

The following is presented by the HLA By-Laws Committee as a revision to our current By-Laws. The By-Laws committee unanimously recommends that this revision be adopted and replace the current version of our By-Laws. All edits (compared to our current By-Laws) can be identified easily by the **RED** text.

**Here is some background and context on this this revision:** At our June 2020 Drive-thru Member Meeting we shared two versions of updated Bylaws that primarily addressed questions around real estate agents and their involvement on our Board of Directors. The intent was for these revisions to be voted on at our August 2020 Budget Meeting. At our August 2020 Budget meeting the decision was made to hold off on voting until the June 2021 Member Meeting so everyone could further review the proposed revisions. Since that time, the Bylaws Committee has reviewed, simplified, and strengthened the proposed revisions to include an Ethics Policy for Officers and Directors that applies to all HLA Board Members instead of specifically targeting only real estate agents thus eliminating any conflict about real estate agents. All other edits are updates to language or clarifications of standard HOA rights as defined by NH law.

We will be voting on whether to adopt this bylaws revision at our June 2021 Member Meeting.

If you have any questions about this revision or would like to have a copy e-mailed to you, please reach out to [Secretary@hiddenlakeassociation.com](mailto:Secretary@hiddenlakeassociation.com).

## **HIDDEN LAKE ASSOCIATION BY-LAWS (2021 June Member Meeting Proposal)**

The date of adoption of these By-Laws is (date to be entered). These By-Laws are a restatement of previously adopted By-Laws and are replacing the version of the By-Laws that was adopted on August 31, 2019.

### **ARTICLE I – MEMBERSHIP**

#### **Section 1 – Members.**

Members in Hidden Lake Association (hereinafter referred to as HLA) shall include:

- A. Owners of a full or partial interest in at least one lot in the Hidden Lake Development, formerly Stoddard Development Corporation, or its predecessors in Stoddard, New Hampshire, who are subject to the Declaration of Restrictive Covenants of Stoddard Development Corporation dated January 18, 1972, and recorded at the Cheshire County Registry of Deeds at Volume 839, Page 195, as amended.
- B. Owners of lots within the Hidden Lake Development that do not contain the Restrictive Covenants in their property deed but whose lot or lots abut an HLA road in the Hidden Lake Development may become members upon payment of the full assessment amount established by HLA.

#### **Section 2 – Votes.**

All Members shall be entitled to one vote for each owned lot at all membership meetings and special meetings upon the following conditions:

- A. All assessments owing on lots by the Member must be paid in full no less than two (2) business days prior to the subject meeting.
- B. There is one vote for each paid lot. If there are multiple owners of one lot, they must agree on a matter in order to cast a vote.
- C. Example 1: Each lot equivalent to one vote regardless of number of owners; for example, a husband and wife who own one lot are entitled to one vote.

- D. Example 2: Each additional lot is equivalent to one vote regardless of number of owners.
- E. Voting by proxy is not allowed.

### **Section 3 – Assessments.**

Assessments are governed by the Restrictive Covenants. Assessments shall be billed April 1<sup>st</sup>, due and payable on or before May 1<sup>st</sup>. Any assessment not paid on or before May 1st, will be subject to legal action which may include a late fee after the lot owner has been given thirty (30) days notification by U.S.P.S. mail. If an assessment on a member lot is not paid ~~in any year~~, HLA, through its officers, may take legal action including the filing of a “Memorandum of Lien” on the property with the Cheshire County Registry of Deeds **in accordance with NH State laws regarding property liens**. The prior sentence does not limit the legal remedies available to HLA. Members who do not timely pay assessments shall also be responsible for any costs of collection incurred by HLA, including without limitations, reasonable attorney’s fees. HLA may have the authority to impose a one-time special assessment in a calendar year to cover the one-time expenses of a major repair or improvement caused by, but not limited to, a natural disaster.

