

**BYLAWS OF
ZUMBRO HAVEN HOMEOWNER'S ASSOCIATION**

**ARTICLE I.
NAME AND LOCATION**

The name of the corporation is ZUMBRO HAVEN HOMEOWNER'S ASSOCIATION, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 12492 3rd Avenue North West, Oronoco, Minnesota, 55960, but meetings of members and directors may be held at such places within the State of Minnesota, County of Olmsted, as may be designated by the Board of Directors.

**ARTICLE II.
DEFINITIONS**

Section 1. "Association" shall mean and refer to Zumbro Haven Homeowner's Association, a Minnesota non-profit corporation, its successors and assigns.

Section 2. "Declarant" shall mean and refer to Zumbro Haven, LLC, a Minnesota limited liability company, and to the extent provided in the Declaration, and its successors and assigns.

Section 3. "Declaration" shall mean and refer to the Declaration for the real property described in Exhibit "A" hereto attached and made a part hereof by reference herein.

Section 4. "Living Unit" shall mean and refer to any portion of a building situated within the real property described in Exhibit "A" hereto attached and intended for use and occupancy as a residential unit.

Section 5. "Lot" shall mean and refer to a separately designated parcel of real property upon which is situated, or intended to be situated a "Living Unit", as depicted upon a recorded or filed plat.

Section 6. "Member" shall mean and refer to all Owners who are members of the Association as hereinafter provided.

Section 7. "Owner" shall mean and refer to the record owner or contract vendee, whether one or more persons or entities, of the fee simple title to any Lot situated upon the properties as hereinafter defined, but excluding contract vendors and others having such interest merely as security for the performance of an obligation.

Section 8. "Properties" shall mean and refer to all of the real property subject to the Declaration, as more particularly described in Article II of the Declaration, and all improvements now or hereafter located thereon.

Section 9. "Common Areas" shall mean and refer to all real property and improvements thereon owned by the Association for the common use and enjoyment of the Owners and such other person to whom the Owners may delegate this right pursuant to the Declaration and to all improvements located thereon and owned or otherwise held by the Association for the common use and enjoyment of said persons.

The Common Areas to be owned by the Association at the time of the conveyance of the first Lot are located in the County of Olmsted, and State of Minnesota, and legally described as follows:

Outlot A, Outlot B, Outlot C, Outlot D, Outlot E, Outlot F
and Outlot G, Zumbro Haven Subdivision, City of Oronoco,
County of Olmsted, State of Minnesota

and said initial Common Areas shall be conveyed to the Association by the Declarant prior to the conveyance of the first Lot forming a part of the real property described in the Declaration.

ARTICLE III **PROPERTY RIGHTS IN THE COMMON AREAS**

Section 1. Title to Common Areas. Declarant shall convey marketable legal title to the Association prior to the first conveyance of any Lot.

Section 2. Taxes and Special Assessments on Common Areas. Taxes and special assessments that would normally be levied against the Common Areas by a governmental entity

shall be divided and levied in equal amounts against the individual Lots, which levies shall be a lien against said individual Lots (provided that such a scheme is permitted by state law).

Section 3. Delegation of Rights. An Owner may delegate his or her right and easement of enjoyment in and to the Common Areas to the members of his or her family, a contract vendee who is entitled to possession of the Lot, or to his or her guests or tenants who reside on the Owner's Lot (subject to rules and regulations of the Association).

ARTICLE IV MEETING OF MEMBERS.

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 8:00 o'clock P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meeting of members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to cast one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-fourth (1/4) 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 Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote there 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 represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his or her Lot.

ARTICLE V
BOARD OF DIRECTORS: SELECTION, TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors, provided that the number shall always be an odd number, not less than five (5) nor more than nine (9), who need not be members of the Association.

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

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his or her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of said predecessor.

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 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 VI
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 Chairperson, who shall be a member of the Board of Director's, 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 such 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 nonmembers.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VII MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly without notice, at such place and hour as may be fixed 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 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two (2) directors, after not less than three (3) days' notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VIII THE BOARD OF DIRECTORS: POWERS, DUTIES AND RESTRICTIONS.

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

- (a) Adopt and publish rules and regulations governing the use of the Common Areas and facilities and the personal conduct of the members and their tenants and guests thereon, and to establish penalties for the infraction thereof;
- (b) Suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;
- (c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;

- (d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (e) Employ a manager, an independent contractor or such other employees as it deems necessary, and to prescribe their duties.

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 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 Class A members who are entitled to vote;
- (b) Supervise all officers, agents and employees of this Association, and see that their duties are properly performed;
- (c) As more fully provided in the Declaration, to:
 - (i) Hold a hearing of members on the proposed annual budget, approve an annual budget in an amount sufficient to meet the obligations imposed by the Declaration;
 - (ii) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
 - (iii) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - (iv) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the Owner personally obligated to pay the same.
- (d) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) Procure and maintain adequate liability and hazard insurance on property owned by the Association, consistent with provisions set forth in the Declaration ;

- (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 Areas, the Lots and the Living Units to be maintained in accordance with the Declaration;
- (h) Appoint such committees as are prescribed in Article X;
- (i) Designate depositories for Association funds, designate those officers, agents or employees who shall have authority to withdraw funds from such accounts on behalf of the Association, and cause such persons to be bonded as required by the Declaration or as the Board may deem appropriate.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. 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. 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 to perform such duties as the Board may, from time to time, determine.

