

COPY

By-Laws
OF
EAST OAKS TOWNHOMES

The following are the By-Laws of East Oaks Townhomes (the Association). The Association is organized for the purpose of operating and managing the Association pursuant to the Articles of Incorporation and the Declaration of the East Oaks Townhomes (the Declaration). The terms used in these By-Laws shall have the meaning as set forth in the Declaration except as otherwise specified herein.

ARTICLE 1

The registered office of the Association shall be located at 6825 Romero Road, Woodbury, Minnesota 55082.

ARTICLE 2

Section 2.1. Annual Meetings. The first annual meeting of the Association shall be held not later than the first anniversary of the incorporation of the Association, at such time and place as may be fixed by a resolution of the Board of Directors. Subsequent annual meetings of the Association shall be held on weekdays (other than legal holidays recognized as such in Minnesota) at least thirty days before the beginning of each fiscal year at such time as may be fixed from time to time by resolutions of the Board of Directors.

Section 2.2. Special Meetings. The Association shall hold a special meeting: (1) upon the call of the President; (2) if so directed by resolution of the Board of Directors; (3) upon a petition presented to the Secretary and signed by members entitled to cast at least twenty percent of the total number of votes (excluding the Declarant's votes during the Declarant Control Period; or (4) upon request of the Declarant. The signatures on a petition requesting a special meeting shall be valid for a period of one hundred-eighty days after the date of the first such signature. Such resolution, petition or request must: (1) specify the time and place at which the meeting is to be held; (2) either specify a date on which the meeting is to be held which will permit the Secretary to comply with Section 2.3.

Section 2.3. Notice of Meetings.

(a) Written notice stating the place, day and time of each annual meeting and, in case of a special meeting, the purposes for which the meeting is called, shall be given by the Secretary to each member entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting. The giving of notice in the manner provided in this section and Article 2 hereof shall be considered service of notice.

(b) Notwithstanding the provisions of Subsection (a), notice of a meeting to act on an amendment to the Articles of Incorporation, a plan of merger or consolidation or dissolution shall be given in the manner provided above not less than twenty-five nor more than sixty days before the date of the meeting. Any such notice shall be accompanied by a copy of the proposed amendment, plan of merger or consolidation or dissolution. Any such amendment, plan of merger or consolidation or dissolution shall not be effective unless notice of such matter was provided in accordance with this subsection.

Section 2.4 Waiver of Notice of Meetings.

(a) Whenever any notice is required to be given of any meeting of the Association, a waiver thereof in writing signed by a member entitled to such notice, whether given before or after the meeting, shall be equivalent to the giving of such notice to that member and such waiver shall be delivered to the Secretary for inclusion in the minutes or filing with the Association records.

(b) A member who attends a meeting shall be conclusively presumed to have had timely and proper notice of the meeting or to have duly waived notice thereof, unless such member attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called or convened and so notified the person conducting the meeting at or prior to the commencement of the meeting or at or prior to consideration of the matter subject to objection, in the case of a special meeting.

Section 2.5 Quorum. A quorum shall be deemed to be present throughout any meeting of the Association if members entitled to cast at least twenty percent of the total number of votes are present, in person or by proxy, at the beginning of such meeting. Once a member is present at a meeting, such member is deemed present for quorum purposes for the remainder of the

meeting and for any adjournment of that meeting unless a new Record Date is or shall be set for that adjourned meeting.

If at any meeting of the Association a quorum is not present, the members who are present at such meeting in person or by proxy may, by a majority vote of such members, adjourn the meeting to a date not less than ten nor more than sixty days after the date of the original meeting at such date and place as such members may agree, whereupon the Secretary shall announce the date, time and place at such meeting and notify all members of such date, time, and place. At any such future meetings, a quorum shall be deemed present if members entitled to vote at least ten percent of the total number of votes are present in person or by proxy.

Section 2.6. Record Date to Determine Members; List of Members. The date for determining which Persons are members and therefore entitled to vote ("Record Date") shall be the close of business on the day before the effective date of the notice to the members of the meeting, unless the Board of Directors shall determine otherwise. The Board shall not fix a Record Date more than seventy days before the date of the meeting or other action requiring a determination of the members, nor shall the Board set a Record Date retroactively. At least ten days before each meeting, the Secretary shall make a complete list of members, with the address of each, available for review by the members before and during the meeting. The list shall be current as of the Record Date.

