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AMMENDED
BY-LAWS
OF
SHORE WOOD ACRES LAND OWNERS ASSOCIATION

ARTICLE I.
MEMBER'S MEETING

Section 1. PLACE. All meetings of the members shall be held at the office of the Association in Spirit Lake, Iowa, or at such other place designated by the Board of Directors or consented to in writing by all of the members.

Section 2. TIME. The annual meeting of the members shall be held on the third Saturday of April in each year at eight o'clock P.M., when they shall elect by a majority vote a Board of Directors.

Section 3. NOTICE OF MEETINGS. Written notice stating the place, day and hour of the meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be mailed or personally delivered not less than ten (10) days prior to the date of the meeting, by the Secretary, to each member of record entitled to vote at such meeting. Waiver by a member of notice of a members' meeting, signed by him, whether before or after the time of such meeting, shall be equivalent of the giving of such notice. In the case of adjournment of a meeting from time to time, no further notice of the adjourned meeting shall be necessary if an announcement is made at the meeting where the adjournment is had, specifying the place, day and hour of the adjourned meeting.

Section 4. SPECIAL MEETINGS. Special meetings of the members may be called at any time upon request of the President, any Vice President or a majority of the members of the Board of Directors, or upon a request in writing to the President, any Vice President or the Board of Directors by one or more members holding not less than one-third (1/3) of the voting power of the members.

Section 5. QUORUM. The business at the annual meeting may be conducted by those members present at the annual meeting and the quorum rule of 50% of the land lot owners be present, be abolished. Two week notice of annual meeting still required. The members present at a duly called or held meeting may continue to do business until adjournment. The president, or in his absence, the Vice President or any other person designated from time to time, by the Board of Directors shall preside at all meetings of the members.

176141

-1-

OFFICE OF COUNTY RECORDER
County of Jackson, Minn.
I hereby certify that the within instrument was filed in this office for record on this 29 day of Nov A. D., 1979 at 1:50 o'clock P.M., and was duly recorded on Microfilm
No. 176141
D. J. [Signature]
County Recorder

Section 6. Each member shall be entitled to one vote for each lot owned by him or being purchased by him on a contract for deed.

Section 7. Business transacted at all special meetings shall be confined to the purposes stated in the call.

ARTICLE II.

BOARD OF DIRECTORS

Section 1. ELECTION OF DIRECTORS. The property and business of the Association shall be managed by its Board of Directors, which shall consist of seven (7) Directors. They shall be elected at the annual meeting of the members, by majority vote and each Director shall be elected to serve for one year or until his successor shall have been elected and qualified. Except as otherwise provided in the articles, Directors, other than those constituting the first board, shall be elected by the members. Provided, however, the total number of members shall be less than seven (7), the board may consist of a number of directors not less than the number of such members.

Section 2. VACANCIES. Any vacancy occurring in the Board of Directors, may be filled by the affirmative vote of a majority of the remaining Directors or by election at a meeting of members. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 3. A Director may be removed with or without cause by the affirmative vote of a two-thirds (2/3) majority of the members of the Association at a special meeting of the members called for that purpose. The vacancy so created shall be filled by the election of a new Director to fill the unexpired term of the Director removed.

Section 4. MEETINGS AND NOTICE. The Board of Directors shall meet each year immediately after the annual meeting of members, and at the same place as the meeting of members. No notice either to old or new members of the Board of Directors shall be required for such annual meeting or for any regular meeting of the directors fixed from time to time by resolution of a majority of the Board of Directors. Other meetings of the Board of Directors may be held upon five (5) days written notice upon the call of the President or any Director. Notice may be waived in writing before or after the time of such meeting, and attendance of a Director at a meeting shall constitute a waiver of notice thereof. Neither the business to be transacted at, nor the purpose of, any meeting need be specified in the notice of such meeting.

Section 5. QUORUM. At all meetings of the Board, a majority of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the Directors present at any meeting at which there is a quorum, shall be the act of the Board of Directors. Provided, however, that if any vacancies exist for any reason, the remaining Directors shall constitute a quorum for the filling of such vacancies.

Section 6. ORDER OF BUSINESS. The Board of Directors may from time to time determine the order of business at their meetings. The usual order of business at such meeting shall be as follows:

1. The meeting is called to order by the President at the time and on the date of the meeting.
2. Roll call -- quorum being present the meeting proceeds with business.
3. Reading by Secretary of minutes of previous meeting and their consideration and approval.
4. Report of officers.
5. Report of committees.
6. Consideration of communications.
7. Unfinished business.
8. New business.
9. Motion to adjourn.

ARTICLE III.

POWERS AND DUTIES OF DIRECTORS

Section 1. The Board of Directors shall have the power to do all lawful acts necessary and expedient to the conduct of the business of the Association.

Section 2. The powers and duties of the Directors shall include but shall not be limited to the following; subject, however, to the powers and duties conferred upon the members by these By-Laws or by the Articles of Association:

- a) To provide for the maintenance and repair of the existing sewage and water system and roads hereinafter called association property.

b) To improve, extend, enlarge, construct anew and reconstruct the association property as it shall deem necessary.

c) To make and collect from its members reasonable charges for the water and sewer services provided.

d) To make and collect from its members in addition to the charges made for the providing of said services such assessments as may be necessary to provide funds for the construction of new facilities or for the reconstruction, enlargement or extension of existing facilities.

e) To make and enforce reasonable regulations governing the use and operation of its facilities.

Section 3. The Board of Directors shall have no authority to make capital improvements or improvements of a lasting character to the system unless the Board shall first be authorized to do so by majority vote of the members entitled to vote at a meeting called for that purpose.

