

CLEARWATER LAKE PROPERTY OWNERS ASSOCIATION

BYLAWS

ARTICLE I.

MEMBERS

1.1 MEMBERSHIP. Membership of the Clearwater Lake Property Owners Association (the "Association") shall be of one category. Members of the Association shall be natural persons, generally consisting of property owners on or adjacent to Clearwater Lake (the "Lake") and other individuals interested in the well-being of Clearwater Lake and lake management who pay annual dues in the amount determined by the Board of Directors (the "Board") from time to time.

1.2 Dues. Membership dues shall be determined on an annual basis by a majority of the Board.

1.3 Membership Year. The membership year of the Association shall be a 12 month period from January 1 to December 31.

1.4 Membership Voting Eligibility. Only one member per property shall be eligible to vote on any particular issue.

ARTICLE II

MEETINGS OF THE ASSOCIATION

2.1 PLACES OF MEETINGS. All meetings of the members of this Association entitled to vote shall be held at a place within or without the State of Minnesota which may be specifically designated by the Board of Directors in the notice of any such meeting.

2.2 ANNUAL MEETING. The annual meeting of members of this Association entitled to vote shall be held at such place and time as designated by the Board of Directors, at which time the members shall elect the Board of Directors for the ensuing year, and shall transact such other business as shall properly come before them.

2.3 SPECIAL MEETINGS. Special meetings of the Association for any purpose or purposes, unless otherwise prescribed by statute, may be called by the president or by the secretary at the request in writing of three (3) or more directors or at the request in writing of 15 (fifteen) members. Such request shall state the purpose or purposes for the proposed meeting and the business transacted at all special meetings of the members shall be confined to the objects stated in the call.

Within thirty (30) days after the receipt of demand for a special meeting by the president, the Board shall cause a special meeting of the Association to be called and held on notice no later than sixty (60) days after receipt of the demand, at the expense of the Association. Special meetings of the Association shall be held on the date and time and place fixed by the Board, except a special meeting called at or by the demand of Association members shall be held in Wright County, Minnesota. The business transacted at a special meeting of the Association shall be limited to the purposes stated in the notice of the meeting.

2.4 NOTICE OF MEETINGS. Written notice of the time and place of the annual meeting or of any special meeting of the members shall be sent to each member of the Association entitled to vote thereat at his address as the same appears on the records of the Association, at least ten (10) days prior to the meeting, but failure to send such notice shall not invalidate such meeting. Every notice of any special meeting shall state the purpose or purposes for which the meeting has been called, and the business transacted at a special meeting of the Association shall be limited to the purposes stated in the notice.

2.5 WAIVER OF MEETING NOTICE. An Association member may waive notice of any meeting in writing given either before or after the meeting. By attendance at and participation in any meeting of the Association, as Association member shall be deemed to have waived notice thereof, unless the Association member properly objects to Minnesota Statutes §317A.435, Subdivision 3.

2.6 QUORUM AND ADJOURNED MEETINGS. The presence of 10 members shall constitute a quorum at all meetings of the members for the transaction of business except as otherwise provided by law, by the Articles of Incorporation of this Association or by these Bylaws. In the absence of a quorum, any meeting may be adjourned from time to time or from place to place and no notice as to such adjourned meeting or the place thereof need be given other than by announcement at the meeting at which adjournment is taken. At such adjourned meeting, any business may be transacted which might have been transacted at the meeting as originally called, provided a quorum shall be present or represented by proxy.

2.7 VOTING AND PROXIES. At any meeting of the membership, one member per registered property shall be entitled to vote and may vote in person or by proxy.

2.8 WRITTEN BALLOT. An action that may be taken at a regular or special meeting of Association members may also be taken without a meeting if the Association mails or delivers to every member entitled to vote on the matter a written ballot describing the proposed action and providing an opportunity to vote for or against each proposed action. Solicitations pursuant to this Section 2.8 shall indicate the number of responses necessary to meet quorum requirements, the percentage of approvals necessary to meet quorum requirements, the percentage of approvals to approve each action, and the time by which the ballot must be received by the Association to be counted. Approval under this Section 2.8 is only valid if the number of ballots received equals or exceeds the quorum required to be present at a meeting authorizing the action and the number of

approvals received equals or exceeds the number of votes that could be required to approve the action at a meeting of which the total number of votes cast was the same as the number of votes cast by ballot. Written ballots may delivered personally, sent by facsimile communications, sent by electronic email, posted on an electronic network with a separate notice to the member of the specific posting, or mailed postage prepaid.

ARTICLE III.

