes to be heard by the Committee at its next regular monthly meeting or at a special meeting called for that purpose.

If the Owner elects to comply with the demand given in subsection (b), it shall remove any addition or alteration and/or restore any removal in violation of this Article within the ten (10) business days set forth in this subsection (c).

If the Owner elects to be heard by the Committee at its next regular or special meeting, the ten (10) day period shall be tolled until such time as the Committee shall meet. At the hearing, the Committee shall listen to argument why the addition, alteration or removal does not constitute a violation under this Article, and may discuss with the Owner ways and means of bringing the Unit into conformity with this Article.

If the Committee determines that the addition, alteration or removal remains a violation and cannot be conformed to the requirements of this Article, then on the day after the meeting of the Committee at which the Owner is heard, the ten (10) day period to remove any addition or alteration and/or restore any removal shall commence to run again.

If the Committee determines that the addition, alteration or removal is not a violation, or can be conformed to the requirements of this Article within a reasonable time, it shall adopt a resolution stating its findings and setting a reasonable time period for the Owner to bring the Unit into compliance. If the Owner fails to bring the Unit into compliance within the stated time period, the Committee shall proceed to unilateral removal under subsection (d) of this Section 3.

(d) *Unilateral Removal of Violation.* If the Owner fails to remove the violation and restore the Unit within the period provided for in subsection (c), the Committee may cause the violation to be removed and the Unit to be restored. The costs of such removal and restoration shall be charged as an additional assessment against the Unit.

Section 4. Dispute Resolution and Review Procedure. If an appropriate and timely application has not been made to the Architectural Control Committee, or if the Owner's application has been rejected, and the violation has not been resolved through the procedures set forth in Section 3 of this Article and the matter remains in dispute between the Committee and the Owner, the parties shall proceed as follows:

(a) *Mediation or Non-Binding Arbitration.* The parties shall first submit the disputed matter to the City of Burnsville for mediation or non-binding arbitration. If the City of Burnsville no longer provides mediation or non-binding arbitration services to common interest communities, then the matter shall be submitted to a private mediator or arbitrator selected by the Board, which mediator or arbitrator shall have at least two (2) years experience in general residential real estate and common interest community law and uses. All costs of mediation or arbitration shall be divided equally between the Owner and the Association. The Association may be represented by the Committee or any of its members designated by the Committee, and the mediation or arbitration shall be conducted according to the rules, custom and usage adopted by the City of Burnsville, or if mediation or arbitration is by private mediator or arbitrator, by such rules as he or she customarily applies to disputes of comparable nature.

(b) *Lawsuit.* If the dispute is not resolved through mediation or non-binding arbitration under subsection (a) of this Section 4, then the Association may bring a lawsuit to enjoin or remove such addition, alteration or change and/or to enforce penalties and/or an additional assessment in the amount of the costs of removal and restoration, or the Owner may bring suit to obtain approval of the addition, alteration or change. Provided, however, that no lawsuit shall be instituted later than two (2) years after the Owner's receipt of written demand by the Association given under Section 3(b) of this Article.

ARTICLE XI
BUILDING AND USE RESTRICTIONS

Section 1. Residential Use. No Unit shall be used except for single-family residential purposes. No buildings shall be erected, altered, placed or permitted to remain on any Lot except a single-dwelling house designed for the accommodation of one (1) family of related persons only, together with a garage designed to accommodate not more than two (2) automobiles. The total area of all floors of the main structure shall not be less than nine hundred (900) square feet. No garage, trailer, basement, tent, shack or structure of a temporary nature shall be used at any time as a residence either temporarily or permanently.

Section 2. Easements and Set-Backs.

a. Easements. Easements for installation and maintenance of utilities and drainage facilities and set-back requirements for all buildings on any Lot are set forth in Article IX of the Declaration and the recorded plat of the Community. Within these easements, no structure, fence, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements, or which may interfere with snow plowing or snow storage within these easements.

b. Set-Backs. No building or other structure may be located on any Lot nearer than twenty-five (25) feet to the front lot line, or nearer than fifteen (15) feet to any side street line. No building shall be located nearer than ten (10) feet from any interior lot line, save and except for garages, which shall be not nearer than five (5) feet to any interior lot line, except as otherwise expressly provided in the Declaration.