ARTICLE IV.

OFFICERS

Section 1. THE BOARD OF DIRECTORS at its first meeting and at its first meeting after each annual meeting of members shall elect a President from its own number, and the Board shall also annually elect a Vice-President, a Secretary and a Treasurer, none of whom need be a member of the Board. The President shall hold office until his successor is elected notwithstanding an earlier termination of his office as director. A Vice-President who is not a director may not succeed to the office of President.

Section 2. OTHER OFFICERS. The Board may appoint such other officers and agents as it shall deem necessary, from time to time, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 3. TERMS OF OFFICE. The Officers of the Association shall hold office for one year or until their successors are chosen and qualify in their stead. Notwithstanding an earlier termination of their office as Directors, any officer elected or appointed by the Board of Directors may be removed by the affirmative vote of a majority of the whole Board of Directors with or without cause.

Section 4. SALARIES. The officers and directors shall serve without remuneration but shall be paid actual expenses incurred in carrying out the work of the association.

Section 5. PRESIDENT. The President shall be the chief executive officer of the Association; he shall preside at all meetings of the members and Directors; he shall have general active management of the business of the Association, and shall see that all orders and resolutions of the Board are carried into effect, and shall have the general powers and duties of supervision and management of the association.

Section 6. VICE PRESIDENT. The Vice President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President, and shall perform such other duties as the Board of Directors shall prescribe.

Section 7. SECRETARY. The Secretary shall attend all sessions of the Board of Directors and all meetings of the members and record all votes and the minutes of all proceedings in a book kept for that purpose; and shall perform like duties for the standing committees when required. He 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 be prescribed by the Board of Directors or President, under whose supervision he shall be. He shall be sworn to the faithful discharge of his duty.

Section 8. TREASURER. (a) The Treasurer shall have the custody of the Association funds and securities and shall keep full and accurate account of receipts and disbursements in books belonging to the association and shall deposit all moneys, and other valuable effects in the name and to the credit of the association, in such depositories as may be designated by the Board of Directors. (b) He shall disburse the funds of the association as may be ordered by the Board, taking the proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the association. (c) He shall give the association a bond if required by a majority of the Board of Directors, in such amount as they may determine, and with one or more sureties satisfactory to the Board, for the faithful performance of the duties of his office, and for the restoration to the association, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property, of whatever kind in his possession or under his control, belonging to the association.

Section 9. None of the officers of said association shall sign any notes or bonds for others without first securing the written consent of the other officers of this said association.

Section 10. VACANCIES. If the office of any Director or any officer or agent becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the Directors then in office, although less than a quorum, by a majority vote, may choose a successor or successors, who shall hold office for the unexpired term in respect of which such vacancy occurred.

Section 11. EXECUTIVE COMMITTEE. The Board of Directors may, by unanimous affirmative action of the entire Board, designate two or more of their number to constitute an executive committee, which, to the extent determined by unanimous affirmative action of the entire Board, shall have and exercise the authority of the Board in the management of the business of the association. Any such executive committee shall act only in the interval between meetings of the Board, and shall be subject at all times to the control and direction of the Board.

ARTICLE V.

FINANCES

Section 1. The Board of Directors shall have full authority over the financial affairs of the association and shall provide for the collection of all charges and assessments, the auditing and settlement of accounts and the safekeeping and disbursements of association moneys.

Section 2. The receipts and expenditures of the association shall be credited and charged to the following funds:

a) General fund, which shall include all receipts of the association, except those allocated to the permanent improvement fund and all expenditures of the association shall be made from this fund except those for new equipment and all improvements of a lasting character.

b) Permanent improvement fund which shall include all receipts from, over and above that amount necessarily allocable to the general fund, assessments and all expenditures for new equipment and improvements of a lasting character shall be made from this fund.

Section 3. The Board shall, prior to August 31st, prepare and adopt an annual budget which shall be by funds. The budget for the general fund shall be arranged to show anticipated expenditures for salaries, operation, maintenance and repairs plus an allowance for contingencies if deemed appropriate. The permanent improvement fund shall be arranged to show a reserve for depreciation and a reserve for capital improvements.

Section 4. In addition to the funds provided in Section 2, the Board may create such other funds as it in its discretion deems necessary or advisable.

Section 5. ASSESSMENTS. The Board shall have the authority to assess members of the association as follows:

a) Annual assessments: Annually at the time of the preparation of the budget, the Board shall determine the total income which can reasonably be anticipated to be received from charges to members for sewer and water services. If said sum shall be determined to be less than anticipated, costs for the operation, maintenance and repair of roads, water and sewer systems, the difference, shall be assessed against the members owning lots that are then connected to and are serviced by the sewer and water services. Such assessment shall be due and payable in two equal installments, the first immediately upon January 15th and the second on July 1st, in the year for which assessments are made. The Secretary-Treasurer shall notify each member on or before January 1st of the year in which the assessment is made of the amount of the assessment. In the event the annual assessment proves to be insufficient, the assessments may be increased, at any time, during the year for which the assessment is made, and the increased assessment shall be payable on or before July 1st if the amendment is made prior to that time and within thirty (30) days from receiving notice thereof if amended after July 1st. Upon default in the payment of any assessment, the entire assessment shall then become due and payable.

b) Special assessments: Annually at the time of the preparation of the budget, the Board shall determine the cost and necessity, if any, for the purchase of new equipment and or improvements of a lasting character for the ensuing year. The Board shall at the next annual meeting of the membership present its recommendation for the purchase of new equipment and/or improvements of a lasting character for the ensuing year. If the majority of the membership shall approve such expenditure, then, the estimated cost of such new equipment and/or improvements of a lasting character shall be assessed to the members of the Association in proportion to the lots owned. Such assessments may be made payable as in the case of annual assessments or may be spread out over such length of time as the Board may determine.