DIRECTORS

3.1 QUALIFICATIONS. All members of the Association shall be eligible for election to the Board of Directors.

3.2 AUTHORITY. The Board of Directors of the Association shall have the general management of its affairs and shall elect all officers of the Association. In addition to the powers and authorities by these bylaws expressly conferred upon it, the Board of Directors may exercise all of such powers of the Association and do all such lawful acts and things as are not by statute or by the Articles of Incorporation of this Association or by these bylaws directed or required to be exercised or done by the members.

3.3 NUMBER. The number of directors shall not be less than five (5) nor more than fifteen (15). The exact number of directors shall be fixed from time to time exclusively by the Board pursuant to a resolution adopted by a majority of directors then in office. The directors may be elected at the annual meeting or at any special meeting of the members called for that specifically stated purpose which may be held prior to the next annual meeting. All directors shall hold their offices until the next succeeding annual meeting of the members or until their successors shall have been elected.

3.4 TERM. The term of a director shall be for three (3) years. A director shall not serve more than two successive terms unless specifically authorized by the vote of the majority of the directors.

3.5 NOMINATIONS FOR DIRECTORS. Volunteers and/or nominations for service as directors for the following year shall be received by the nominating committee at least ten (10) days before the annual meeting of the Association. The nominating committee may nominate one or more candidates for each position. The nominating committee shall submit to the members its nominees for election as directors at the annual meeting of the Association. Association members may also nominate candidates from the floor at the annual meeting of the Association. All nominees for directors must be members of the Association.

3.6 VOTING. Association members may cast one vote for each director nominee. Voting may be by voice vote or ballot. If ballots are used, space will be provided for a write-in candidate for each available board position. In the case of a tie vote, the outgoing Board will vote to determine who will fill the position.

3.7 VACANCIES. If the office of any director or directors becomes vacant by reason of an increase in the number of directors, death, resignation, retirement, disqualification, removal from office or otherwise, the remaining directors, though less than a quorum, shall choose a successor or successors who shall hold office until the next annual election and until a new successor or successors have been duly elected.

3.8 ANNUAL MEETING OF THE BOARD. The annual meeting of the Board of Directors for the election of officers for the ensuing year and for such other business as may properly come before it shall be held each year immediately following the annual meeting of the members of the association; or at such other time as may be set by the members at the time of election.

3.9 SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the president or by any two directors on five (5) days' notice to each director. No business may be transacted other than that stated in the call.

3.10 MEETINGS WITHOUT NOTICE. Any director may in writing either before or after the meeting, waive notice thereof; and without notice any director by his attendance at and participation in the action taken at any meeting of the Board of Directors shall be deemed to have waived notice thereof. Whenever all the directors of this Association shall be present and consent to or participate in a meeting thereof, such meeting shall be deemed to be a legal meeting and all the business transacted thereat shall be legal and valid in all respects the same as though such meeting had been regularly called and notice thereof had been regularly given.

3.11 CONSENT TO ACTION. Any action which might be taken at a meeting of the Board of Directors may be taken without a meeting if done in writing signed by all the directors.

3.12 QUORUM AND ADJOURNED MEETINGS. At all meetings of the Board of Directors, a quorum sufficient for the transaction of business shall consist of a majority of the directors. If, however, such quorum shall not be present at any such meeting, the directors or director present thereat shall have power to adjourn the meeting from day to day without notice other than announcement at the meeting, until a quorum shall be present.

3.13 DIRECTOR PARTICIPATION. Regular attendance by directors at regular meetings of the board and the annual meeting of the Association is expected. In the event a director has unexcused absences at two or more consecutive board meetings, the Board, in its discretion, may, upon an affirmative vote of two-thirds (2/3) of the directors declare the director's seat abandoned by such director and consider the seat vacant. Prior to the Board taking final action to declare such a vacancy, the president or secretary shall contact such director and such director shall be offered the opportunity to appear in person, have a representative appear in person, or submit documentation on his behalf at the meeting at which the Board will take final action to determine such director's seat has been abandoned and to consider his or her seat vacant.

3.14 REMOVAL. Any director may be removed from office as a director with cause by a two-thirds (2/3) vote of the directors then in office. “Cause” is defined as violation of the Association policies and rules, conviction of a felony, or any other such action reflecting adversely on the Association.

3.15 PLACE OF MEETINGS. The board may meet at such places in the State of Minnesota as the president of the Association may from time to time determine.

3.16 NUMBER OF MEETINGS. The board shall conduct board meetings at least four times per year.

3.17 WAIVER OF MEETING NOTICE. Any director may in writing either before or after the meeting waive notice thereof. Without notice, any director by his/her attendance at any meeting of the Board shall be deemed to have waived notice thereof, except where the director objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate in the meeting thereafter.