Section 2.7 Action by Members Without Meeting. Any action required or permitted to be taken at a meeting of the Association may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the members entitled to vote with respect to the subject matter thereof and delivered to the Secretary for inclusion in the minutes or filing with the Association records. Such consent shall have the same force and effect as a unanimous vote of the members.

ARTICLE 3

MEMBERS AND VOTING

Section 3.1. Membership and Voting Rights. The voting rights of the members of the Association shall be as set forth in the Declaration.

Section 3.2. Additional Provisions Governing Voting.

(a) **Association Votes.** If the Association is an Owner, the Association shall cast its votes with the majority with respect to any Lot it owns, and in any event such votes shall be counted for the purpose of establishing a quorum.

(b) **Multiple-Person Owners.** Since a member may be more than one Person, if only one of such Persons is present at a meeting of the Association, that Person shall be entitled to cast the member's votes. If more than one of such Persons is present, the vote pertaining to that member shall be cast only in accordance with unanimous agreement of such Persons, and such agreement shall be conclusively presumed if any of them purports to cast the vote appertaining to that member without protest being made forthwith to the Person presiding over the meeting by any of the other Persons constituting such member.

(c) **Voting Certificate.** If a member is not a natural person, the vote by such member may be cast by any natural person authorized by such member. Such natural person must be named in a certificate signed by an authorized officer, partner or trustee of such Persons and filed with the Secretary; provided, however, that any vote cast by such natural person on behalf of such member shall be deemed valid unless successfully challenged prior to the adjournment of the meeting at which the vote was cast. Such certificate shall be valid unless revoked by a subsequent certificate similarly executed and filed. Wherever the approval or disapproval of a member is required by the Association Documents, such approval or disapproval may be made by any Person who would be entitled to cast the vote of such member at any meeting of the Association.

(d) **Delinquency.** No member may vote at any meeting of the Association or be elected to serve on the Board of Directors if payment by such member of any financial obligation to the Association is delinquent more than sixty days and the amount necessary to bring the account current has not been paid at the time of such meeting or election.

Section 3.3. Manner of Voting. Voting by members at a meeting shall be by voice vote (except for the election of directors which shall be by written ballot) unless the presiding officer determines otherwise or any member present at the meeting, in person or by proxy, requests, and by a Majority Vote the members consent to, a vote by written ballot indicating the name of the member

voting, the number of votes appertaining to such member, and the name of the proxy of such ballot if cast by a proxy. There shall be no cumulative voting.

Section 3.4 Proxies. A vote may be cast in person or by proxy. A proxy may be instructed (directing the proxy how to vote) or uninstructed (leaving how to vote to the proxy's discretion). Only instructed proxies may be granted by any member to the managing agent. Proxies shall be in writing, shall be dated, shall be signed by the member or a Person authorized by the member (or in cases where the member is more than one Person by or on behalf of all such Persons), shall be valid for eleven months unless a longer time period is provided in the proxy and shall be filed with the Secretary. Such proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of notice of revocation from the member.

ARTICLE 4

BOARD OF DIRECTORS

Section 4.1. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration and the operation of the Association and may exercise for the Association all powers, duties and authority vested in or delegated to the Association and not expressly prohibited or reserved to the members, by law or by the Declaration, the Articles of Incorporation and these By-Laws.

Section 4.2. Number and Qualification. The first Board of Directors shall consist of the persons designated as Directors in the Articles of Incorporation of the Association. Upon the ending of the terms of the first Board of Directors, the Board of Directors shall consist of three directors unless the number is increased by a majority vote of the members.

Section 4.4. Term of Office. The terms of the members of the Board of Directors appointed by the incorporator shall run for a period of one year from the date of incorporation. After the expiration of the term of the members of the Board of Directors appointed by the incorporator, the term of each member of the Board of Directors shall expire upon the election of a successor or a subsequent annual meeting of the members or until the director has been removed from the office of director. The Board of Directors may provide prospectively for staggered terms for its members. A director

elected to fill a vacancy for the position of a removed director, shall serve out the vacated term. There shall be no cumulative voting.