Section 4. Resignation and Removal. Any officer maybe 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 5. 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 6. Multiple Officers. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 7. Duties. The duties of the officers are as follows:

President

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

Vice President

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

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

Treasurer

The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; sign all checks and promissory notes of the Association; 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 meetings, and deliver a copy of each to the members and to any First Mortgagees who shall request the same, pursuant to the Declaration.

**ARTICLE X
COMMITTEES**

Section 1. The Association shall appoint the following standing committees:

The Nominating Committee
The Maintenance Committee

Unless otherwise provided herein, each committee shall consist of a Chairperson and one (1) 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 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 Board of Directors may appoint such other committees as it deems desirable.

Section 2. The Nominating Committee shall have the duties and functions described in Article VI of these Bylaws and such other functions as the Board, in its discretion, determines.

Section 3. The Maintenance Committee shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Common Areas and Living Units, and shall periodically review the adequacy of the insurance coverage afforded the Association and advise the Board of Directors, and otherwise make recommendations and take such action as will insure that the insurance requirements contained in Article VI of the Declaration are met; and shall perform such other functions as the Board, in its discretion, determines.

Section 4. With the exception of the Nominating Committee, each committee shall have the power to appoint a subcommittee from among its membership and may delegate to any such subcommittee any of its powers, duties and functions.

Section 5. It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE XI **BOOKS AND RECORDS**

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member (or First Mortgagee as provided in the Declaration). The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XII **ASSESSMENTS**

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the

property against which the assessment is made. 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 assessments shall bear interest from the due date at the maximum allowable rate of interest according to the Laws of the state of Minnesota and the Association may bring an action at law against the Owner personally obligated to pay same or foreclose the lien against the property, in the manner provided in the Declaration. Owner may waive or otherwise avoid liability for the assessments provided for herein and by the Declaration by nonuse of the Common Areas or abandonment of such Owner's Lot.

ARTICLE XIII NO CORPORATE SEAL

There shall be no corporate seal.

ARTICLE XIV AMENDMENTS

The procedure to amend the Bylaws shall be: (a) the Board of Directors may propose the amendment to the Bylaws by resolution setting forth the proposed amendment and directing that it be submitted for adoption at a meeting of the members' or (b) any five (5) members may set forth the proposed amendment by petition by them subscribed, which petition shall be filed with the secretary of the Association. Notice of the meeting of the members, stating the purpose, including the proposed amendment, shall be given to each member entitled to vote on the proposed amendment, and to each officer and director regardless of his voting rights. If notice required by this clause has been given, the proposed amendment may be adopted at any meeting of members by a majority of a quorum of members present in person or by proxy, together with the additional consent required by the Declaration, as above provided.

Section 1. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control, and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 2. 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.

ARTICLE XV DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to merger or consolidation, the assets of the Association shall be dedicated to an

appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

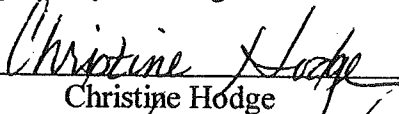
ARTICLE XVI
DISPOSITION OF ASSETS UPON DISSOLUTION

Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes. No such disposition of Association properties shall be effective to divest or diminish any right or title to any member vested in him or her under the Declaration unless made in accordance with provisions of such Declaration.

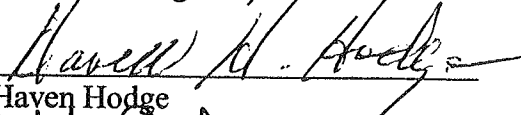
IN WITNESS WHEREOF, we, being all of the directors of ZUMBRO HAVEN HOMEOWNER'S ASSOCIATION have hereunto set our hands this 8th day of May, 2002.



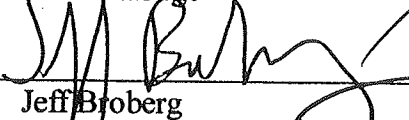
Jay C. Hodge



Christine Hodge



Haven Hodge



Jeff Broberg



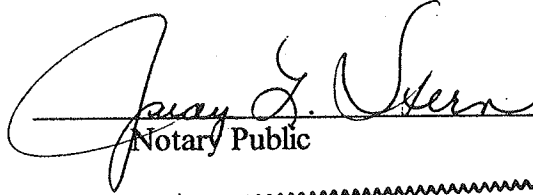
William Tointon

STATE OF MINNESOTA)

:ss

COUNTY OF OLMSTED)

On this 8th day of May, 2002 before me a Notary Public within and for said County and State personally appeared Jay C. Hodge, Christine Hodge, Haven Hodge, Jeff Broberg, and William Tointon, to me known to be the persons named in and who executed the foregoing Bylaws, and each acknowledged this to be their free act and deed for the uses and purposes therein expressed.



Notary Public

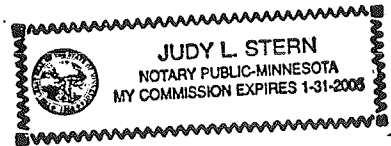


EXHIBIT "A"

Lots 1 and 2, Block 1;
Lots 1, 2, 3, 4, 5, 6, 7, and 8, Block 2;
Lots 1, 2, 3, and 4, Block 3;
Lots 1, 2, 3, 4 and 5, Block 4;
Lots 1, 2, 3, 4, 5 and 6, Block 5;
Lots 1, 2, 3, and 4, Block 6;
Lot 1, Block 7;
Lots 1, 2, 3, 4, 5, 6, and 7, Block 8;
Lots 1, 2, 3, 4, 5, 6, 7, and 8, Block 9;
Outlots A, B, C, D, E, F and G;
All located in Zumbro Haven Subdivision,
County of Olmsted, State of Minnesota.