3.18 BOARD ACTION WITHOUT MEETING. Any action of the Board required or permitted to be taken at a Board meeting, other than an action requiring approval of the Association’s members, may be taken by written action signed, or consented to by authenticated electronic communication, by the number of directors that would be required to take action at a meeting of the board at which all directors were present. If any written action is taken by less than all of the directors entitled to vote, all directors entitled to vote shall be notified immediately of its text and effective date. Failure to provide such notice does not invalidate the written action.

3.19 REMOTE PARTICIPATION IN MEETINGS. Any and all directors may participate in any meeting of the Board by one or more means of remote communication through which all directors may participate in the meeting, if the same notice is given of the meeting as would be required for a meeting, and if the number of directors participating in the meeting is sufficient to constitute a quorum at a meeting. Such remote means would include conference telephone, video conference, the Internet, Skype, or such other means by which persons not physically present in the same location may communicate with each other on a substantially simultaneous basis. Participating in a meeting in this manner constitutes presence at a meeting.

3.20 QUORUM. At all meetings of the Board, a quorum sufficient for the transaction of business shall consist of a majority of the directors.

3.21 DUTIES. Each director is expected to strive to achieve the objectives of the Association and to act upon the business of the Association in a thoughtful and conscientious manner. Directors are expected to take an active role in the promotion and development of the Association.

3.22 COMPENSATION. Directors, as such, shall not receive any stated salary for their services but may be reimbursed for actual expenses while conducting Association business, provided that

such expenses are authorized by the Board and such expenses are supported by adequate documentation.

3.22.1 Expenditures for bonding of the president, vice president, secretary, treasurer or other officers of the Association, if required, shall be paid by the Association. Expense reimbursement for non-board members shall be allowed only with prior approval of the board. All expenses shall be submitted to the treasurer and must be proved by adequate documentation.

ARTICLE IV.

OFFICERS

4.1 OFFICERS, QUALIFICATIONS, AUTHORITY AND ELECTION. The officers of the Association shall be chosen by the Board and shall be a president, one or more vice-presidents, a secretary, a treasurer, and such other officers as the Board of Directors may from time to time deem advisable. The Board may fix the powers, duties and compensation of any officers not specifically provided for herein.

4.1.1 Any two or more offices may be held by the same person at the same time except that the same person shall not hold at the same time the offices of president and vice-president.

4.1.2 Term: The terms of the president, vice president, secretary and treasurer shall be for one year, beginning at the adjournment of the annual meeting of the Board at which they are elected and continuing until the adjournment of the annual meeting of the Board in the following year. Officers may succeed themselves in an office.

4.1.3 Any officer may be removed at any time by the Board of Directors with or without cause. In case of the death, disqualification, absence or inability to act of any officer of the Association or for any other reason that the board may deem sufficient, the board may delegate for the time being the powers, duties, or any of them, of such officer to any other officer or to any director.

4.1.4 The Board of Directors may fill all vacancies in any office of this Association. The person so elected to fill any such vacancy to hold office for the unexpired term in respect to which such vacancy occurs.

4.2 PRESIDENT. The president shall be the chief executive officer of the Association; he/she shall, unless otherwise directed by the Board of Directors, preside at all meetings of the members and directors; he/she shall have general and active management of the business of the Association, under the supervision and direction of the board and shall see that all orders and resolutions of the board are carried into effect. The president shall be bonded as required by the Board.

4.2.1 He/She shall execute all contracts or instruments requiring the prior consent of the board or Association. The president shall have such other powers and perform such other duties as the board may from time to time prescribe. The president shall vote in case of a tie vote by the board.

4.2.2 The president shall appoint the chairs of all committees of the Association and may serve as an ex-officio member of all committees.

4.2.3 The president is responsible for enforcement of all by-laws and any rules, regulations and policies which may be adopted by the board.

4.3 VICE PRESIDENT. The vice president shall assist the president and shall preside at meetings of the Association and the Board in the absence of the president and may service as ex-officio member of all committees. He/She shall perform such other duties as may be assigned by the Board and/or the president. The vice-president shall be bonded as required by the Board.

4.4 SECRETARY. The secretary shall prepare minutes of all meetings of the Association and the Board and cause timely notice of regular and special meetings of the Board and the Association to be provided to directors and members entitled to receive such notices; the secretary shall maintain all permanent records of the Association including Articles of Incorporation, bylaws, minutes of meetings of the Association, of Board committees and an accurate list of the members of the Association; attend all meetings of the Board of Directors and of the members and record all votes and the minutes of all proceedings of the Board of Directors and of the members in a book to be kept for that purpose. He/She shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors, and shall perform such other duties as may from time to time be prescribed by the Board of Directors or by the president. The secretary shall be bonded as required by the Board.