Section 3. Nuisances. No noxious or offensive activities shall be carried on upon any Unit, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the Community or its surrounding neighborhood. No attractive nuisance shall be maintained or allowed to exist on any Unit.

Section 4. Animals. Animals, reptiles, rabbits, livestock, fowl or poultry of any kind shall not be raised or bred in any Unit or in the Common Area. However, dogs, cats or other common household animals may be kept as pets in the Dwellings subject to rules and regulations adopted by the Board, provided that:

- (a) no such animal is kept, bred or maintained for any commercial purpose, and
- (b) the animal is properly licensed and permitted to be kept in the residence under the ordinances of the City of Burnsville, and
- (c) any animal causing or creating a nuisance or unreasonable disturbance must be permanently removed from the Unit.

Pets may be kept outside a Dwelling only when personally attended on a leash by a Member (or a member of a Member's family) who shall immediately pick up and properly dispose of any pet wastes.

Section 5. Garbage and Refuse Storage and Removal. No Unit shall be used or maintained as a dumping or holding ground for rubbish. Trash, garbage or other waste shall be kept in sanitary containers and no burning of household or other refuse shall be done on or within any Unit. Refuse containers may not be stored outside the Dwelling Unit. Sanitary containers are subject to approval by the Architectural Control Committee and shall conform to the requirements of the City of Burnsville and the refuse service providing for pick-up and disposal of such containers.

Section 6. Prohibited Structures. No structure of a temporary character, trailer, tent, shack, boat or ice house, barn, storage shed, detached garage, tree house or other out-building of any kind shall be constructed or stored on any Unit, whether temporarily or permanently.

Section 7. Signs. Temporary signs shall conform to all requirements enacted by the City of Burnsville and the State of Minnesota regarding the construction, content, location, and removal of temporary signs in residential areas. No permanent sign shall be permitted on any Unit unless located inside a Dwelling and not visible to the public from the exterior of the Dwelling. Provided, however, that:

- (a) One sign totaling not more than one square foot may be placed on a Unit. The sign must be prepared by a company or individual engaged in the business of sign-making or be of a quality comparable to that of a professional sign company. No sign shall contain material that is offensive or prurient, and the decision of the Board on behalf of the Community shall be final as to such matters.
- (b) Signs used by the Developer to advertise the property during the constructions and sales period are exempt from the requirements from this section, as are such signs as the Board of Directors shall have approved for purposes of providing information to persons on the Community premises.

Except as provided in subsection (a), the Architectural Control Committee shall be the final arbiter of any disputes under this Section 7.

Section 8. Window Treatments. Window treatments must be in harmony with the design of the Dwelling and the surrounding area and must be properly installed.

Section 9. Landscaping, Play Equipment and Lawn Ornaments. Landscaping shall not be commenced or altered on any Lot, and no landscaping structures or playground equipment shall be erected unless first submitted to and approved by the Architectural Control Committee in accordance with the criteria set forth in Section 2 of Article X.

Section 10. Fences and Swimming Pools. Fences must be constructed of wood and shall be of similar size, design and coloring as existing fencing within the Community. Permanent above-ground swimming pools may not be erected or maintained on any Lot.

Section 11. Antenna and Receiving Devices. Exterior radio and television antennas or other receiving devices shall be placed inside the Dwelling or in an exterior location on the Unit minimally visible from neighboring properties, or as otherwise consistent with the regulations of the Federal Communications Commission and other applicable law.

Section 12. Storage. No boats, snowmobiles, trailers, camping vehicles, recreational vehicles,

unlicensed or inoperable automobiles or trucks or other vehicles (except licensed and operable automobiles belonging to the Owner or an Owner's guest) shall at any time be stored or parked on any Unit outside of a house or garage.

