

BYLAWS OF THE CLOVERDALE FARM HOMEOWNERS ASSOCIATION

ARTICLE I NAME AND LOCATION

The name of the corporation is Cloverdale Farm Homeowners Association ("Association"). The principal office of the corporation is located at 4511 McDonald Drive North, Stillwater, Minnesota 55082, but meetings of Members and directors may be held at such places within the State of Minnesota, County of Washington, as may be designated by the Board of Directors.

ARTICLE II DEFINITIONS

Terms used herein have the meanings ascribed to them in the Declaration of Covenants, Conditions and Restrictions of Cloverdale Farm recorded February 16, 1994 in the office of the Recorder of Washington County, Minnesota as Document No. 786765, as amended from time to time ("Declaration"). The terms of the Declaration are incorporated herein by reference and all capitalized but undefined terms in these Bylaws shall be defined as in the Declaration.

ARTICLE III MEETING OF MEMBERS

Section 1 Annual Meetings. A regular annual meeting of the Members will be held on such date and at such place as designated by the Board of Directors in a notice of annual meeting to be furnished to the Members in the manner required by law.

Section 2 Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of Members who are entitled to vote 25% of all of the votes of the membership.

Section 3 Notice of Meetings. Written notice of each meeting of the Members must be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of the notice, postage prepaid, at least 10 and no more than 30 days before the meeting to each Member (and Member's mortgagee, if any, entitled to vote thereat), addressed to the Member's address last appearing on the books of the Association, or supplied by the Member to the Association for the purpose of notice. Notice of any meeting may be given electronically to any Member who consents in writing. The notice must specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. The Board may allow electronic participation at a meeting, including, but not limited to, voting on issues, through internet access, telephonic participation, email or other means, but the Board is not required to provide access in this manner, and may require that any Member who wish to participate in this manner must provide the means for their participation.

Section 4 Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, 10% of the votes of membership will constitute a quorum for any action,

except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. If, however, a quorum is not present or represented at any meeting, the Members entitled to vote thereat will have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented.

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

ARTICLE IV BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE

Section 1 Number. The business and affairs of this corporation will be managed by or under the direction of a Board of Directors consisting of not fewer than 3 nor more than 7 directors, as may be established by resolution of the Board of Directors from time to time. The directors will be divided into 3 classes, as nearly equal in number as the number of directors constituting the whole Board permits, with the term of office of one class expiring each year at the regular meeting. Each director will be elected by the Members to hold office for a term of three consecutive years and will serve until a successor has been duly elected and qualified, unless the director retires, resigns, dies or is removed.

Section 2 Term of Office. At each annual meeting the Members will fill any vacancies on the Board of Directors for a term of three years or such shorter terms as are open.

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 will be selected by the remaining directors and will serve until the next annual meeting.

Section 4 Compensation. No director will receive compensation for any service rendered to the Association, but any director may be reimbursed for actual expenses incurred in the performance of duties.

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

Section 1 Nomination. Nomination for election to the Board of Directors can be made by any Member on behalf of another Member, or a Member may offer himself or herself as a nominee, prior to any annual or special meetings of the membership when there are vacancies to be filled. Nominations of another Member must be accepted by that Member and this acceptance can be withdrawn at any time prior to the vote of the Members.

Section 2 Election. Election to the Board of Directors will be by secret written ballot, unless the number of nominations is equal to or less than the number of directors being elected, in which case the election may be by voice vote. At each election the Members or their proxies may cast one vote in respect to each vacancy. The persons receiving the largest number of votes will be elected. Cumulative voting is not permitted.

ARTICLE VI MEETING OF DIRECTORS

Section 1 Regular Meetings. Regular meetings of the Board of Directors will 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.

Section 2 Special Meetings. Special meetings of the Board of Directors will be held when called by the president of the Association, or by any two directors, after not less than three days notice to each director.

Section 3 Quorum. A majority of the number of directors will 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 will be regarded as the act of the Board.