4.5 TREASURER. The treasurer shall be responsible for the financial affairs of the Association. The treasurer shall receive all funds paid to the Association and shall pay of the bills uncured by the Association as authorized by the Board. The treasurer shall make a report at the annual meeting of the Association on the financial affairs of the Association. The treasurer shall serve as chair of the finance committee, if the Association has such a committee. The treasurer shall perform such duties as assigned by the board and/or president. All checks payable to the treasurer of the Association in his/her capacity as treasurer must be co-signed by the president. The treasurer shall cause all Association funds to be deposited in a financial institution approved by the Board. The treasurer shall be bonded as required by the Board.

4.6 PAST PRESIDENT. The immediate past president shall serve on the Board and the executive committee (if there is an executive committee) for one year following his/her term as president. In the event of the resignation of the immediate past president, the board may appoint the previous past president to serve the remainder of the term.

4.7 OFFICERS SHALL NOT LEND ASSOCIATION CREDIT. No officer of this Association shall sign or endorse in the name or on behalf of this Association, or in his/her official capacity, any obligation for the accommodation of any other party or parties; nor shall any check, note, bond, or other security or thing of value belonging to this Association be used by any officer or director as collateral for any obligation of his/her own or for any other purpose than for use of the association.

ARTICLE V.

COMMITTEES

5.1 COMMITTEES. The president shall have the power to form committees as he/she deems necessary to further the objectives of the Association.

5.2 COMMITTEE CHAIRS. For each of the committees except the executive committee (if there is an executive committee), the president shall appoint a committee chair who shall serve until such time as the committee chooses to elect its own chair. Any Association member, including a director, may serve on any committee or be elected a committee chair. A committee chair may be removed as chair for cause by two-thirds (2/3) vote of the members of that committee, or in the case of a committee of one, by two-thirds (2/3) vote of the board.

5.3 COMMITTEE EXPENDITURES. No committee may spend in excess of \$500.00 in Association funds without prior authorization by the board. Budgeted expenditures are considered board authorized.

5.4 COMMITTEE MEMBERSHIP. Committee membership is restricted to Association members; however, non-members may serve in an ex-officio, non-voting capacity.

ARTICLE VI.

FINANCIAL MATTERS

6.1 FISCAL YEAR. The fiscal year of the Association shall begin on January 1 and end on December 31.

6.2 FINANCIAL STATEMENTS. The Board of Directors may from time to time ask that an accounting firm perform an Agreed Upon Procedure to review the financial statements of the Association.

6.3 CHECKS, ETC. All checks, promissory notes and other commercial paper and all contracts necessary or proper to be executed in the business of the Association may be signed by such officer or officers or such persons as the Board shall be resolution from time to time authorize for that purpose.

ARTICLE VII

NOTICES

7.1 NOTICES. Whenever under the provisions of these by-laws notice is required to be given to any member, director, officer, or committee member, it shall not be construed to require personal notice, but such notice shall be given in writing by email or mail by depositing the latter in the post office or a letter-box in a postpaid, sealed envelope addressed to such member, director, officer or committee member at the last address appearing on the books and records of the Association.

ARTICLE VIII.

LIABILITY

8.1 ASSOCIATION LIABILITY. It is implicitly understood that the Association assumes no responsibility or liability for the safety or well-being of any Association members or representative of an Association member attending, managing or participating in any meeting or other function of the Association.

8.2 DIRECTOR OR OFFICER LIABILITY. No director or officer, former director or officer, or any authorized agent of the Association shall be liable in any manner to the Association or any person or group for any loss or damage sustained as a result of action taken or omitted to be taken by said director or agent in good faith if he exercised or used the same degree of care and skill as a prudent person would have exercised or used under the circumstances in the conduct of his own affairs.

ARTICLE IX.

INDEMNIFICATION

9.1 INDEMNIFICATON. The Association shall indemnify such persons, for such expenses and liabilities, in such a manner, under circumstances, and to such extent as required by Section 317A.521 of Minnesota statutes, as now enacted or hereafter amended.

ARTICLE X.

AMENDMENTS

10.1 AMENDMENT PROPOSALS. Amendments to these by-laws may be initiated by written petition of at least 20% of the members of the board. Proposed amendments should be considered by the executive committee (if there is an executive committee) which may make a report and recommendation to the board.

10.2 APPROVAL. After 30 days' notice, these by laws may be amended by two-thirds (2/3) of the members of the Board of the Association.

ARTICLE X1.

RULES OF ORDER

11.1 RULES. All meetings of the Association and Board of Directors shall be conducted in accordance with the latest edition of "Robert's Rules of Order", except where such rules conflict with these bylaws.


DATED:

5/21/2018


James Kutzner
President

DATED:

5/21/2018


Joy Carlson
Secretary