Section 4.5. Nominations. Nominations 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 Directors and two or more other members of the Association. The nominating committee shall be appointed by the Board of Directors prior to each annual meeting of the members to select nominees for positions on the Board of Directors that became vacant as of the time of such annual meeting. The nominating committee shall make as many nominations as it shall, in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 4.6. Meetings and Notice. The annual meeting of the Board of Directors shall be held within a reasonable time following the annual meeting of the members. Regular meetings of the Board of Directors shall be held at such times and places within the State of Minnesota as may be fixed from time to time by the majority of the members of the Board of Directors. Special meetings of the Board of Directors shall be held when called by the President of the Association or by the Secretary, within ten days following a written request of any two directors. Notice of any special meeting must be given to each director not less than four days in advance thereof. Notice to a director will be deemed to be given when deposited in the United States Mail, postage prepaid to the Lot address of such director, or when personally delivered by the Secretary. Any director may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of necessary notice. Attendance by a director at any meeting of the Board of Directors shall constitute a waiver of notice by that director of the time and place thereof. If all the directors are present at and take part in any meeting of the Board of Directors, no notice shall be required, and any business may be transacted at such meeting.

Section 4.7. Quorum. A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting thereof. A majority vote of the directors present at any meeting at which a quorum is present shall be sufficient to adopt any action.

Section 4.8. Action Taken Without a Meeting. The Board of Directors shall have the right to take any action in the absence of a meeting which

it could take at a meeting when authorized in a writing signed by all the directors.

Section 4.9. Vacancies. Vacancies in the Board of Directors shall be filled by a person elected by a majority vote of the remaining directors, which persons shall serve out the term vacated.

Section 4.10. Removal. Any director may be removed from the Board of Directors, with or without cause, by Members casting a majority of the votes of all the Lot Owners, as established in the Declaration, at any annual or special meeting of the Members; provided that the notice of the meeting at which removal is to be considered states such purpose, and that a new director is elected at such meeting by the Members to fill each vacant position.

Section 4.11. Compensation. No director shall receive compensation for any service he may render in his capacity as a member of the Board of Directors unless such compensation is approved at a meeting of the Members. However, any director may be reimbursed, by resolution of the Board of Directors, for his actual expenses incurred in the performance of his duties as a director.

Section 4.12 Bonds and Insurance. Fidelity bonds or insurance, officers' and directors' liability insurance and other insurance relating to the operation and management of the Property shall be obtained and maintained by the Board of Directors in accordance with the provisions of the Declaration.

ARTICLE 5

OFFICERS

Section 5.1 Designation and Duties of Officers. The principal Officers of the Association shall be the President (who shall also serve as Chairman of the Board of Directors), the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may also elect an assistant treasurer, an assistant secretary and such other Officers as in its judgment may be necessary. The President and Vice President shall be Owners (or an officer, partner, or employee of an Owner) (except for those directors designated or elected by the Declarant) and members of the Board of Directors. Each Officer shall perform such duties as are normally associated with such office in parliamentary organizations, except to

the extent (if any) inconsistent with the Act or the Association Documents, and shall perform such other duties as may be assigned to such office by resolution of the Board of Directors. If any Officer is unable for any reason to perform the duties of the office, the President (or the Board of Directors if the President fails to do so) may appoint another qualified person to act in such Officer's stead on an interim basis.

Section 5.2. Election of Officers. The Officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board. Any officer may hold more than one position; provided, however, that the offices of President, Vice President and Secretary shall be held by three different individuals. Except for death, resignation or removal, the Officers shall hold office until their respective successors shall have been elected by the Board.

Section 5.3. Resignation or Removal of Officers. Any Officer may resign by delivering written notice to the Board of Directors. Unless otherwise specified, such resignation shall take effect upon the receipt thereof, and acceptance of such resignation shall not be necessary to make it effective. Upon the affirmative vote of a majority of the total number of directors any Officer may be removed, either with or without cause, and a successor may be elected at any regular meeting of the Board called for such purpose.

Section. 5.4. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The person appointed to fill a vacancy shall serve for the remainder of the term of the Officer such person replaces.

