

1447992

OFFICE OF THE COUNTY RECORDER

DAKOTA COUNTY, MINNESOTA

CERTIFIED THAT THE WITHIN INSTRUMENT
WAS RECORDED IN THIS OFFICE ON AND AT

OCTOBER 2nd 8:00 AM 1997

DOC. NO. 1447992

JAMES N. DOLAN, COUNTY RECORDER

BY: [Signature] Deputy 4.50

FEE 2.00 SURCHARGE 7.50

CASH ☐ CHECK ☒ ESCROW ☐

WELL ☐ CHARGE ☐

CHARGE TO: OR 5.00

DO NOT REMOVE

7/1
7/12

**BY-LAWS
OF
WOODGATE THIRD HOME OWNERS ASSOCIATION, INC.**

ARTICLE I

NAME AND LOCATION

The name of the Corporation is Woodgate Third Home Owners Association, Inc., hereinafter referred to as the Corporation.

The registered office of the Corporation shall be located at P.O. Box 21012, Eagan, Minnesota, but meetings of Members and directors may be held at such places within a twenty (20) mile radius of the Corporation as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. The following words when used in these By-Laws shall have the following meanings:

- (a) "Association" shall mean Woodgate Third Home Owners Association, Inc., a Minnesota non-profit corporation organized under Minnesota Statutes Chapter 317.
- (b) "Common Area" shall mean Outlot A, in Woodgate Third Addition, Dakota County, Minnesota, including all improvements and structures constructed or to be constructed thereon, and such additions thereto (by way of easement or other grant) as have been or may be granted to the Corporation for the common use and enjoyment of the Owners.
- (c) "Corporation" shall mean and refer to this corporation, which is also referred to as the "Association" in the Declaration.
- (d) "Declarant" shall mean Woodgate Third Home Owners Association, Inc., a Minnesota non-profit corporation, its successors and assigns if such successors and assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

- (e) "Declaration" shall mean and refer to the Declaration of Covenants, Restrictions and Easements for Woodgate Third Home Owners Association, Inc. filed for record in the office of the County Registrar of Titles in and for Dakota County, Minnesota, on September 25, 1975, as Document No. 456499 and shall include any amended or supplemental Declaration executed in accordance with the provisions thereof.
- (f) "Driveway" shall mean the paved surfaces of a Lot intended for vehicular traffic and parking between the public streets and the Living Units.
- (g) "Living Unit" or "Unit" shall mean a residential housing unit consisting of a group of rooms and hallways which are designed or intended for use as living quarters for one family. For the purpose of determining membership in the Association, each Living Unit as constructed on a Lot by Declarant shall be considered as a separate and individual unit.
- (h) "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property, with the exception of the Common Area.
- (j) "Member" shall mean any person or entity holding membership in the Association as provided in the Declaration.
- (k) "Mortgage" shall mean any mortgage or other security instrument by which a Lot or any part thereof or any structure thereon is encumbered.
- (l) "Mortgagee" shall mean any person or entity named as the mortgagee under any Mortgage or any successors or assigns to the interest of such person or entity under such Mortgage.
- (m) "Owner" shall mean the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.
- (n) "Property" shall mean and refer to that certain real property described in the Declaration and such additions thereto as hereafter may be brought within the jurisdiction of the Association, and shall include any other lots or outlots within said subdivision.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot subject to assessment, except as herein provided to the contrary, shall be entitled and required to be a Member of the Corporation. If title to a Lot is held by more than one person, each of such persons shall be a Member. An Owner of more than one Lot shall be entitled to one membership for each such Lot. Each such membership shall be appurtenant to the Lot upon which it is based and shall transfer

automatically by voluntary or involuntary conveyance of the title of that Lot. No person or entity other than an Owner or Declarant may be a Member of the Corporation, and a membership in the Corporation may not be transferred except in connection with the transfer of title to that Lot. An Owner may, however, assign voting rights and other privileges of membership to a first mortgage holder or contract purchaser (but the Owner shall not thereby be relieved of the obligations of an Owner and Member to the Association), and the Association shall recognize such assignment upon receipt of written notice from the Owner.