## **ARTICLE II – DIRECTORS AND OFFICERS**

The Board of Directors shall consist of four (4) officers and three (3) directors. No more than one person per lot (whose assessment is paid in full no less than two (2) business days prior to the Annual Membership Meeting) can serve on the Board of Directors. The Board of Directors acts on behalf of the Association and shall have a fiduciary relationship to members of Hidden Lake Association. **All members of the Board of Directors and Officers of HLA must sign and agree to abide by the HLA Ethics Policy for Directors & Officers.**

### **Section 1 – Directors.**

There shall be three directors elected from the membership, each to serve a term of three years. Directors shall be elected at the Annual Membership Meeting to take office immediately after said meeting. Directors must be eligible voting members of the Association at the time of election and must remain so during their term. Any director who becomes ineligible to vote during the course of his/her term shall either remedy the situation, if applicable, within seven (7) days of notice thereof or shall tender his/her resignation from the Board. The duties of each director shall be determined by the President and Board of Directors and shall include, but not belimited to serving as road director, recreation director, waterfront director, insurance advisor, website manager, or any other position deemed necessary by the Board. A director may not directly receive any salary or compensation from the Association for the performance of duties but may be reimbursed for reasonable expenses upon submission of invoices.

### **Section 2 – Officers.**

There shall be four officers: president, vice president, treasurer, and secretary. The officers shall be elected at the Annual Membership Meeting for terms of two years and shall take office immediately after said meeting. They shall each, by virtue of their office, be members of the Board of Directors. An officer may not directly receive any salary or compensation from the Association for the performance of duties but may be reimbursed for reasonable expenses upon submission of invoices. Officers may be further compensated only as voted by the membership at the Annual Membership Meeting or Annual Budget Meeting.

- A. **President.** The president shall preside at all meetings of the Board of Directors, Annual Membership Meeting, Annual Budget Meeting, and any Special Meeting, and subject to the direction of the vote of the Board of Directors shall manage the affairs of HLA. The president shall appoint the chairs of the committees and shall appoint temporary replacements in the event of the absence of the treasurer or secretary. The president, in addition to the treasurer, shall have check signing privileges. The president, upon becoming the immediate past president, will serve as a non-voting advisor to the Board of Directors for a period of one year.
- B. **Vice President.** The vice president shall perform all the duties of the president in the absence of

the president or in the event that the president shall resign or be unable to perform the assigned duties. The vice president shall serve as the insurance advisor for the board of directors.

- C. **Treasurer.** The treasurer will be the chief financial officer of HLA, shall have the care and custody of all funds and securities of HLA, and shall deposit funds in such banks or depositories as the Board of Directors shall designate. The funds shall consist of but not be limited to a checking account fund for operating expenses, and a capital reserve savings account fund for long-term capital investment projects or other large and anticipated (or emergency) expenses that will be incurred in the future. The treasurer shall recommend to the Board annually the percentage of the operating income that shall be put towards the capital reserve account. The treasurer and the president shall both have check signing privileges; any check in the amount of ten thousand dollars (\$10,000.00) or more shall require the signatures of both officers and a majority vote of the Board of Directors to approve the expenditure. The treasurer shall be responsible for a report of the financial condition of HLA at each meeting of HLA and the Board of Directors and at other times as the president and Board of Directors shall request, and shall perform all acts incidental to the position of treasurer subject to the control of the Board of Directors. The treasurer shall prepare and submit a proposed itemized budget for adoption at the Annual Budget Meeting. The treasurer shall maintain a current list of all members of HLA. The Board shall designate which two (2) officers shall serve as the contact with the HLA attorney.
- D. **Secretary.** The secretary shall keep all records of HLA, shall keep a detailed record of all proceedings and meetings, and shall give such notices of meetings as may be required by these By-Laws.