ARTICLE VI.

Section 1. INSPECTION OF BOOKS. Members shall be permitted to inspect the books of the association at all reasonable times.

Section 2. DEPOSITORY. The funds of the association shall be deposited in such bank or banks as the Board shall from time to time designate.

Section 3. CHECKS. All checks and notes of the association shall be signed by the Treasurer and countersigned by either the President or Vice president or by such other officers or agents as may from time to time be designated by resolution of the Board of Directors.

Section 4. THE FISCAL YEAR shall be March 1 of each year.

Section 5. AUDIT. The accounts of the association shall be audited annually by an accountant to be selected by the Board of Directors and a copy of such audit shall be furnished to each member of the association at the time of the annual meeting.

Section 6. BONDS. The Board of Directors shall require fidelity bonds from such of the association's officers and members, and in such amounts as the Board may determine. The premiums shall be paid by the association.

Section 7. DIRECTORS' ANNUAL STATEMENT. The Board of Directors shall, at each annual meeting and when called for by vote of members, present a full and clear statement of the business and condition of the association.

Section 8. WATER. Any new building that requires water, that a shut off for water approved by association be installed at lot line.

Section 9. ASSESSMENTS and installments thereof paid on or before ten (10) days after the date when due shall not bear interest, but all sums not paid on or before ten (10) days after the date when due shall bear interest at the rate of full legal interest per annum from the date when due until paid. All payments upon account shall be applied first to interest and then to the assessment payment first due. All interest collected shall be credited to the Common Expense Account.

Section 10. FAILURE to comply with any of the terms of the restrictive covenants, Bylaws and regulations adopted pursuant thereto, shall be grounds for relief which may include, without intending to limit the same, to an action to recover sums due for damages, injunctive relief, foreclosure of lien or any combination thereof, and which relief may be sought by the Association or if appropriate, by an aggrieved member.

Section 11. FAILURE TO PERFORM. If any member fails to perform any obligation imposed under the restrictive covenants or these By-Laws or rules and regulations, then the Association may, but is not obligated to perform the same for the member's account and for such purpose may enter upon the lot, may make necessary repairs, shut off water service, advance expenses or other sums necessary to cure the default and for such expense, levy a special assessment upon the lot. Each member shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or by that of any member of his family, of his or their guests, employees, agents or leasees.

Section 12. PROCEEDINGS. In any proceeding arising because of an alleged default by a member, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be determined by the court.

Section 13. THE FAILURE of the Association or of a member to enforce any right, provision, covenant or condition which may be granted by the restrictive covenants or by-laws shall not constitute a waiver of the right of the Association or member to enforce such right, provision, covenant or condition in the future.

Section 14. SEVERABILITY. If any part of these by-laws shall be ruled invalid or ineffective for any reason whatsoever, the balance shall nevertheless remain in full force and effect.

Section 15. AMENDMENTS TO BY-LAWS. These by-laws may be amended or altered by the vote of a majority of the whole Board of Directors at any meeting, provided that notice of such proposed amendments shall have been given in the notice given to the Directors of such meeting. Such authority in the Board of Directors is subject to the powers of the members to change or repeal such by-laws by a majority vote of the members present and represented at any annual meeting or at any special meeting called for that purpose, and the Board of Directors shall not make or alter any by-laws fixing their number, qualification or term of office.

These by-laws were adopted by the members of the association at a meeting called for that purpose on the 31st day of October, 1979.

Harley J. Julius
President

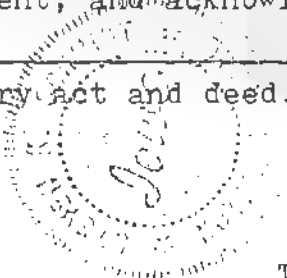
Earl J. Schmidt
Secretary/Treasurer

STATE OF Iowa

County of Dickinson, ss.

On this 19th day of November, A.D. 19 79.

before me, Steven K. Schmidt a Notary Public in and for the County of Dickinson, State of Iowa, personally appeared to me known to be the persons named in and who executed the foregoing instrument, and acknowledged that Harley J. Julius and Earl J. Schmidt executed the same as their voluntary act and deed.



Steven K. Schmidt
Notary Public in and for
Dickinson County, State of
Iowa.

This instrument was drafted by: Winzenburg, Halloran & Handevidt
Jackson, Minnesota 56143.

AMENDED
CONSTITUTION AND DECLARATION OF
SHORE WOOD ACRES LAND OWNERS ASSOCIATION

THIS CONSTITUTION AND DECLARATION is hereby made by the board of directors of Shore Wood Acres Land Owners Association, hereinafter referred to as declarant, and Gladys B. Schmidt, declarant and developer, the singular to include the plural, who have this day voluntarily amended the constitution of the association dated September 18, 1971, as recorded in the office of the Jackson County Register of Deeds on August 30, 1985 at 3:45 p.m. and recorded on Microfilm No. 188969, in its entirety affecting the following planned unit development:

Shorewood Acres Subdivision Lots 1-14, inclusive; First Addition to Shorewood Acres Subdivision, Lots 1-21, inclusive; Second Addition to Shorewood Acres Subdivision, Lots 1-18, inclusive; Third Addition to Shorewood Acres Subdivision, Lots 1-10, inclusive; Fourth Addition to Shorewood Acres Subdivision, Lots 1-8 in Block 1, Lots 1-6 in Block 2 and Lots 1-3 in Block 3; all in Section 35, T101N R36W, Fifth P.M., Jackson County, Minnesota.