Section 2. Transfer. A membership in the Corporation shall not be transferred, pledged or alienated in any way, except upon the transfer of the record title of a Lot and then only to such transferee, by assignment, intestate succession, testamentary disposition, foreclosure of mortgage of record or other legal process. It shall be the responsibility of each Owner upon becoming entitled to membership, to so notify the Corporation in writing, and until so notified, the Corporation may continue to carry the name of the former Owner as a Member, in its sole discretion. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Corporation. In the event the Owner of any Lot should fail or refuse to transfer the membership registered in his name to the transferee of the title of such Lot, the Corporation shall have the right to record the transfer upon the books of the Corporation and issue a new membership to the transferee, and thereupon the old membership outstanding in the name of the transferor shall be null and void as though the same had been surrendered.

Section 3. Voting. The Corporation shall have one class of voting membership which shall all Owners of Lots who shall be entitled to one vote for each Lot owned. When more than one person holds title to any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any one Lot. There can be no split vote. Prior to or at the time of any meeting at which a vote is to be taken, each co-Owner or other person entitled to a vote at such meeting shall file with the Secretary of the Corporation the name of the voting co-Owner or other

person entitled to a vote at such meeting, unless such co-Owner or other persons have filed a general voting authority with the Secretary applicable to all votes until rescinded.

Section 4. Suspension of Voting Rights. In the event any Owner shall be arrears in the payment of any amounts due under any of the provisions of the Declaration or these By-Laws for a period of thirty (30) days, or shall be in default in the performance of any of the terms of the Declaration or these By-Laws for a period of thirty (30) days, such Owner's right to vote as a Member of the Corporation shall be suspended and shall remain suspended until all payments are brought current and all defaults remedied; provided, however, that the Board may, on a case by case basis, waive this suspension in cases of unusual hardship so long as the Member has made and performed payment arrangements satisfactory to the Board.

Section 5. Quorum. The presence in person or by proxy of ten percent (10%) of the votes of each class of 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 thereat shall have power to adjourn the meeting from time to time, without notice other than announcement of the meeting, until a quorum as aforesaid shall be present or represented.

Section 6. Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary of the Corporation before the appointed time of each meeting of the Members of the Corporation. Cumulative voting shall not be permitted.

Section 7. Majority Required. A majority shall be sufficient for the transaction of all business of the Corporation except on matters where a greater vote is required by the Declaration, the Articles of Incorporation, the By-Laws or by statute.

Section 8. Meetings. Meetings of the Corporation shall be in accordance with the following provisions.

A. Annual Meetings. Annual meetings of the Corporation shall be held each year in the month of April; the Board of Directors shall select the date on which said meeting shall occur.

B. Special Meetings. It shall be the duty of the President to call a special meeting of the Members when requested in writing by a majority of the Members of the Board of Directors or upon a petition signed by Members who are entitled to vote ten percent (10%) of all of the Class A membership. Notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

C. Notice of Meetings. It shall be the duty of the Secretary to serve a notice of each annual or special meeting, stating the purposes thereof as well as the date, time and place where it is to be held, upon each Member of record. Such notice shall be given not less than 21 nor more than 30 days in advance of any annual meeting and not less than 7 nor more than 30 days in advance of any special meeting. The hand delivery or the mailing of a notice postage prepaid by U.S. mail to each Member at the address shown for such Member on the Corporation's records shall be deemed notice served. Such notice shall also state the procedures for appointing proxies.

D. Annual Report. An annual report shall be prepared by the Corporation and a copy of the report shall be provided to each Unit Owner at or prior to the annual meeting.

- 1) The annual report shall contain at a minimum:
 - a) a statement of any capital expenditures in excess of two percent of the current budget or \$5,000, whichever is greater, approved by the Corporation for the current fiscal year or succeeding two fiscal years;
 - b) a statement of the balance in any reserve or replacement fund;
 - c) a copy of the statement of revenues and expenses for the Corporation's last fiscal year, and a balance sheet as of the end of said fiscal year;
 - d) a statement of the status of any pending litigation or judgments to which the Corporation is a party;
 - e) a statement of the insurance coverage provided by the Corporation; and
 - f) a statement of the total past due assessments on all Units, current as of not more than 60 days prior to the date of the meeting.