- (a) Operable vehicles must have wheel rims and inflated tires in place on the vehicle.
- (b) No boats, snowmobiles, trailers, camping vehicles, unlicensed or inoperable automobiles or trucks or other vehicles shall be stored or parked on any part of the Common Area without the express written approval of the Board of Directors. Provided, however, that operable recreational and other vehicles may be stored outside on a temporary basis for no more than three (3) days; and inoperable vehicles may be stored outside on a temporary basis while removal is arranged for a period of no more than five (5) days.

Section 13. Sewer and Water Facilities. The sewer disposal facilities in the Subject Property shall be limited to the municipal sanitary sewer system and all Dwellings shall be connected to the municipal water system.

Section 14. Rental of Dwellings. A Dwelling may be rented by the Owner thereof provided that a majority of the Board of Directors first approves the lease between the Owner and any tenant.

- (a) Lease approval shall be limited to a determination that the lease conforms to the requirements of Sections 1 through 4 and Section 15 of this Article X, and to any further requirements imposed by law.
- (b) No Dwelling shall be rented by the Owner thereof for transient or hotel purposes, which shall be defined as either (a) rental for any period less than 6 months, or (b) any rental if the occupants of the Dwelling are provided customary hotel or bed-and-breakfast services, such as room service or restaurant services for food and beverage, maid service, furnishing laundry and linen, and bellhop or concierge service.
- (c) Any lease agreement between an Owner and a Tenant shall be in writing and shall provide that the terms of the lease shall be subject in all respects to the provisions of the Governing Documents and rules and regulations of the Association and applicable law, that any failure by the Tenant to comply with the terms of the Governing Documents, rules and regulations or applicable law shall be a default under the lease, and that the Association shall have the right as a third party beneficiary to enforce the terms of the Lease, the Governing Documents, the rules and regulations, and applicable law by any legal means including, if necessary, by eviction of the tenant.
- (d) Time shares or any comparable form of divided lease, use or occupancy rights or other arrangement which has the effect of dividing the ownership or occupancy of a Unit into separate time periods, is not provided for by the Declaration, is contrary to the single-family-residential requirements of Article VIII of the Declaration and Section 1 of these Bylaws, and therefore is prohibited.

Section 15. Additional Building and Use Restrictions. The Architectural Control Committee shall have the authority to promulgate rules and regulations interpreting and enforcing the provisions of the

Governing Documents regarding building and use matters affecting the Units and the Community.

- (a) A vote of the majority of those present and constituting a quorum of the Architectural Control Committee shall be sufficient to adopt any rule or regulation; provided, however, that the Board of Directors shall have absolute authority to veto, amend, repeal, or replace any such rule or regulation.
- (b) The Architectural Control Committee shall periodically publish a revised and updated list of its Rules and Regulations. A copy of the current Rules and Regulations and any rules and regulations in effect for the previous five (5) years shall be maintained at the offices of the Association. Upon request, the Association or Committee shall provide a copy of the current Rules and Regulations to any Member, proposed tenant, or prospective purchaser of a Unit.

Section 17. Additional Remedies. The Architectural Control Board and the Board of Directors, in addition to the remedies set forth in Article IX and X, shall have the authority under Section 1(b) of Article VI to impose fines for violations of any Building and Use Restrictions adopted as set forth above, and shall have the right to recover attorney's fees and costs in any action brought to enforce said Building and Use Restrictions.

ARTICLE XII BOOKS AND RECORDS

Section 1. Required 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.

Section 2. Access to and Copying of Records. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Governing Documents shall be available, during reasonable business hours, for inspection by any Member, where copies may be purchased at reasonable cost.

ARTICLE XIII 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 Unit against which the assessment is made. Each such assessment shall also be a personal obligation of the Owner of each Lot at the time the assessment falls due.

Section 1. Delinquent Assessments; Accrual of Interest. Any assessments which are not paid when due shall be delinquent. If a delinquent 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 set at the annual meeting of the Board of Directors, or if the Board fails to act at the annual meeting to adopt a rate for the following year, at the default rate of six percent (6%) per annum.