WHEREFORE, THE UNDERSIGNED DECLARE AND CERTIFY AS
FOLLOWS:

ARTICLE I.

NAME

That the name of the association is the SHORE WOOD ACRES LAND OWNERS ASSOCIATION.

ARTICLE II.

PURPOSE

That the association is formed as a nonprofit association to provide for the maintenance and operation of a road system, a water system and a sewer system serving the subdivision.

198531

OFFICE OF COUNTY RECORDER

County of Jackson, MN
I hereby certify that the within instrument was filed in this office for record on this 30 day of Aug A. D., 1985 at 10 o'clock A M., and was duly recorded on Microfilm

No. 198531

Danish Johnson
County Recorder

By _____ Deputy

G. Schmidt

ARTICLE III.

MEMBERS

Every tract or lot owner shall be a member of the association and shall have one (1) vote per lot. Membership runs with and is appurtenant to a lot and each lot owner has an easement and right of enjoyment of any common area or property owned by the association. Subsequent owners of the property will acquire the prior owner's rights in the association, subject to payment of association assessments and service charges. Where more than one person holds an interest in a lot, all such persons as they may among themselves determine may cast that lot's vote and in no event shall more than one vote be cast with respect to any one lot. No member may be expelled from the association or be denied voting rights. No interest held as security for the performance of an obligation shall be entitled to any membership rights.

ARTICLE IV.

BOARD OF DIRECTORS

The affairs of the association shall be managed by a board of not less than seven (7) directors, who shall be elected by the members of the association for one-year terms, shall serve without compensation, and who shall adopt bylaws for the association. The present board of directors who shall serve until their successors are elected and qualify are:

<u>Name</u>	<u>Address</u>
Mark Peters	507 20th Street Spirit Lake, IA 51360
Marv Jacobs	RR #1, Box 123 Auburn, IA 51433
Barbara Leth	206 S.W. School St. Ankeny, IA 50012
Robert O. Whitmer	10837 Condon Avenue Inglewood, CA 90304
Steven K. Schmidt	820 28th Street Spirit Lake, IA 51360
Douglas E. Schmidt	18430 High Path Minnetonka, MN 55435

Earl J. Schmidt

Box 6857
Spirit Lake, IA 51360

ARTICLE V.

APPURTENANCES

The undersigned hereby declare that the above described property shall be held, sold and conveyed subject to this constitution and declaration, which shall run with the real property and shall be binding on all parties having any right, title or interest in the property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE VI.

POWERS AND OPERATION

The association shall have the power to fix and collect annual or special assessments from all lot owners except developer, to acquire, deal in or dispose of real or personal property in connection with the affairs of the corporation; borrow money with the assent of two-thirds (2/3) of the membership; and to dedicate, sell or transfer all or any part of the property, all as more fully set out in its bylaws.

Section 1. Uniform Rate of Assessments. All assessments must be uniformly fixed for all lots subject to assessment subject, however, to the restriction that lots shall not be subject to assessment until sold from the developer or her heirs to a subsequent lot owner.

Section 2. Types of Assessments. The association may assess annual or membership fees on all lots except those owned by the developer based upon expenses common to all lots including not more than 50% of road costs, and may assess charges against lots using water and sewer for the expenses of operating and maintaining the water, sewer and road systems. In addition, the association may assess for capital expenditure as provided in the bylaws.

Section 3. Nonpayment of Assessments. Any assessment not paid within thirty (30) days of the due date shall bear interest from the due date at the rate established for judgments under the laws of the State of Minnesota. Assessments are both a personal obligation of the member and a charge against the member's lot, subordinate to the lien of any first mortgage. Mortgagees are not required to collect assessments. The owner is personally obligated to pay the same and the association

shall have the right to take such action as is necessary to enforce payment of the assessments, but failure to pay assessments shall not constitute a default under an insured mortgage. The association shall, upon demand and for a reasonable charge, furnish to any owner a certificate stating the status of payment of assessments. Voting rights and use of the water and sewer system may be suspended for any period during which any assessment against the owner's lot shall remain unpaid.

ARTICLE VII.

ENFORCEMENT AND AMENDMENT

The developer shall have the right to incorporate or annex additional area into this planned unit development. The association and individual owners shall have the right to incorporate or annex additional area into the planned unit development, to enforce the provisions of this constitution and declaration, and to amend this constitution and declaration, in full or in part, by a written instrument signed by the developer or her heirs or by the owners of not less than three-fourths (3/4) of the total lots. Any amendment or annexation shall be filed for record with the Jackson County Register of Deeds.

ARTICLE VIII.

ANNUAL MEETINGS

The annual meeting of the members of the association shall be on the third Saturday of June, yearly in Spirit Lake, Iowa, at a location designated by the board of directors.

ARTICLE IX.

DISSOLUTION

If the association is dissolved, its assets shall be dedicated to a public body or conveyed to a nonprofit organization with similar purposes.

IN WITNESS WHEREOF, the undersigned declarants have executed this document effective the 11 day of October, 1989.