Section 5.5. President. The President shall be the chief executive officer of the Association; preside at all meetings of the Association and of the Board of Directors; have general and active direction of the business of the Association subject to the control of the Board; see to the execution of the resolutions of the Association and the Board of Directors; see that all orders and resolutions of the Board are carried into effect; and, in general, perform all the duties incident to the office of President.

Section 5.6. Vice President. The Vice President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other director to act in the place of the President, on an interim basis. The Vice President shall also

perform such other duties as shall from time to time be imposed by the Board of Directors or by the President.

Section 5.7. Secretary. The Secretary shall: keep the minutes of all meetings of the Association and of the Board of Directors; have charge of such books and papers as the Board may direct; give or cause to be given all notices required to be given by the Association; prepare the list of members required by Section 2.6; give each Owner notice of each assessment against such Owner's Lot as soon as practicable after assessment is made; give each member notice and a copy of the Rules and Regulations or amendment thereof; maintain a register setting forth the place to which all notices to members and Mortgagees hereunder shall be delivered; to give notice to each member of any dedication, conveyance, and transfer by the Association of any property or of any easement or other estate or interest therein; file or cause to be filed the annual report for the Association; make it possible for any member or Mortgagee to inspect and copy at reasonable times and by appointment the records of the Association; and, in general, perform all the duties incident to the office of Secretary.

Section 5.8. Treasurer. The Treasurer shall be responsible for Association funds and securities; keep full and accurate financial records and books of account showing all receipts and disbursements; prepare or cause to be prepared all required financial data, deposit all monies and other valuable effects in the name of the Board of Directors or the Association, in such depositories as may from time to time be designated by the Board; and, in general, perform all the duties incident to the office of Treasurer.

ARTICLE 6

FIDUCIARY DUTIES

Section 6.1 Execution of Documents. Unless otherwise provided in the resolution of the Board of Directors: (1) all agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of ten percent of the total annual assessment for Common Expenses for that fiscal year, and all checks drawn upon reserve accounts, shall be executed by any two persons designated by the Board of Directors; and (2) all such instruments for expenditures or obligations of ten percent or less of the total annual assessment for Common Expenses for that fiscal year, except from reserve accounts, may be executed by any one person designated by the Board of Directors. Any Officer of the Association may be

designated by Board resolution to sign a Statement of Common Expenses on behalf of the Association.

Section 6.2. Liability and Indemnification.

(a) **No Personal Liability.** The directors, Officers and members of the Covenants Committee shall not be liable to the Association or any member for any mistake or judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. Directors and Officers shall have no personal liability to third parties for any contractual obligations of the Association. No member shall be liable for the contract or tort liability of the Association by reason of ownership or membership therein. Every agreement made by the Board of Directors, the Officers or the managing agent on behalf of the Association shall, if obtainable, provide that the directors, the Officers or the managing agent, as the case may be, are acting only as agents for the Association and shall have no personal liability thereunder.

(b) **Indemnification.** The Association shall indemnify the directors, Officers and members of the Covenants Committee to the extent that it is contemplated a nonstock corporation may indemnify its directors, officers, provided, however, that before the Association uses association funds for indemnification, all insurance proceeds must be obtained and applied toward such indemnification.

(c) **Directors and Officers Liability Insurance.** The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, Officer or member of the Covenants Committee against any liability asserted against such person and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Association would have the power to indemnify such Person against such liability under the provisions of this section. Further, the availability of the Association's indemnity shall not relieve any insurer of any liability under an insurance policy held by the Association.

ARTICLE 7

BOOKS AND RECORDS

Section 7.1. Maintenance. The Association shall keep books and records as required by the Act. All books and records shall be kept in accordance with generally accepted accounting principles, and the same shall be reviewed at least once a year by an accountant retained by the Board of Directors who shall not be an Owner or an occupant of a Lot. The cost of such review shall be a Common Expense.

Section 7.2. Availability. The books and records of the Association shall be available for examination by the members, their attorneys, accountants, Mortgagees and authorized agents during general business hours on business days at the times and in the manner established by the Board of Directors for the general knowledge of the members in accordance with Section 13.1-933 of the Act. The list of members required by Section 2.6 hereof shall be available for inspection for a period of ten days prior to the meeting and at the meeting. Pursuant to Section 13.3 of the Declaration, all Mortgagees or their representatives shall have the right to examine the books and records of the Association on the same terms and conditions as the members and Owners. The Board of Directors may fix from time to time a reasonable charge to cover the direct and indirect costs of providing any documents to a member or Mortgagee.

