

BYLAWS OF SOUTHERN LAKES HOMEOWNERS ASSOCIATION, INC.

1.1) The name of the corporation is the Southern Lakes Homeowners Association, Inc., hereinafter referred to as the “Association”. The principal office of the corporation shall located at 300 Morse Avenue, Excelsior, Minnesota 55331 but meetings of members and directors may be held at such places within the State of Minnesota, County of Hennepin, as may be designated by the Board of Directors.

ARTICLE II DEFINITIONS

2.1) Terms used herein shall have the meanings ascribed to them in the Declaration of Covenants, Conditions and Restrictions for the Southern Lakes Homeowners Association, In., dated _____ and filed _____ in the office of the County Recorder of Dakota County, Minnesota as Document No. _____ (“Declaration”). The terms of the Declaration are incorporated herein by reference.

ARTICLE III MEETING OF MEMBERS

3.1) **Annual Meetings.** The first annual meeting of the members and each subsequent regular annual meeting of the members shall be held on such date and at such place as shall be designated by the Board of Directors in a notice of annual meeting to be furnished to the Members in a manner required by law.

3.2) **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 twenty-five percent (25%) of all the votes of the Class A membership.

3.3) **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 five (5) and no more than thirty (30) days before any such meeting to each member entitled to vote there at., 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. Any member’s mortgagee shall also be entitled to receive such notice(s) upon request and shall be entitled to designate a representative to be present at any meeting. 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.

3.4) **Quorum.** The presence at the meeting of members entitled to cast, or proxies entitled to cast, fifty percent (50%) 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 the 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.

3.5) Proxies. At all meeting 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 IV BOARD OF DIRECTORS: SELECTION; TERM OF SERVICE

4.1) Number. The affairs of this Association shall be managed by a Board of three (3) directors, who need not be members of the Association.

4.2) Term of Office. At the first annual meeting, the members shall elect one-third (1/3) (rounded to the nearest whole number) of the directors for a term of one (1) year, one-third (1/3) of the directors for a term of two (2) years and the balance 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.

4.3) 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 vent 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 the said predecessor.

4.4) 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.

4.5) 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 take at a meeting of the directors.

ARTICLE V NOMINATION AND ELECTION OF DIRECTOR

5.1) 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. Such nominations may be made from among members or non-members.

5.2) 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 VI MEETING OF DIRECTORS

6.1) 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 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.

6.2) 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.

6.3) 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

7.1) Powers. The Board of Directors shall have 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 infraction 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 the 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 be suspended not to exceed sixty (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 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.

f) To adopt and amend budgets for revenues, expenditures, reserves, and levy and collect assessments from owners.

7.2) Duties. It shall be the duty of the Board of Directors:

(a) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the 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 Declaration:

(i) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period.

(ii) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(iii) 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 of Directors 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) To procure and maintain adequate liability a 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 Lots to be maintained in accordance with the Declaration.

ARTICLE VIII OFFICERS AND THEIR DUTIES

8.1) 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.

8.2) 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.

8.3) Term. The officers of this Association shall be elected annually by the Board and shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

8.4) 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, have such authority and perform such duties as the Board may, from time to time, determine.

8.5) Resignation and Removal. Any officer may be removed from office 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.

8.6) 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.

8.7) Multiple Offices. 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 8.4.

8.8) Duties. The duties of the officers are as follows:

(a) 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, contracts and other written instruments and shall co-sign all checks and promissory notes.

(b) 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.

(c) 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.

(d) 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; co-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 or each to the members and to any First Mortgagees who shall request the same.

ARTICLE IX COMMITTEES

9.1) The Association shall appoint the Architectural Control Committee. Unless otherwise provided herein, the committee shall consist of a Chairperson and one (1) or more other members and shall include a member of the Board of Directors for board contact. The committee 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.

9.2) The Architectural Control Committee shall have the duties and functions described in Article VI of the Declaration. It shall watch for any proposals, programs or activities which may adversely affect the residential value of Southern Lakes and shall advise the Board of Directors regarding Association action on such matters. The Board has final authority in matters of architectural control.

ARTICLE X BOOKS AND RECORDS

10.1) The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member of first mortgagee. 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 XI
ASSESSMENTS**

11.1) As more fully provided in the Declaration, and authorized by the Board, each member is obligated to pay to the Association certain annual and/or 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 on or before the due date. If not paid within 10 days of the the due date the assessments shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Association may take such action as in specifically authorized in Article 5.9 of the Declaration.

**ARTICLE XII
AMENDMENTS**

12.1) These Bylaws may be amended at a regular or special meeting of the members provided that any amendment must be approved by owners who have the authority to cast in excess of fifty percent (50%) of the total votes in the Association. 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.

12.2) 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, the Declaration shall control.

**ARTICLE XIII
DISSOLUTION**

13.1) The association may be dissolved by a vote of the members entitled to cast three-fourths (3/4) of the votes of each class of membership. Written notice of proposal to dissolve, setting forth the reasons therefor and the disposition to be made of the assets (which shall be consonant with Article XV hereof) shall be mailed to every member at least sixty (60) days in advance of such action taken.

**ARTICLE XIV
DISPOSITION OF ASSETS UPON DISSOLUTION**

14.1) 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 this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization devoted to such similar purposes. No such disposition of Association properties shall 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 XV
MISCELLANEOUS**

15.1) 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.

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of the Southern Lakes Homeowners Association, Inc., a Minnesota nonprofit corporation, and

THAT the foregoing Bylaws constitute the original Bylaws of said Southern Lakes Homeowners Association, Inc., as duly adopted at a meeting of the Board of Directors thereof, held on the ____ day of _____, 19__.