### **Section 3 – Powers and Duties of the Board of Directors.**

- A. The Board of Directors shall have the authority to conduct all business of the Association, except that a vote of membership is required for:
1. Borrowing in which the Association assets are offered as collateral;
  2. Any lease, purchase, sale, or mortgage of real estate;
  3. Any contract, agreement, or commitment lasting longer than one (1) year in duration; or
  4. The adoption, revision, or amendment of general regulations applicable to membership.
- B. The Board of Directors shall not have the sole authority to
1. Amend the covenants or by-laws;
  2. Terminate the association;
  3. Elect members of the Board of Directors but may fill vacancies for the unexpired portion of any term;
  4. Determine the qualifications, powers, duties, and terms of office of members of the Board.
- C. **The Board of Directors, at its discretion, can set and impose fees for the following (but not limited to):**
1. Late payments of Assessments;
  2. Title Company forms: HLA is not obligated by NH law to fill out the title company forms, but if it does so, HLA may charge a fee to perform this service;
  3. Continued non-compliance of the Restrictive Covenants and/or By-Laws by members who have been given notice and ample time to correct the non-compliance issue;
  4. Reasonable attorney's and court fees when HLA is forced to hire an attorney to obtain a legal remedy to enforce compliance with the Covenants and By-Laws.
- D. **The Board of Directors, at its discretion, may suspend members' rights to amenities (e.g., boatslips, pool privileges, hall rental, etc.) to members who continue to violate Restrictive Covenants or By-Laws after being given a written warning and ample time to cease and desist the violation.**
- E. No member of the Board of Directors can represent the entire board in writing or otherwise without the express written consent of the entire Board.
- F. The Board of Directors shall adopt budgets for vote of the membership at the Annual Budget Meeting.

- G. Notwithstanding the above, the Board may in an emergency use assets or future receipts as collateral for loans not in excess of fifteen percent (15%) of the annual budget, without vote of the membership. The Board of Directors shall prepare and submit an itemized budget for adoption at the Annual Budget Meeting and shall be responsible for keeping within the budget appropriated.
- H. In the event any officer or director shall resign or be unable to perform assigned duties, the Board of Directors shall appoint a temporary replacement to fill the position until the next Annual Meeting of the membership. In the event no member of the Association is willing to serve as a temporary replacement, the Board of Directors may delegate a managing agent to fill the position.

#### **Section 4 – Removal of Officers and Directors**

Members of HLA present in person at the Annual Membership Meeting or the Annual Budget Meeting at which a quorum of membership (with fully paid assessments no less than two (2) business days prior to the subject meeting) may remove any member of the Board of Directors, with or without cause, if the number of votes cast in favor of removal exceeds the number of votes cast in opposition to removal, provided that members may not consider whether to remove a member of the board of directors or an officer unless that subject was listed in the notice of the meeting. At any meeting at which a vote to remove a director or officer of the board is to be taken, that director or officer being considered for removal shall have a reasonable opportunity to speak before the vote. Officers and directors are automatically removed from the Board of Directors as soon as they sign a contract of sale on their last remaining qualifying lot in Hidden Lake Association.

#### **Section 5 - Indemnification**

Hidden Lake Association shall indemnify all directors and officers from and against any claims of liability for any acts or omissions undertaken or not while acting within the scope of the duties of the association. To the extent permitted by state law, the association may purchase and maintain Directors and Officers liability insurance on behalf of any person who is serving as a director or officer of the Board of Directors.

### **ARTICLE III – MEETINGS**

#### **Section 1 – Annual Membership Meetings.**

There shall be an Annual Membership Meeting held on the last Saturday in June at Rossi Hall beginning at 9 a.m., at which officers and directors shall be elected, amendments may be proposed or adopted, reports shall be reviewed, and any other business transacted by vote of the membership. A quorum (see Section 6 of this Article) must be in attendance to enact any vote. If a quorum is not met, the board shall reschedule the meeting within 60 days upon proper notice.

#### **Section 2 – Elections.**

Nominations may be filed with the secretary prior to and at the Annual Membership Meeting, and contested elections shall be by secret ballot at the Annual Membership Meeting. A nomination shall include the signature of the person nominated indicating consent to run. No person may simultaneously hold two positions on the Board of Directors. Nominated candidates will be allowed to address the association prior to the election voting (said address shall be limited to no more than a two-minute allotted time).

#### **Section 3 – Annual Budget Meeting.**

There shall be an Annual Budget Meeting on the last Saturday in August (excluding Labor Day Weekend whereupon it will fall to the previous Saturday) at Rossi Hall beginning at 9:00 a.m., at which the membership, by a majority of those present and voting, shall adopt the budget and assessment for the next fiscal year. The fiscal year shall be May 1st to April 30th. A quorum must be in attendance to enact any vote. Notice of the Annual Budget Meeting will be provided to all members in the same posting of the Annual Membership Meeting.