SHORE WOOD ACRES LAND OWNERS
ASSOCIATION

By: Mark P. Peters
Its: President

Gladys B. Schmidt
Gladys B. Schmidt

STATE OF IOWA)
) ss.
COUNTY OF DICKINSON)

On this, the 11 day of October, 1989, before me, the undersigned officer, personally appeared Mark Peters, who acknowledged himself/herself to be the President of Shore Wood Acres Land Owners Association, and that he/she, as such president, being authorized to do, executed the foregoing instrument for the purposes therein contained by signing the name of the association by himself/herself as _____.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Paul J. Schmidt
Notary Public

My commission expires: _____

(Seal)

STATE OF ICWA)
) ss.
COUNTY OF DICKINSON)

On this, the 11 day of October, 1989, before me, the undersigned officer, personally appeared Gladys B. Schmidt, known to me or satisfactorily proven to be the person subscribed to in the within instrument and acknowledged that she executed the same for the purposes therein contained and as her own free act and deed.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Paul J. Schmidt
Notary Public

My commission expires: Sept 20, 1990

(Seal)
22,819e

THIS INSTRUMENT DRAFTED BY
HARLAN A SCHMIDT
ATTORNEY AT LAW
1230 N. AVE. SUITE 8
SPEARFISH S DAK 57783

AMENDED BY-LAWS
OF
SHORE WOOD ACRES LAND OWNERS ASSOCIATION

ARTICLE I.

MEMBER'S MEETING

Section 1. Place.

All meetings of the members shall be held at a place designated by the Board of Directors in Spirit Lake, Iowa.

Section 2. Time.

The annual meeting of the members shall be held at a time and date determined by the Board of Directors, at which meeting the members shall elect by a majority vote a Board of Directors.

Section 3. Notice of Meetings.

Written notice stating the place, day and hour of the meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be mailed, emailed or personally delivered not less than ten (10) days prior to the date of the meeting, by the Secretary, to each member of record entitled to vote at such meeting. Waiver by a member of notice of a members' meeting, signed by him, whether before or after the time of such meeting, shall be equivalent of the giving of such notice. In the case of adjournment of a meeting from time to time, no further notice of the adjourned meeting shall be necessary if an announcement is made at the meeting where the adjournment is had, specifying the place, day and hour of the adjourned meeting.

Section 4. Special Meetings.

Special meetings of the members may be called at any time upon request of the President, any Vice President or a majority of the members of the Board of Directors, or upon a written request in writing to the President, any Vice President or the Board of Directors by members holding not less than one-third (1/3) of the voting power of the members.

Section 5. Quorum.

Those members present at the annual meeting shall constitute a quorum for the transaction of any business. The President, or in his/her absence, the Vice President or any other person designated from time to time by the Board of Directors shall preside at all meetings of the members.

Section 6.

Each member shall be entitled to one vote.

Section 7.

Business transacted at all special meetings shall be limited to the purpose stated in the notice of the meeting.

ARTICLE II.

BOARD OF DIRECTORS

Section 1. Election of Directors.

The property and business of the Association shall be managed by its Board of Directors, which shall consist of seven (7) Directors. They shall be elected at the annual meeting of the members, by majority vote of the members present, and each Director shall be elected to serve for one year or until his successor shall have been elected and qualified.

Section 2. Vacancies.

Any vacancy occurring in the Board of Directors, shall be filled by the affirmative vote of a majority of the remaining Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 3.

A Director may be removed with or without cause by the affirmative vote of a two-thirds (2/3) majority of the members of the Association present at a special meeting of the members called for that purpose. The vacancy so created shall be filled by the election at such meeting by the members of a new Director to fill the unexpired term of the Director removed.

Section 4. Meetings and Notice.

The Board of Directors shall hold an annual meeting, each year immediately after the annual meeting of members, and at the same place as the meeting of members. No notice either to old or new members of the Board of Directors shall be required for such annual meeting or for any regular meeting of the directors fixed from time to time by resolution of a majority of the Board of Directors. Other meetings of the Board of Directors may be held upon five (5) days written notice upon the call of the President or any Director. Notice may be waived in writing before or after the time of such meeting, and attendance of a Director at a meeting shall constitute a waiver of notice thereof. Neither the business to be transacted at, nor the purpose of, any meeting need be specified in the notice of such meeting.

Section 5. Quorum.

At all meetings of the Board, a majority of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the Directors present at any meeting at which there is a quorum, shall be the act of the Board of Directors. Provided, however, that if any vacancies exist for any reason, the remaining Directors if less than four shall constitute a quorum for the filling of such vacancies.

Section 6. Order of Business.

The Board of Directors may from time to time determine the order of business at their meetings. The usual order of business at such meeting shall be as follows:

1. The meeting is called to order by the President at the time and on the date of the meeting.
2. Roll call - quorum being present the meeting proceeds with business.
3. Reading by Secretary of minutes of previous meeting and their consideration and approval.
4. Report of officers.
5. Report of committees.
6. Consideration of communications.

7. Unfinished business.
8. New business.
9. Motion to adjourn.

ARTICLE III.

POWERS AND DUTIES OF DIRECTORS

Section 1.

The Board of Directors shall have the power to do all lawful acts necessary and expedient to the conduct of the business of the Association.

Section 2.

The powers and duties of the Directors shall include but shall not be limited to the following; subject, however, to the powers and duties reserved to the members by these By-laws or by the Articles of Association:

- a) To provide for the maintenance and repair of the existing water system and roads hereinafter called association property.
- b) To improve, extend, enlarge, construct anew and reconstruct the association property as it shall deem necessary.
- c) To make and collect from its members reasonable charges for the water and road services provided.
- d) To make and collect from its members in addition to the charges made for the providing of such services such assessments as may be necessary to provide funds for the construction of new facilities or for the reconstruction, enlargement or extension of existing facilities.
- e) To make and enforce reasonable regulations governing the use and operation of its facilities.

Section 3.

The Board of Directors shall have no authority to make capital improvements or improvements of a lasting character to the system unless the Board shall first be authorized to do so by majority vote of the members present and entitled to vote at a meeting called for that purpose.