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

- 1) Roll call
- 2) Proof of notice of meeting or waiver of notice
- 3) Reading of minutes of preceding meeting
- 4) Reports of officers
- 5) Report of committees
- 6) Report of representatives of Federal Housing Administration and/or Veterans Administration, if present
- 7) Election of directors
- 8) Unfinished business
- 9) New business.

ARTICLE IV

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 one or more Members of the Corporation. 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 secret written ballot; provided that if there are no more nominees than vacancies, the chairman of the meeting may call for a voice vote to elect the slate of nominees. 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 persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE V

BOARD OF DIRECTORS

Section 1. Number and Qualification. The affairs of the Corporation shall be governed by a Board of Directors composed of nine (9) persons. Directors shall be Members of the Corporation.

Section 2. Powers. The Board of Directors shall have the following powers:

A. To adopt and publish reasonable rules and regulations governing the use of the common facilities of the Corporation, the personal conduct of the Members, tenants, residents and their guests thereon as well as personal conduct which may significantly impact other Members, tenants, residents and guests, and the failure to perform obligations set forth in the Declaration or By-Laws, and regulating and registering leases, and to establish penalties for the infraction thereof;

B. To suspend the voting rights and right to use of the recreational facilities of a Member, but not rights of access and easements necessary for the use of his Lot, during any period in which such Member shall be in default for a period of thirty (30) days in the payment of any assessment levied by the Corporation, or the payment of any other amount or the performance of any other term of the Declaration or these By-Laws. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations.

C. To exercise for the Corporation all powers, duties and authority vested in or delegated to this Corporation and not reserved to the membership by other provisions of these By-Laws, the Declaration, or the Articles;

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 of the Board of Directors;

E. To employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties, subject to the limitations set forth in the Declaration;

F. To hold title to and manage the Common Area and other interests in real estate for the benefit of the Members;

G. To assess reasonable service charges for tardy payment of assessments and for returned checks, to use all lawful and ethical collection methods, including retaining collection agencies and legal counsel, and to charge the Member and add to the assessment all reasonable costs of collection; and

H. To dedicate, grant or transfer permits, licenses and easements for public utilities, roads and other public or common purposes over the Common Area consistent with the intended use of the common elements.

Section 3. Duties. The Board of Directors shall have the following duties:

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 when such statement is requested in writing by one-fourth (1/4) of the membership entitled to vote;

B. To supervise all officers, agents and employees of this Corporation, and to see that their duties are properly performed;

C. To establish the annual assessment period and fix the amount of the annual assessment against each Member for each Lot owned and against the Declarant, if any, for the following fiscal year by March 31 preceding the start of such fiscal year, all in accordance with the terms of the Declaration and these By-Laws;

D. To fix the amount of any special or other assessment against each Member for each Lot owned and against the Declarant, all in accordance with the terms of the Declaration and these By-Laws;

E. To send written notice to all Members of any meeting of the members called for the purpose of voting upon increases in annual assessments above the maximum set by the Declaration or voting upon a proposed special assessment;

F. To send written notice of each assessment for the following fiscal year to every Owner and, where appropriate, to the Declarant, by March 31 preceding the start of such fiscal year, and levy all such assessments as liens;

G. To foreclose by action in the same manner as a mortgage the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner or other person personally obligated to pay the same; and by notice to the Owner, to accelerate the remaining installments of the assessment due in the current assessment year (or, if the Corporation's lien is foreclosed, during the running of the redemption period);

H. To 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;

I. To procure and maintain liability and fire and other hazard insurance on property owned by the Corporation which shall include fire and extended coverage on insurable common property on a current replacement cost basis in an amount not less than 100% of the insurable value (based on current replacement only); and to use the proceeds of such hazard insurance solely for the repair, replacement or reconstruction of such insurable common property including insured improvements and to procure and maintain other insurance as required or authorized by the Declaration;

J. To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate, and at least as required by the Declaration;

K. To cause all of the Common Area and community facilities to be maintained;

L. To enforce, diligently and in a fair and reasonable manner, the architectural controls contained in the Declaration so that the goals of uniform high quality and harmonious appearance will be achieved; and

M. To perform the other functions of the Association set forth in the Declaration.

Section 4. Term of Office. At each annual meeting, the Members shall elect a director for a term of three years to fill the vacancy created by any director with an expiring term. There shall be no limit on the number of times a director may serve.