#### **Section 4 – Special Membership Meetings.**

Special membership meetings may be called by the president as a result of either a vote of the Board of Directors or by signed petition by members holding not less than 33% of the voting power of the Association, setting forth the lawful purpose of the special meeting. At least three weeks in advance of the special meeting, notice shall be sent by the secretary, via U.S.P.S. mail or by whatever electronic mail address a lot owner has designated, to all members, and at the same time notice shall be posted on the official HLA website. The notice shall set forth the date, time, place, and purpose of the meeting. Only matters described in the meeting notice may be considered at a special meeting. If the Association does not notify lot owners of a requested special meeting within 30 days after the request, the requesting members may directly notify all the owners of an informational meeting, the purpose of which shall be to present the issue to fellow residents and owners. The minimum time to give notice may be reduced or waived for a meeting called to deal with an emergency.

#### **Section 5 – Board of Directors and Committee Meetings.**

- A. A gathering of board members at which the board members do not conduct HLA business is not a meeting of the Board of Directors. The board may not use incidental or social gatherings to evade open meeting requirements and conduct business.
- B. The Board of Directors must meet no less than once each quarter at an open regular meeting at which owners whose assessments are fully paid are afforded a reasonable time and opportunity to comment on any matter affecting HLA. Notice of such meeting stating date, time, and place, must be posted on the Association's website no later than ten (10) days in advance of the meeting.
- C. The Board of Directors shall meet at such time and place as may be established by majority vote of the Board. A simple majority must be present at any meeting at which business is transacted or a vote taken. Notice of regularly scheduled meetings of the Board of Directors, showing date, time, and place, shall be posted on the Association's website no later than ten (10) days in advance of the meeting.
- D. An executive session may be held only to (a) consult with the HLA's attorney; (b) discuss existing or potential litigation, mediation, arbitration, or administrative proceedings; (c) discuss labor or personnel matters; (d) discuss contracts, leases, and other commercial transactions to purchase or provide goods or services currently being negotiated, including review of bids or proposals, if premature general knowledge of those matters would place HLA at a disadvantage or public knowledge would violate the privacy of any person. The Board of Directors will comply with all requirements of New Hampshire law pertaining to Right to Know and Executive Session; the N.H. statutory requirements are incorporated into and made a part of this Article.
- E. The Board of Directors meetings and committee meetings may meet by telephonic, video, or other electronic conferencing means, provided that the requirements of RSA 356-B:37-c are also met.

#### **Section 6 – Quorum.**

Ten percent of Association members whose assessments are paid in full (no less than two (2) business days prior to the subject meeting) shall be considered a quorum at the Annual Membership Meeting and the Annual Budget Meeting. A majority of those present and voting, if a quorum is present, shall be sufficient to conduct business.

#### **Section 7 – Notice of Meetings.**

Notice of meetings will be sent by the secretary or other director so appointed and may be sent via U.S.P.S. mail or by whatever electronic mail address a lot owner has designated, or by posting on HLA's official website (hiddenlakeassociation.com). Said notice shall state the date, time, place, and purpose of the meeting.

#### **Section 8 – Minutes of Meetings.**

As voted on at the Annual Membership meeting in July 2017, the minutes of the Annual Budget Meeting

and the Annual Membership Meeting will be approved by a committee consisting of three (3) board members and three (3) association members (who are not on the Board) who all attended the meeting. The Board of Directors shall make copies of the minutes of the Annual Membership Meeting available to the owners within 60 days of the meeting or 15 days of the date of the Annual Budget Meeting, whichever occurs first. Minutes of the Annual Budget Meeting will be made available within 60 days of the budget meeting. The Association may provide the minutes electronically or publish them on HLA's website, in which case the owners shall be informed of the web address.

**Section 9 – Rules of Order.**

Meetings of HLA may be conducted in accordance with the most recent edition of Roberts' Rules of Order Newly Revised or any procedures as designated by the Board of Directors. Any owner eligible to vote under these By-Laws shall be given a reasonable opportunity at any meeting to comment regarding any matter affecting HLA.