ARTICLE IV.

OFFICERS

Section 1. The Board of Directors.

The Board of Directors at each annual meeting shall elect a President and Vice-President from its own number, and the Board shall also annually elect a Secretary and a Treasurer, who need not be a member of the Board. The President shall hold office until his successor is elected notwithstanding an earlier termination of his office as director. The Vice-President shall succeed to the office of President upon the death or resignation of the President for the remaining unexpired term.

Section 2. Other Officers.

The Board may appoint such other officer and agents as it shall deem necessary, from time to time, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 3. Terms of Office.

The Officers of the Association shall hold office for one year or until their successors are elected and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed by the affirmative vote of a majority of the whole Board of Directors with or without cause.

Section 4. Salaries.

The officers and directors shall serve without remuneration but shall be paid actual expenses incurred in carrying out the work of the association.

Section 5. President.

The President shall be the chief executive officer of the Association; he shall preside at all meetings of the members and Directors; he shall have general active management of the business of the Association, and shall see that all orders and resolutions of the Board are carried into effect, and shall have the general powers and duties of supervision and management of the association.

Section 6. Vice President.

The Vice President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President and shall perform such other duties as the Board of Directors shall prescribe.

Section 7. Secretary.

The Secretary shall record all votes and the minutes of all proceedings at meetings of the Members and Board of Directors in a book kept for that purpose; and shall perform like duties for the standing committees when required. He 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 be prescribed by the Board of Directors. In the absence of the Secretary, the President may appoint an "Acting Secretary."

Section 8. Treasurer.

(a) The Treasurer shall have the custody of the Association funds and securities and shall keep full and accurate account of receipts and disbursements in books belonging to the association and shall deposit all moneys, and other valuable effects in the name and to the credit of the association, in such depositories as may be designated by the Board of Directors. (b) He shall disburse the funds of the association as may be ordered by the Board, taking the proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the association. (c) He shall give the association a bond if required by a majority of the Board of Directors, in such amount as they may determine, and with one or more sureties satisfactory to the Board, for the faithful performance of the duties of his office, and for the restoration to the association, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property, or whatever kind in his possession or under his control, belonging to the association.

Section 9. Vacancies.

If the office of any Director or any officer or agent becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the Directors then in office, although less than a quorum, by a majority vote, may choose a successor or successors, who shall hold office for the unexpired term in respect of which such vacancy occurred.

Section 10. Executive Committee.

The Board of Directors may, by unanimous affirmative action of the entire Board, designate two or more of their number to constitute an executive committee, which, to the extent determined by unanimous affirmative action of the entire Board, shall have and exercise the authority of the Board in the management of the business of the association. Any such executive committee shall act only in the interval between meetings of the Board, and shall be subject at all times to the control and direction of the Board.

ARTICLE V.

FINANCES

Section 1.

The Board of Directors shall have full authority over the financial affairs of the association and shall provide for the collection of all charges and assessments, the auditing and settlement of accounts and the safekeeping and disbursements of association moneys.

Section 2.

The receipts and expenditures of the association shall be credited and charged to the following funds:

- (a) General fund, which shall include all receipts of the association, except those allocated to the permanent improvement fund and all expenditures of the association shall be made from this fund except those for new equipment and all improvements of a lasting character.
- (b) Permanent improvement fund which shall include all receipts from, over and above that amount necessarily allocable to the general fund, assessments and all expenditures for new equipment and improvements of a lasting character shall be made from this fund.

Section 3.

The Board shall, prior to March 1st, prepare and adopt an annual budget which shall be by funds. The budget for the general fund shall be arranged to show anticipated expenditures for salaries, operations, maintenance and repairs plus an allowance for contingencies if deemed appropriate. The permanent improvement fund shall be arranged to show a reserve for depreciation and a reserve for capital improvements.

Section 4.

In addition to the funds provided in Section 2, the Board may create such other funds as it in its discretion deems necessary or advisable.

Section 5. Assessments.

The Board shall have the authority to assess members of the association as follows:

- (a) Annual Assessments: Annually at the time of the preparation of the budget, the Board shall determine the total income which can reasonably be anticipated to be received from charges to members for road and water services. If said sum shall

be determined to be less than anticipated, costs for the operation, maintenance and repair of roads and water systems, the difference, shall be assessed against the members owning lots that are then connected to and are serviced by the road and water services. Such assessments shall be due and payable on May 1st of each year. The Secretary-Treasurer shall notify each member on or before April 15th of each year in which the assessment is made of the amount of the assessment. In the event the annual assessment proves to be insufficient, the assessments may be increased, at any time, during the year for which the assessment is made, and the increased assessment shall be payable on or before July 1st if the amendment is made prior to that time and within thirty (30) days from receiving notice thereof if amended after July 1st. Upon default in the payment of any assessment, the entire assessment shall then become due and payable.

- (b) Special assessments: Annually at the time of the preparation of the budget, the Board shall determine the cost and necessity, if any, for the purchase of new equipment and or improvements of a lasting character for the ensuing year. The Board shall at the next annual meeting of the membership present its recommendation for the purchase of new equipment and/or improvements of a lasting character for the ensuing year. If the majority of the membership shall approve such expenditure, then, the estimated cost of such new equipment and/or improvements of a lasting character shall be assessed to the members of the Association in proportion to the lots owned. Such assessments may be made payable as in the case of annual assessments or may be spread out over such length of time as the Board may determine.

ARTICLE VI.

Section 1. Inspection of Books.

Members shall be permitted to inspect the books of the association at all reasonable times.

Section 2. Depository.