Section 7.3. Accounting Report. Within one hundred twenty days after the end of each fiscal year, the Board of Directors shall make available to all members, and to each Mortgagee requesting the same, an itemized accounting of the Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Board of Directors for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves.

Section 7.4. Fiscal Year. The first fiscal year of the Association shall begin on the date of incorporation and end on the last day of December, unless otherwise determined by the Board of Directors. Each subsequent fiscal year shall commence on January 1 and end on December 31, unless otherwise determined by the Board of Directors.

ARTICLE 8

NOTICES

Except as specifically provided otherwise in the Act or the Association Documents, all notices, demands, bills, statements or other communications

under the Association Documents shall be in writing and shall be deemed to have been duly given if delivered personally or by telegraph, teletype or other form of wire or wireless communication or by private carrier or sent United States mail, postage prepaid pursuant to Section 13.1-810 of the Act, or if notification is of a default or lien, sent by registered or certified United States mail, return receipt requested, postage prepaid: (1) if to a member, at the address which the member shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Lot of such member; (2) if to the Association, the Board of Directors or to the managing agent, at the principal office of the managing agent or at such other address as shall be designated by notice in writing to the members pursuant to this section; or (3) if to a Mortgagee, at the address indicated by the Mortgagee in a written notice to the Association. If mailed, such notice shall be deemed to be given when deposited in the United States Mail addressed to the member's address shown in the Association records. Notice of meetings may be included as part of the Association's newsletter, if the newsletter is delivered to every member. If a Lot is owned by more than one Person, each such Person who so designates an address in writing to the Secretary shall be entitled to receive all notices hereunder, otherwise, the Person receiving the notice shall have the responsibility for notifying the other Persons comprising the Owner.

ARTICLE 9

AMENDMENTS

Section 9.1. These By-Laws may be amended if the amendment is approved by Members entitled to cast at least 75% of the votes of the Association in writing, or at a duly held meeting of the Members subject to any rights that may be reserved by the declaration for any holder of an interest in a Lot as security for an obligation or for the developer.

ARTICLE 10

OPERATION OF THE PROPERTY

Section 10.1. Budget; Levy. The Board of Directors shall from time to time, and at least annually, prepare a budget of Common Expenses for the Association and assess and levy such Common Expenses among the Lots according to their respective Common Expense liability allocated among the Lots by the Declaration. The levy shall be deemed to occur upon the date of the resolution which sets forth the Common Expense. The Common Expenses shall include an adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis. The Board of Directors shall fix the amount of the annual assessment against each Lot and shall advise each Member in writing as to the amount of the assessment payable with respect to the Lot at least thirty (30) days prior to the first day of the year for which the assessment is made. In addition, the Association shall, upon request by the Member, furnish copies of each budget on which such Common Elements and the assessment are based to such Member and to any holder of an interest in the Lot as security for an obligation designated by the Member. In the event an annual assessment proves to be insufficient, the budget assessments therefor may be amended, or a special assessment levied, as provided by the Declaration.

Section 10.2. Payment of Common Expenses. All Lot Owners shall be obligated to pay the Common Expenses assessed and levied by the Board of Directors pursuant to Paragraph 1 of this Article. Such assessment shall, unless otherwise determined by the Board of Directors, be due in monthly installments in advance on the first day of each month of the year or other period for which the assessments are made, or when designated by the Board of Directors in the case of a special assessment.