Section 5. Vacancies. Any vacancy in the Board of Directors shall be filled by vote of the majority of remaining directors, even though they may constitute less than a quorum. Each person so elected shall be a director for the unexpired term of his predecessor, or until his successor is elected.

Section 6. Compensation. Except as set forth in this section, no director shall receive compensation for any service he may render to the Corporation. Directors shall receive an honorarium for serving on the Board of Directors; said honorarium shall be established from time to time by the Members and any change to the honorarium shall require a vote at the annual meeting. Any director may also be reimbursed for his actual expenses incurred in the performance of his duties. Notwithstanding anything to the contrary herein, the Board of Directors may compensate the Secretary and Treasurer of the Corporation, provided that said compensation shall be fully disclosed to the Members in minutes of the Corporation.

Section 7. Removal of Directors. At any regular or special meeting of the Corporation duly called, any director may be removed with or without cause by a majority vote of the Members of the Association and a successor may then and there be elected to fill the vacancy thus created.

Section 8. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of its election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, provided a majority of the whole Board shall be present.

Section 9. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be determined from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each director, given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least a majority of the directors.

Section 11. Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be deemed a waiver of notice by him of the time and place thereof, unless the director objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate in the meeting. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which quorum is present shall be the acts of the Board of Directors except as otherwise provided in the Declaration, Articles or these By-Laws. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those

present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. If a quorum is present when a duly called or held meeting is convened, the directors present may continue to transact business until adjournment, even though the withdrawal of directors originally present leaves less than the proportion or number otherwise required for a quorum.

Section 13. 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.

Section 14. Electronic Communications. A conference among directors by a means of communication through which the directors may simultaneously hear each other during the conference is a Board meeting, if the same notice is given of the conference as would be required for a meeting, and if the number of directors participating in the conference is a quorum. Participation in a meeting by this means is personal presence at the meeting. A director may participate in a Board meeting by any means of communication through which the director, other directors participating, and all directors physically present at the meeting may simultaneously hear each other during the meeting. Participation in a meeting by this means is personal presence at the meeting.

ARTICLE VI

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Corporation 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 Corporation shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, be removed or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Corporation 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 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; he 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 (except to the extent that the Board of Directors authorizes or mandates the delegation of such authority).

Vice President

B. The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him 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, if any, of the Corporation and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the members of the Corporation 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 Corporation and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Corporation (except to the extent that the Board of Directors authorizes or mandates the delegation of such authority); keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members (and may use agents for some or all of these purposes, as authorized by the Board).

Section 9. Compensation. Except as set forth in this section, no director shall receive compensation for any service he may render to the Corporation. Directors shall receive an honorarium for serving on the Board of Directors; said honorarium shall be established from time to time by the Members and any change to the honorarium shall require a vote at the annual meeting. Any director may also be reimbursed for his actual expenses incurred in the performance of his duties. Notwithstanding anything to the contrary herein, the Board of Directors may compensate the Secretary and Treasurer of the Corporation, provided that said compensation shall be fully disclosed to the Members in minutes of the Corporation.

ARTICLE VII

COMMITTEES

The Corporation 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.

ARTICLE VIII

MISCELLANEOUS MATTERS

Section 1. Books of Account. The Corporation shall keep detailed books of account showing all expenditure, and receipts of administration which shall specify the maintenance and repair expenses of the Common Area and community facilities and any other expenses incurred by or on behalf of the Corporation and the Members. Such accounts, books, records, financial statements and other papers of the Corporation shall be open for inspection by the Members and other persons having an interest in any Lot, including any Owner, any lender and any holder, insurer or guarantor of a first mortgage on any Lot or Living Unit, during reasonable business hours or under other reasonable circumstances. Current copies of the Declaration, the Articles of Incorporation, the By-Laws of the Corporation, and other rules concerning the project, shall be available for inspection by any Owner and lender, and to holders, insurers or guarantors of any first mortgage at the principal office of the Corporation during normal business hours or under other reasonable circumstances, where copies of the same and of audits may be purchased at reasonable cost.