Section 4 Action Taken Without a Meeting. The directors have the right to take any action in the absence of a meeting that they could take at a meeting by obtaining the written approval, which may be given electronically, of a majority of the directors. Any action so approved will have the same effect as though taken at a meeting of the directors.

ARTICLE VII THE BOARD OF DIRECTORS: POWERS, DUTIES AND RESTRICTIONS

Section 1 Powers. The Board of Directors has the power:

- a) To adopt and publish rules and regulations governing the use of the Lots and the personal conduct of the Members and their guests thereon, and to establish penalties for the infractions of these rules and regulations; notice of any proposed rule or regulation or amendment thereto, must be furnished to the Members, and will be deemed adopted 90 days after the notice is furnished unless the Members, at a special meeting pursuant to Article III Section 2, vote to amend or repeal the proposed rule or regulation;
- b) To suspend the voting rights of a Member during any period in which the Member is in default in the payment of any assessment levied by the Association. These 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 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) To declare the office of a director of the Board of Directors to be vacant in the event the director is absent from three consecutive regular meetings of the Board of Directors; and
- e) To employ a manager, an independent contractor or such other employees as it deems necessary, and to prescribe their duties.

Section 2 Duties. It will be the duty of the Board of Directors:

- a) To keep a complete record of all its acts and corporate affairs and to present to the Members a report on the business affairs of the Association, including a financial report, (i) at the annual meeting of the Members, and (ii) at any special meeting when the report is requested in writing by 25% of the 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:
 - i. Fix the amount of the annual assessment against each Lot at least 30 days in advance of each annual assessment period;
 - ii. Create and maintain appropriate reserves and fix the amount of any assessment needed to maintain these reserves, which assessment may be included as part of the annual assessment;
 - iii. Send written notice of each assessment to every Owner subject thereto at least 30 days in advance of each annual assessment period;
 - iv. Foreclose the lien of any assessment against any property subject thereto if the assessment is not paid within 30 days after its due date or bring an action at law against the Owner personally obligated to pay the same;
 - v. To 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, this certificate will be conclusive evidence of such payment;
 - vi. To procure and maintain adequate liability and hazard insurance, consistent with provisions set forth in the Declaration;
 - vii. To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate and in accordance with the Declaration; and
 - viii. To cause the Lots to be maintained in accordance with the Declaration.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1 Enumeration of Officers. The officers of this Association will be a President and Vice-president, who at all times must be members of the Board of Directors, a secretary, a treasurer and such other officers as the Board may from time to time create by resolution.

Section 2 Election of Officers. The election of officers will take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3 Term. The officers of this Association will be elected annually by the Board and each officer will hold office for one year unless he or she sooner resigns, or is removed, or otherwise disqualified to serve.

Section 4 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom will 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. This resignation will take effect on the date of receipt of the notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of the resignation will 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 any vacancy will serve for the remainder of the term of the officer he or she replaces.

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

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

- a) **President** - The President will preside at all meetings of the Board of Directors, see that orders and resolutions of the Board are carried out; sign all leases, mortgages, deeds, contracts and other written instruments and co-sign all checks and promissory notes.
- b) **Vice-President** - The Vice-President will act in the place and stead of the President in the event of his or her absence, inability or refusal to act and exercise and discharge such other duties as may be required by the Board.
- c) **Secretary** - The Secretary will 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 perform such duties as required by the Board.
- d) **Treasurer** - The Treasurer will receive and deposit in appropriate bank accounts all monies of the Association and disburse such funds as directed by resolution of the Board of Directors; sign all checks and promissory notes of the Association; keep proper books of account; and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meetings, and deliver a copy of each to the Members and to any first Mortgagees who request the same, pursuant to the Declaration.

ARTICLE IX COMMITTEES

Section 1 Standing Committees. The Association has, or will, appoint the following standing committees:

- a) The Maintenance Committee; and
- b) The Architectural Control Committee ("ACC")

Section 2 Committee Members. Unless otherwise provided herein, each committee will consist of a Chair and one or more Members. The committees will be appointed by the Board of Directors prior to each annual meeting to serve from the close of the annual meeting until the close of the next annual meeting and each appointment will be announced at each annual meeting. The Board of Directors may appoint such other committees as it deems desirable.