Section 10.3. Default in Payment of Common Expenses. In the event any Lot Owner does not make payment within 30 days of the date when any assessment or installment thereof is due, the Board of Directors may assess, and such Lot Owner shall be obligated to pay, interest at the highest rate allowed by law on such assessment or installment thereof from the date due, together with all expenses, including reasonable attorneys' fees incurred by the board in any proceeding brought to collect any such unpaid assessment. In addition the Board of Directors may accelerate the remaining installments of the assessment upon notice thereof to the Lot Owner, and thereupon the entire unpaid balance of the assessment with all accrued interest shall become due and payable upon the date stated in the notice. The Board of Directors shall have the right and duty to attempt to recover all assessments for Common Expenses, together with interest and the expenses of the proceeding, including reasonable attorneys'

fees, in any action to recover the same brought against an Owner or by foreclosure of the lien upon a Lot. Upon written request of a Lot Owner, notice of a default of more than thirty (30) days in payment of an assessment or installment of an assessment for Common Expenses or any other default in the performance of obligations by the Lot Owner shall be given in writing to any holder of an interest in the Lot as security for an obligation which may be designated in writing by the Lot Owner. In addition to any other remedies, the use of recreational facilities by any Lot Owner, or any guest thereof, may be suspended by action of the Board of Directors during the period when any assessments are delinquent with respect to such Lot.

Section 10.4. Foreclosure of Liens for Unpaid Assessments. The Association has the right to foreclose a lien against a Lot for assessments imposed by the Association, as more fully described in the Declaration. During any such foreclosure action brought by the Association, the Lot Owner may be required by the Board of Directors to pay a reasonable rental for the use of the Lot and the Association shall be entitled to the appointment of a receiver to collect the same.

Section 10.5. Records. The Board of Directors shall cause to be kept at the registered office of the Association, and at such other place as the Board of Directors may determine, records of the actions of the Board of Directors, minutes of the meetings of the Board of Directors, minutes of the meetings of the Members of the Association, names of the Lot Owners, and detailed and accurate records, in chronological order, of the receipts and expenditures of the association. Such records of receipts and expenditures and any vouchers authorizing payments shall be available for examination by the Lot Owners, or the holder of an interest in the Lot as security for an obligation which may be designated by the Lot Owner, upon reasonable notice during normal business hours. Separate accounts shall be maintained for each Lot setting forth the amount of the assessments against the Lot, the date when due, amount paid thereon and the balance remaining unpaid.

Section 10.6. Enforcement of Obligations. All Lot Owners, lessees and their guests are obligated and bound to observe the applicable provisions of the Declaration and these By-Laws. The Association may impose any or all of the charges, sanctions and remedies authorized in the foregoing documents and by law to enforce and implement its rights and to otherwise enable it to manage and operate the Association.

SECTION 11

MISCELLANEOUS

Section 11.1. Notices. Unless specifically provided otherwise in the Declaration and these By-Laws, all notices required hereunder to be given to the Association or the Board of Directors shall be sent by certified mail to the Board of Directors at the office of the Association or to such other address as the Board of Directors may hereafter designate from time to time by written notice given in the manner hereinafter prescribed; all notices to any Lot Owner or to any other Persons entitled to notice shall be sent by United States mail to his Lot address or to such other address as may be designated by him or other Persons entitled to notice in writing from time to time to the Association. All notice shall be deemed to have been given when deposited in the U.S. mail postage prepaid, except notices of change of address, which shall be deemed to have been given when received.

Section 11.2. Severability. The invalidity or unenforceability of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 11.3. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way limit or proscribe the scope of these By-Laws or the intent of any provision hereof.

Section 11.4. Conflicts in Documents. In the event of any conflict among the provisions of the Declaration, the By-Laws or any rules and regulations approved by the Association, the Declaration shall control. As between the By-Laws and the rules and regulations, the By-Laws shall control.

Section 11.5. Waiver. No restriction, condition, obligation or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

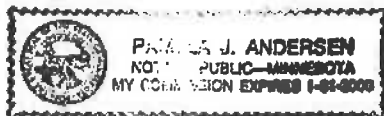
Section 11.6 No Corporate Seal. The Association shall have no corporate seal.

The undersigned hereby certifies that the foregoing By-Laws were or will be adopted as the By-Laws of East Oaks Townhomes, a non-profit corporation under the laws of the State of Minnesota, by action of the Board of Directors at the first meeting thereof.

Thomas E. Wortman
Secretary

STATE OF MINNESOTA)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this 24th day of March, 1997 by Thomas E. Wortman, Secretary of East Oaks Townhomes, a Minnesota non-profit corporation on behalf of the corporation.



Pamela J. Andersen
Notary Public

This instrument was drafted by:
Barry McKee
324 S. Main Street
Stillwater, MN 55082