Section 2. Fiscal Year. The fiscal year of the Corporation shall commence January 1 and end the following December 31 each year.

Section 3. Notices.

A. "Notice" is given by a member of the Corporation to the Corporation or an officer of the Corporation when in writing and mailed or delivered to the Corporation or the officer at the registered office of the Corporation.

B. Notice is given by the Corporation to an officer, Member, or other person:

(1) when mailed to the person at an address designated by the person, at the last known address of the person or, in the case of an officer or Member, at the address of the person in the Corporation records; or (2) when handed to the person;

C. All notices to holders of mortgages on Lots shall be sent by first class mail to their respective addresses as designated by them from time to time in writing to the Board of Directors.

D. Notice by mail is given when deposited in the United States mail with sufficient postage. Notice is considered received when it is given.

Section 4. Indemnification of Officers and Directors. To the full extent permitted by Minnesota Statutes, Section 317A.521 as amended from time to time, or by other provisions of law, each person who was or is a party or is threatened to be made a party to any proceeding by reason of former or present official capacity in the Corporation shall be indemnified.

Section 5. Waiver. No restriction, condition, obligation or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason or any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 6. Service Contracts. The Board of Directors, on behalf of the Corporation, may obtain and pay for the services of any persons or entities, to manage corporate affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Board of Directors shall determine to be necessary or desirable for the proper operation of the Property, whether such personnel are furnished or employed directly by the Corporation or by any person or entity with whom or which it contracts. The Board of Directors may contract for legal and accounting services necessary or desirable in connection with the operation of the Property or the enforcement of the Declaration. The Board of Directors may arrange with others to furnish trash collection and other common services to each Lot. Any agreement for professional management of the Property must provide for termination by either party without cause or payment of a termination fee on ninety (90) days or less written notice and by either party for cause upon thirty (30) days or less written notice, and shall have a maximum contract term of three years, but may be renewable by agreement of the parties for successive terms.

Section 7. Accounting Controls. A review of the Corporation's financial statements shall be made at the end of the Corporation's fiscal year, unless prior to 30 days after the end of that

fiscal year, at a meeting, Unit Owners of Units to which at least 30 percent of the votes in the Corporation 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 reviewed financial statements shall be delivered to all Members of the Corporation within 120 days after the end of the Corporation's fiscal year. The review shall be made by a licensed, independent certified public accountant. A licensed, independent certified public accountant means an accountant who (i) is not an employee of the Declarant or its affiliates, (ii) is professionally independent of the control of the Declarant or its affiliates, (iii) is licensed by the Minnesota state board of accountancy and (iv) satisfies the tests for independence as promulgated by the American Institute of Certified Public Accountants. The financial statements shall be prepared in accordance with generally accepted accounting principles as established from time to time by the American Institute of Certified Public Accountants, and shall be reviewed in accordance with standards for accounting and review services. The financial statements shall be presented on the full accrual basis using an accounting format that separates operating activity from replacement reserve activity.

ARTICLE IX

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Corporation annual and special assessments which are secured by a continuing lien upon the Lot 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 10 percent per annum, and the Corporation may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property by action in the same manner as a mortgage, and interest, costs, and reasonable attorneys' fees of 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 nonuse of the Common Area or abandonment of his Lot. In the event that

an Owner becomes delinquent on any annual assessment which is collected monthly, the Association shall have the right to accelerate the annual assessment and the entire annual assessment shall become immediately due and payable.

ARTICLE X

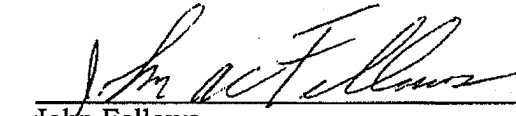
AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Members, or in writing, by the vote of 75% of the Members.

Section 2. In the case of any conflict between the Articles of Incorporation 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.


CERTIFICATE

The foregoing were adopted as the By-Laws of Woodgate Third Home Owners Association, Inc., a non-profit corporation, under the laws of the State of Minnesota, as of October 23, 1996.



John Fellows
Secretary

APPROVED:



Janet Stevens
President
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