The funds of the association shall be deposited in such bank or banks as the Board shall from time to time designate.

Section 3. Checks.

All checks and notes of the association shall be signed by the Treasurer and countersigned by either the President or Vice President or by such other officers or agents as may from time to time be designated by resolution of the Board of Directors.

Section 4. Fiscal Year.

The fiscal year shall be March 1 of each year.

Section 5. Audit.

The accounts of the association shall be audited annually by a non board member to be selected by the Board of Directors and a copy of such audit shall be furnished to each member of the association at the time of the annual meeting.

Section 6. Bonds.

The Board of Directors shall require fidelity bonds from such of the association's officers and members, and in such amounts as the Board may determine. The premiums shall be paid by the association.

Section 7. Directors' Annual Statement.

The Board of Directors shall, at each annual meeting and when called for by vote of members, present a full and clear statement of the business and condition of the association.

Section 8. Water.

Any new building that requires water, that a shut off for water approved by association be installed at lot line.

Section 9. Assessments and Installments.

Assessments and installments thereof paid on or before ten (10) days after the date when due shall not bear interest, but all sums not paid on or before ten (10) days after the date when due shall bear interest at the rate of full legal interest per annum from the date when due until paid. All payments upon account shall be applied first to interest and then to the assessment payment first due. All interest collected shall be credited to the Common Expense Account.

Section 10. Failure.

Failure to comply with any of the terms of the restrictive covenants, Bylaws and regulations adopted pursuant thereto, shall be grounds for relief which may include, without intending to limit the same, to an action to recover sums due for damages, injunctive relief, foreclosure of lien or any combination thereof, and which relief may be sought by the Association or if appropriate, by an aggrieved member.

Section 11. Failure to Perform.

If any member fails to perform any obligation imposed under the restrictive covenants or these By-laws or rules and regulations, then the Association may, but is not obligated to perform the same for the member's account and for such purpose may enter upon the lot, may make necessary repairs, shut off water service, advance expenses or other sums necessary to cure the default and for such expense, levy a special assessment upon the lot. Each member shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family, of his or their guests, employees, agents, or lessees.

Section 12. Proceedings.

In any proceeding arising because of an alleged default by a member, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be determined by the court.

Section 13.

The failure of the Association or of a member to enforce any right, provision, covenant or condition which may be granted by the restrictive covenants or by-laws shall not constitute a waiver of the right of the Association or member to enforce such right, provision, covenant or condition in the future.

Section 14. Severability.

If any part of these by-laws shall be ruled invalid or ineffective for any reason whatsoever, the balance shall nevertheless remain in full force and effect.

Section 15. Amendments to By-laws.

These by-laws may be amended or altered by the vote of a majority of the whole Board of Directors at any meeting, provided that notice of such proposed amendments shall have been given in the notice of such meeting. Such authority in the Board of Directors is subject to the power of the members to change or repeal such by-laws by a majority vote of the members present and represented at any annual meeting or at any special meeting called for that purpose, and the Board of Directors shall not make or alter any by-laws fixing their number, qualification or term of office.

These amended by-laws were adopted by the Board of Directors of the association at a meeting called for that purpose on the ____ day of _____, 2007.