**ARTICLE IV – COMMITTEES**

Committees necessary for the continued operation of HLA shall be appointed by the President. Any member in good standing with HLA (all HLA assessments paid current) may be appointed to any committee. Said committee member must be an eligible voting member of the Association at the time of appointment to the committee and must remain so during the term of service on the committee. Any committee member who becomes ineligible to vote during the course of service on the committee shall remedy the situation within seven (7) business days of notice thereof or shall tender his/her resignation from the committee. Only one member per lot may serve on the same committee, but that member may serve on more than one committee. A written description of all responsibilities and time frame may be supplied to the committees at the time of appointment as needed. Committees shall provide minutes of their meetings and written reports to the Board of Directors, and they may be asked to give oral reports to the membership at the Annual Membership Meeting and Annual Budget Meeting. Any committee may be disbanded or changed with the unanimous vote of the Board of Directors. Committees shall be, but not limited to, the following:

- A. Road Committee will be chaired by a director appointed by the president, and will:
  - 1. Monitor all roads in Hidden Lake Development for maintenance and repair issues of any ongoing or emergency condition;
  - 2. The Chair of the Road Committee shall serve as liaison contact with approved companies and contractors and the Board of Directors to perform all maintenance and repair (including but not limited to plowing, grading, raking, brush cutting, etc.);
  - 3. Recommend a long-range plan for maintenance and improvement of all roads;
  - 4. Monitor the Hidden Lake area including the dam and walkway around the lake.
- B. Recreation Committee will be chaired by a director appointed by the president, and will:
  - 1. Maintain the operation of the pool area, the tennis courts, playground area, horseshoe pit, badminton court;
  - 2. Make recommendations to the Board of Directors regarding the hiring of the pool attendants;
  - 3. Monitor the pool attendants;
  - 4. Ensure clean conditions of DeMatteo Pool House and Rossi Hall and their immediate grounds;
  - 5. Schedule and coordinate rentals and social events in Rossi Hall.
- C. Waterfront Committee will be chaired by a director appointed by the president, and will:
  - 1. Maintain the operation of the marina area including installation and removal of the docks; assign and maintain boat slips and kayak and canoe spaces; maintain a waiting list for boat slips; keep appropriate records of names, addresses, and payments for all boat slips and kayak and canoe spaces;
  - 2. Arrange for and monitor landscaping around the entire waterfront including but not limited

to mowing, weed wacking, brush cutting, pruning, etc.;

- D. Insurance Advisor will be the HLA vice president who will confer with the assigned professional Insurance Agent to periodically review all insurance policies to determine that the best interests of the Association are being met.

#### **ARTICLE V – AMENDMENTS**

These By-Laws may be amended at any Annual Membership Meeting, any Annual Budget Meeting, or any special membership meeting, but only if the substance of the proposed amendment is described in the notice of the meeting. Amendments may be made by majority vote of the voters present by voting following presentation of each article to be amended in seriatim (one article after another in order).

#### **ARTICLE VI – CONFLICT OF INTEREST**

- A. Any possible conflict of interest on the part of any member of the Board of Directors of HLA shall be disclosed to the Board and made a matter of record through an annual procedure and also when the interest involves a specific issue before the Board.
- B. To ensure that no pecuniary conflicts of interest arise, a director may not receive pecuniary or other compensation for serving as a director (other than travel expenses for meetings with association lawyers and contractors); cannot be a paid employee, contractor, or consult for HLA; ~~cannot be the real estate agent for any real estate purchase and/or sale within the Hidden Lake Association~~; and when a director has a reasonable offer from a buyer to purchase that director's lot in HLA, the affected director shall make known such offer and withdraw from the Board while such sale is pending.
- C. At such time as any matter comes before the Board in such a way as to give rise to a conflict of interest, the affected director shall make known the potential conflict, whether by written statement or not, and after answering any questions that might be asked shall withdraw from the meeting for so long as the matter shall continue under discussion. Should the matter be brought to a vote, neither the affected director nor any other director with a personal or pecuniary benefit transaction with the Association shall vote on it.
- D. The Board will comply with all requirements of New Hampshire law where conflicts of interest are involved, including but not limited to the disclosure requirements and prohibitions in RSA 7:19-a. and RSA 292:6-a. The New Hampshire statutory requirements are incorporated into and made part of this conflict policy.

Adopted: October 12, 1985

Revised: July 4, 1992; September 2, 2000; July 5, 2003; September 1, 2007;

August 30, 2008; August 25, 2012;

August 31, 2019, by majority vote at Annual

Budget meeting; ~~{NEW DATE HERE}~~, by majority vote at Annual Membership/Budget meeting