

Bylaws Of Saddle Shores Homeowners Association

Amendment: January 9, 2014

ARTICLE I: NAME AND LOCATION

The name of the corporation is Saddle Shores Homeowners Association, hereinafter referred to as the "Association." The principal office of the association shall be located **13445 263rd Lane, Chisago City, MN 55013**, but meetings of Members and the Board of Directors may be held at such places within the State of Minnesota, County of Chisago, as may be designated by the Board of Directors.

ARTICLE II: DEFINITIONS

Terms used herein shall have the meanings ascribed to them in the Declaration of Covenants, Conditions, Restrictions and Reservations for Saddle Shores recorded _____, **2004** in the office of the Chisago County Recorder, Chisago County, Minnesota as Document No. _____ ("Declaration"). The terms of the Declaration are incorporated herein by reference.

RTS Spider Lake, LLC, and Minnesota limited liability company, is the Declarant herein.

ARTICLE III: MEETING OF MEMBERS

Section 1 – Annual Meetings

Annual Meetings shall be held annually by January 15th of each calendar year. The date and place shall be 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 the Members who are entitled to vote thirty-three percent (33%) of all 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 and no more than thirty (30) 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 of the Association for the purpose of the 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, thirty-three percent (33%) 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 thereat 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 for 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 IV: BOARD OF DIRECTORS-SELECTION-TERM OF OFFICE

Section 1 – Number

The affairs of the association shall be managed by a Board of four (4) directors, who must be Members of the Association.

Section 2 – Term of Office

At each annual meeting the Members shall fill any vacancies on the Board of Directors for a term of two (2) Years. President and Secretary elected in even years. Vice-President and Treasurer elected in odd 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 these duties.

Section 5 – Action Taken Without a Meeting

The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors

ARTICLE V: NOMINATION AND ELECTION OF DIRECTORS

Section 1 – Nomination

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 Directors, and two (2) or more Members of the Association who need not be Members of the Board of Directors. 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.

Section 2 – Election

Election of the Board of Directors shall be made by secret written ballot at the request of voting Members of the Annual meeting. If this request is not made, a voice vote will take place with the presiding officer making the determination of the results according to his or her best judgment.

ARTICLE VI: MEETING OF DIRECTORS

Section 1 – Regular Meetings

Regular meetings of the Board of Directors shall be held at least semi-annually without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should a 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 VII: THE BOARD OF DIRECTORS – POWERS, DUTIES, AND RESTRICTIONS

Section 1 – Powers

The Board of Directors shall have the power:

- A. To adopt and publish reasonable rules and regulations governing the use of the Lots and to establish penalties for the infractions thereof; notice of any proposed rule or regulation or amendment thereto, shall be furnished to the Members, and shall be deemed adopted ninety (90) days after such notice unless the Members, at a special meeting called for that purpose, vote to amend or repeal such proposed rule or regulation;
- B. To suspend the voting rights 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 suspend after notice and hearing for a period not to exceed sixty (60) days for infraction of published rules or 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 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. To 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:

- A. To cause to be kept a complete record of all its acts on 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-third (1/3) of the Class A Members who are entitled to vote;
- B. To supervise all officers, agents and employees of this Association and see that their duties are properly performed;
- C. To, as more fully provided in the Articles of Incorporation and the Declaration:
 - a. Fix the amount of the annual assessment against each Lot by November 30th of each year for the following calendar year;
 - b. Send written notice of each annual assessment to every Owner subject thereto by November 30th of each year; and
 - c. Foreclose the lien of any assessment against any property subject thereto if such assessment is not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.
- D. 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, such certificates shall be conclusive evidence of such payment;
- E. To procure and maintain adequate liability and hazard insurance, consistent with provisions set forth in the Declaration;
- F. To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate and in accordance with the Declaration; and
- G. To cause the Property to be maintained in accordance with the Declaration.

ARTICLE VIII: OFFICERS AND THEIR DUTIES

Section 1 – Enumeration of Officers

The officers of this Association shall be a President, Vice-President, Secretary and Treasurer, who shall at all times be Members of the Board of Directors, and such other officers as the Board may from time to time by resolution create, who need not be Members of the Board of Directors.

Section 2 – Election of Officers

The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3 – Term

The officers of this Association shall be elected annually by the Board and each shall hold office for **two (2) years** unless he or she shall sooner resign, or shall be 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 shall hold office for such period, having such authority and perform such duties as the Board may, from time to time, determine.

Section 5 – Resignation and Removal

Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6 – Vacancies

A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 7 – Multiple Offices

The offices of President, Vice-President, Secretary and Treasurer may be combined as the Members of the Board of Directors determine and any one Member may hold more than one office at the same time, with the exception of President and Vice-President.

Section 8 – 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, deed, contracts and other written instruments and review **all notes, income, and expenses paid if they did not co-sign these items with another officer.**
- 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 the resolution of the Board of Directors; **sign** all checks and co-sign promissory notes of the Association; keep proper books of accounts; 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.

ARTICLE IX: COMMITTEES

Section 1 – Standing Committee

The Association shall appoint the following standing committees which shall serve without compensation:

- The Nominating Committee
- The Maintenance Committee
- The Architectural Control 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 – Nominating Committee

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

Section 3 – Maintenance Committee

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

Section 4 – Architectural Control Committee

The Architectural Control Committee (ACC) shall be composed of Owners. The Architectural Control Committee shall perform the functions described in Article VI of the Declaration. It shall advise the Board of Directors regarding matters which may affect the appearance and market value of the development.

Section 5 – Subcommittees

With the exception of the Architectural Control Committee as to those functions that are governed by Article VI of the Declaration and 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 6 – Committee's Response to Complaints

It shall be the duty of each committee to receive complaints from Members of any matter involving Association functions, duties, and activities within its fields of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such 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 shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principle office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XI – 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 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 date of delinquency at the rate of eight percent (8%) per annum, and the Association may bring an action of law against the Owner personally obligated to pay same or foreclose the lien against the property, in the manner provided in the declaration. No 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 XII – NO CORPORATE SEAL

There shall be no corporate seal.

ARTICLE XIII – AMENDMENTS

Section 1

These Bylaws may be amended at a regular or special meeting of the Members by a vote of not less than two-thirds (2/3) of the Members who are entitled to vote in person or by proxy. The procedure to amend the Bylaws shall be: (a) the Board of Directors may propose the amendment to the Bylaws by 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 or her** 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.

Notwithstanding the foregoing paragraph, Section 4 Architectural Control Committee of Article IX of these Bylaws may not be amended without written consent of Declarant as long as Declarant holds title to any Lot within Saddle Shores as defined in the Declaration of Covenants, Conditions, Restrictions and Reservations for Saddle Shores.

Section 2

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, and Declaration shall control.

ARTICLE XIV – MISCELLANEOUS

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.

IN WITNESS WHEREOF, the undersigned, Members of the Board Directors of Saddle Shores Homeowners Association, has hereto set their hand this 9th day of January, 2014.

President – David Croft

Vice-President – Mark Gorski

Treasurer – Cory Lindgren

Secretary – Kelly Croft

The instrument was drafted by:
Saddle Shores Homeowners Association
Board of Directors
PO Box 117
Chisago City, MN 55013