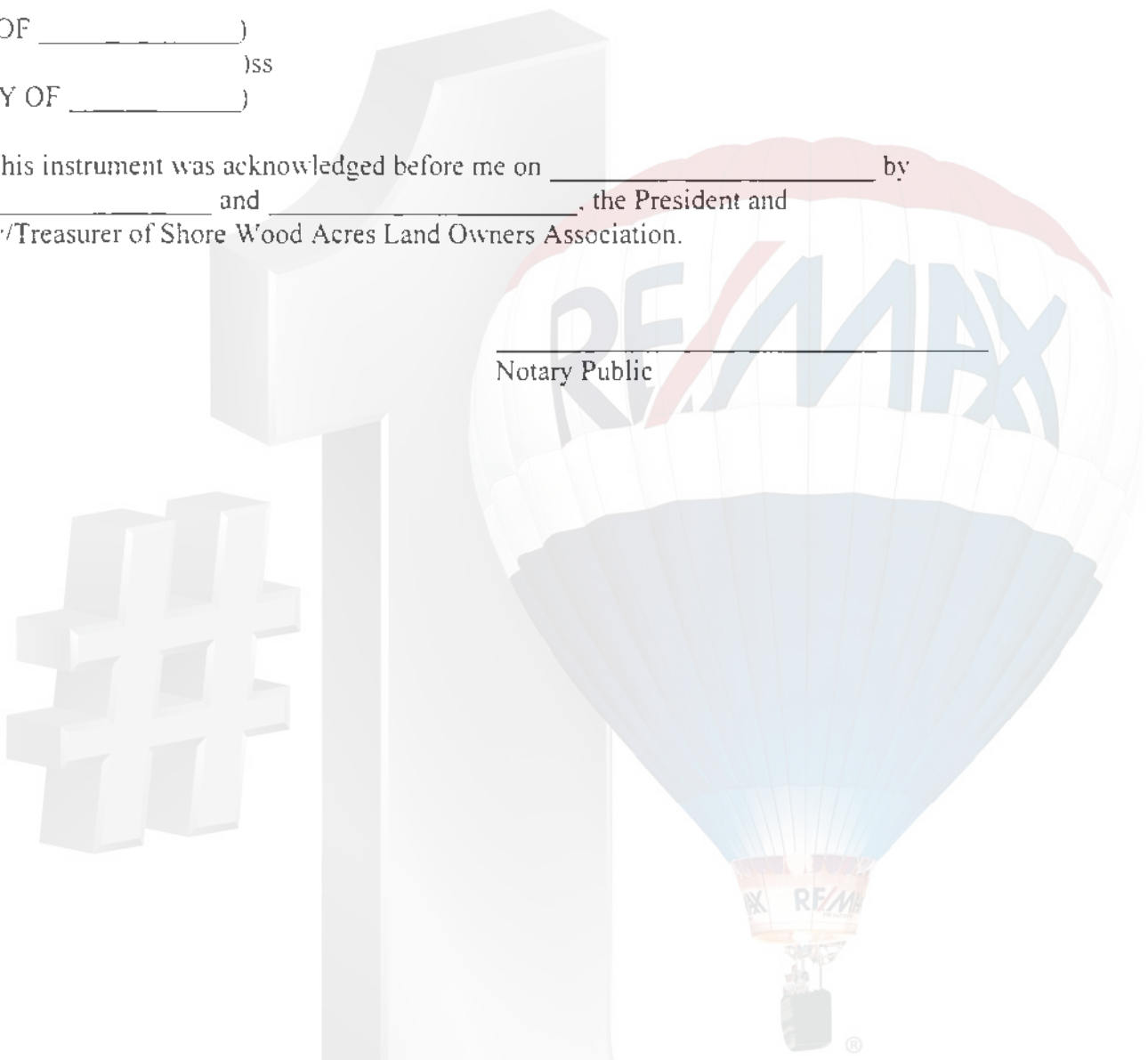
President

Secretary/Treasurer

STATE OF _____)
)ss
COUNTY OF _____)

This instrument was acknowledged before me on _____ by
_____ and _____, the President and
Secretary/Treasurer of Shore Wood Acres Land Owners Association.

Notary Public



This instrument was Drafted by:
Paul N. Muske (#76831)
Muske, Muske. & Suhrhoff, Ltd.
112 North Cass Avenue
PO Box 143
Springfield, MN 56087
507-723-6221

CONSTITUTION
OF
SHORE WOOD ACRES LAND OWNERS ASSOCIATION

We, the undersigned, for the purpose of forming an association for the purposes hereinafter stated do hereby associate ourselves and adopt the following constitution:

I.

The name of this association is "Shore Wood Acres Land Owners Association".

II.

The purposes for which it is formed are:

- a) To name a trustee or trustees and their successors who shall take title to the sanitary sewer system, water system and roads presently serving Shore Wood Acres Subdivision and additions thereto located in the fractional Southeast Quarter (SE1/4) of Section Thirty-five (35), Township One Hundred One (101) North, Range Thirtv-six (36), West of the Fifth Principal Meridian, Jackson County, Minnesota.
- b) To repair, maintain and operate said sanitary sewer system, water system and roads as the same becomes necessary for the use, benefit and convenience for the residential lots of said subdivision or additions.
- c) To make reasonable charges for said sewer and water service and to collect for the same.
- d) To acquire by gift, legacy, devise, purchase or otherwise, property of every kind and nature, real and personal, for the benefit of said sewer system, water system and roads.

III.

DURATION

Its duration shall be perpetual.

IV.

OFFICE

Its location and post office address of its office shall be at 302 18 Street, Spirit Lake, Iowa 51360.

V.

MEMBERSHIP

Membership in this association shall be limited to the proprietors and the residential lot owners and contract purchasers of lots in Shore Wood Acres Subdivision and additions thereto.

VI.

BOARD OF DIRECTORS

The affairs of this association shall be directed by a Board of Directors to be selected in accordance with the by-laws.

VII.

The names and addresses of the members of the first Board of Directors are:

<u>Name</u>	<u>Address</u>
Robert C. Madsen, President	2031 South Palmetto St. Sioux City, Iowa 51106
Arnold Pahl, Vice President	Hartley, Iowa 51346

Gary Lillie, Secretary-Treasurer 426 East 1st Street
Spencer, Iowa 51301

Gladys Schmidt, Director 302 18th Street
Spirit Lake, Iowa 51360

VIII.

AMENDMENTS

The Board of Directors of this association shall have the power to amend, alter, change, add to or repeal any provisions contained in this constitution as provided by the by-laws of this association.

IX.

LIABILITY OF MEMBERS

No member of this association shall incur any personal liability by reason of any debts or liability of this association.

IN WITNESS WHEREOF, The undersigned being all the original members of the association have hereunto set their hands and seals this 18 day of September, 1971

In Presence of:

J. Gustaf Rogers

Robert C. Madsen
Robert C. Madsen

Arnold Pahl
Arnold Pahl

Gladys Schmidt
~~Gladys Schmidt~~

Gerald R. Lillie

Gary Lillie
~~Gary Lillie~~

Russell G. Crowell
R. G. Crowell

Harlen Julius
Harlen Julius
Richard R Leth
Richard Leth

STATE OF IOWA
SS
COUNTY OF DICKINSON)

On this 18 day of Sept, 1971, before me,
notary public within and for said County and State, personally
appeared Robert C. Madsen, Arnold Pahl, Garry Lillie, Gladys
Schmidt, R. G. Crowell, Harlen Julius, and Richard Leth to me known
to be the persons described in and who executed the foregoing
instrument, and acknowledged that they executed the same as
their free act and deed.



Earl J. Schmidt

188969

OFFICE OF COUNTY RECORDER
County of Jackson, MN

I hereby certify that the within instrument was filed in this office for record on this 30 day of Aug A. D., 1971 at 3:45 o'clock P. M., and was duly recorded on Microfilm

No. 188969
David Johnson
County Recorder

By _____ Deputy

MICROFILMED

E. Schmidt