Section 3 Maintenance Committee. The Maintenance Committee will advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Lots and perform such other functions as the Board, in its discretion, determines.

Section 4 ACC. The ACC will have the duties and functions described in Article VI of the Declaration. It will watch for any proposals, programs or activities that may adversely affect the residential value of property within Cloverdale Farm and advise the Board of Directors regarding Association action on the matters. The Board has final authority in matters of architectural control.

Section 5 Subcommittees. With the exception of the ACC as to those functions that are governed by Article VI of the Declaration each committee will 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 6 Complaints. It will 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 will dispose of the complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE X BOOKS AND RECORDS

The books, records and papers of the Association will at all times, during reasonable business hours, be subject to inspection by any Member or first Mortgagee. The Declaration, the Articles of Incorporation and these Bylaws of the Association must be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual assessments, any special assessments for capital improvements and Individual

Lot Maintenance Assessments, which are all secured by a continuing lien upon the property against which the assessment is made. Any assessment that is not paid when due will be delinquent if that assessment is not paid within 30 days after the due date, the assessments will bear interest from the date of delinquency at the rate of 8% per annum, 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. The Association will be entitled to collect its legal fees and expenses in any action brought under this section (1) at law against an Owner or (2) to foreclose its lien. No Owner may waive or otherwise avoid liability for the assessments provided for herein and by the Declaration by nonuse of the Common Properties or abandonment of such Owner's Lot.

ARTICLE XII CORPORATE SEAL

There shall be no corporate seal.

ARTICLE XIII AMENDMENTS

Section 1 Amendments. These Bylaws may be amended at a regular or special meeting of the Members by a vote of a majority of a quorum of Members present in person or by proxy. The procedure to amend the Bylaws will 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 Members may set forth the proposed amendment by written petition signed by and filed with the secretary of the Association. Notice of the meeting of the Members, stating the purpose, including the proposed amendment, must be given to each Member entitled to vote on the proposed amendment not less than 10 days before the meeting, and given 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.

Section 2 Conflicts. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles will control, and in the case of any conflict between the Declaration and these Bylaws, the Declaration will control.

ARTICLE XIV DISSOLUTION

The Association may be dissolved by a vote of the Members entitled to cast two-thirds of the votes of membership. Written notice of a proposal to dissolve, setting forth the reasons therefore and the disposition to be made of the assets (which must be consonant with Article X of the Articles of Incorporation and Article XV hereof) must be mailed to every Member at least 90 days in advance of any action taken.

**ARTICLE XV
DISPOSITION OF ASSETS UPON DISSOLUTION**

Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association must 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, the assets must be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to similar purposes. No such disposition of Association properties will be effective to divest or diminish any right or title of any Member vested in him or her under the Declaration unless made in accordance with the provisions of such Declaration.

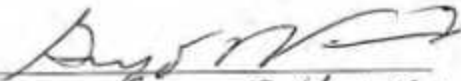
**ARTICLE XVI
MISCELLANEOUS**

The fiscal year of the Association will begin on the first day of January and end on the 31st day of December of every year.

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IN WITNESS WHEREOF, we, being all of the directors of Cloverdale Farm Homeowners Association, have hereunto set our hands upon this instrument this 23rd day of May, 2012.


Name: Steven Brady


Name: Gary G. Veske


Name: James A. Bartholomew


Name: Paul L. INNEROOTH

Name: _____

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly elected and serving Secretary of the Cloverdale Farm Homeowners Association Board of Directors, a Minnesota nonprofit corporation, and

THAT the foregoing Bylaws constitute the revised and amended Bylaws of said Cloverdale Farm Homeowners Association, as duly adopted at a special meeting of the Members thereof, held on the 6th day of December, 2011.


Secretary