Section 2. Collection of Delinquent Assessments. The Association may bring an action at law against the Owner personally obligated to pay a delinquent assessment or may foreclose its lien thereon. In any action for the collection of an assessment, the Association shall be entitled to recover the full amount of the assessment due and owing, together with interest, court costs and costs of collection, penalties and fines imposed in accordance with the Governing Documents, and reasonable attorneys' fees.

Section 3. Absolute Liability for Assessments. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area, abandonment of such Owner's Unit, or assignment of such Owner's liability without the prior approval of the Board.

ARTICLE XIV INSURANCE AGAINST LOSS

The Association shall obtain and maintain, at a minimum, any master policy or policies of property or liability insurance as may be mandated by applicable insurance requirements set forth in the Act and any explicit requirements set forth in the Governing Documents. Any such master policy shall be issued by a reputable insurance company or companies authorized to do business in the State of Minnesota. The Association may, but shall not be required to, procure such additional forms of property insurance, comprehensive general liability insurance, fidelity bond, errors and omissions or surety insurance, workers compensation insurance, or construction insurance, as the Board may from time to time redeem cost-effective and prudent. The Board may appoint a special committee under Article IX, section, to advise it as to the appropriate scope of coverage, terms and conditions, costs, and other matters relating to any such proposed policy of insurance.

ARTICLE XV NO CORPORATE SEAL

The Association may have as its seal a circular form inscribed with the name of the Association and the words "corporate seal." Provided, however, that the Board of Directors may determine that there shall be no corporate seal.

ARTICLE XVI AMENDMENTS

Section 1. Vote Required to Amend. 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 each class of Members present in person or by proxy, provided that the voting and quorum requirements specified for such action under any provision of these Bylaws shall apply also to any amendment of such provision, and provided further that additional consent required by the Declaration is obtained, and provided that so long as there is a Class B membership, both the Declarant (and the Federal Housing Administration or the Veterans Administration if it has insured loans against any Units) shall have the right to veto amendments.

Section 2. Rule of Construction. 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 XVII **DISSOLUTION**

Section 1. Dissolution. The Association may be dissolved only with the written consent and signatures of the Members entitled to cast two-thirds (2/3) of the vote of each class of Membership; provided, however, that so long as there is a Class B membership, the prior approval of the Federal Housing Administration or the Veterans Administration shall be required. Written notice of a proposal to dissolve, setting forth the reasons therefor and the disposition to be made of the assets (which shall be consonant with Section 2 hereof), shall be mailed to every Member at least ninety (90) days in advance of any action taken.

Section 2. Disposition of Assets. Upon dissolution of the Association, its real and personal assets 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 Association. 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 those to which they were required to be devoted by the Association. No such disposition of Association property shall be effective to divest or diminish any right or title of any Member vested in that Member by the Declaration unless made in accordance with the provisions of the Declaration. As long as there is a Class B membership, such dissolution, dedication, conveyance or other disposition of the Association's assets shall require the prior approval of the Federal Housing Administration or the Veterans Administration.

ARTICLE XVIII
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 financial statement shall be delivered to all Members within thirty (30) days of the end of each fiscal year. Financial statements shall be prepared on a full accrual basis using an accounting format that separates operating activity from replacement reserve activity. The Board shall review the Association's financial statement at the end of each fiscal year, unless within thirty (30) days after delivery of the financial statement to the Board and the Members, Members to which at least thirty percent (30%) of the votes in the Association are allocated vote at a meeting or by mailed ballot to waive review by the Board 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 additional review or an audit to be made.

IN WITNESS WHEREOF, we, being all of the Directors of the Village at River Woods Homes Association, have hereunto set our hands to these Amended and Restated Bylaws this ~~23rd~~ day of JANUARY, 2006.

Mike Chewi

Gary Hughes

Mark Stulka

Robert C. Anni

Joseph Scheraga

Mike [Signature]

Elena Krone

Kyle [Signature]

[Signature]

