

**BY-LAWS
OF
LAKE GENEVA PROPERTY OWNERS' ASSOCIATION, INC.**

**ARTICLE I
Name and Purpose**

Section 1. The name of this Association shall be the Lake Geneva Property Owners' Association, Inc.
Name

Section 2. The purpose of this Association shall be to promulgate rules and regulations relating to the health, safety, and welfare of the residents within the Lake Geneva's subdivision in the City of DeWitt, County of Clinton, State of Michigan and future additions thereto; for this purpose to own, acquire, build, operate and maintain parks and recreational facilities in said subdivision or additions thereto; to establish, alter, and enforce building and use restrictions for the Lake Geneva Subdivision and additions thereto; to administer and supervise the collection and expenditure of assessments against properties in the subdivision, and to do all things necessary and incidental to promote the common benefit and enjoyment of the residents of the subdivision and additions thereto. The above purposes establish obligations which may, upon affirmative action of the Board of Directors, be undertaken by the Association.
Purpose

Section 3. Building and Use Restrictions as recorded with the Registrar of Deeds, County of Clinton, St. Johns, MI, create this Association and provide the basis for its authority.
Authority to Act

**ARTICLE II
Membership and Rights**

Section 1. Every person or entity who holds any equitable interest in any lot, whether as land contract vendee or fee holder, subject to the recorded restrictions, these covenants, and to assessment by the Association is a member of the Association provided that any such person or entity holds such interest merely as a security for the performances of any obligation shall not be a member.

Section 2. Each member shall be entitled to enjoy and have access to the common properties and facilities of the Association including, but not limited to the beaches and parks. The rights of membership are subject to the payment of Association dues and special assessments, if any.
Rights

Section 3. The membership rights of any person whose interest in property is subject to assessments under the Declaration of Restrictions shall be suspended by action during the period when annual dues and special assessments, if any, remain unpaid. Membership privileges are subject to the conduct of each member in accordance with those reasonable standards determined from time to time by the Board of Directors.

Section 4. There shall be no entrance nor exit fee paid on joining or departing the field of Association membership.

Section 5. The bylaws of the Association shall be made available to any member. The Association shall reproduce its bylaws on request of members. A nominal charge may be made for this service, but such charge shall not exceed the cost of reproduction.

Article III **Meetings of Members**

Section 1. The organizational meeting shall be the first meeting of the Board of Directors following the annual meeting of this Association.

Section 2. The annual meeting of the general membership shall be held on the second Wednesday of March in each year.

Section 3. By a majority vote the Board of Directors may call a special meeting of the membership to consider any matters appropriate, however, matters other than that for which the special meeting was called shall not be addressed. The Board of Directors shall call a special meeting of the members on a date not more than thirty (30) days after receiving a written request to call such a meeting from the general membership. The written request shall state the nature of the business to be transacted and shall contain the signatures of at least twenty (20) members of the general membership. The special meeting shall be restricted to the specific area of concern for which the meeting was called.

Section 4. Any meeting of the membership shall be held within a three (3) mile radius of the subdivision at a place and time designated by the Board of Directors. Equal access to the location of any annual, regular, or specific meeting shall be provided each member.

Section 5. Notice of the annual meeting or of any special meeting shall be mailed or delivered to the last known address of each as recorded with the Treasurer of the Association. The mailing or hand delivery of the notice shall occur at least fourteen (14) days prior to the date of the meeting. The notice of

the annual or any special meeting shall state the nature of business to be transacted.

Section 6. At the annual or any special meeting, not less than twenty (20) members, excluding the Board of Directors, shall constitute a quorum for the transaction of business. If no quorum is present, an adjournment shall be taken to a date not less than seven (7) days thereafter. Such adjourned meetings shall be further adjourned in like manner until a quorum shall be present. The number of members in attendance shall be recorded in the minutes of the meeting.

Section 7. At any meeting each member or entity current in annual dues shall be entitled to only one (1) vote, regardless of the number of lots owned. A majority vote of those members present in person must be obtained to pass any measure. Voting may be conducted by proxy ballot on terms established by the board.

Section 8. No organization, incorporated or otherwise, may hold membership, nor vote in the Association elections.

Section 9. Minutes of the annual meeting or any special meetings of the members of the Association shall be kept in the possession of the Secretary. The order of business of the annual meeting shall be as follows:

- (a) Roll Call
- (b) Reading and approval of the minutes of the last meeting, with corrections as necessary
- (c) Reports of Directors
- (d) Report of Treasurer
- (e) Report of Committees
- (f) Unfinished business
- (g) New business other than elections
- (h) Adjournment

The order of business as outlined above may be rearranged upon proper motion and an affirmative vote of a majority of the members present. General Parliamentary procedure shall be followed in all meetings of the membership where procedure is not specifically outlined in these bylaws.

ARTICLE IV **Elections**

Section 1. All elections shall be by secret ballot, except when there is only one (1) nominee for office.

by Ballot Elections shall not be conducted by proxy.

Section 2. Prior to each annual meeting the President of the Association may appoint a nominating committee of not less than three (3) members. It shall be the duty of this committee, if one is appointed, to nominate at the annual meeting at least one (1) member for each vacancy for which the elections are being held. After the nominations of this committee have been placed before the members, the presiding official at the meeting shall call for nominations from the floor. Members may nominate other Directors in which case written nominations shall be delivered to the Secretary, or the Board of Directors in the absence of the Secretary, within thirty (30) days preceding the annual meeting.

Section 3. The ballot shall be in the form as prescribed by the Board of Directors. All nominees names shall appear on the ballot in equal preference except that the incumbency may be signified. Sufficient area shall be allowed to insert names of individuals nominated from the floor.

Section 4. Ballots may be distributed to members upon entering the meeting. When nominations are closed, members appointed by the presiding officer, shall collect the vote, tally the ballots, and one (1) of such members shall announce the results to the membership. All elections shall be determined by a majority of members voting. Records of voting shall be incorporated in the minutes of the meeting.

Section 5. Nominations and elections as required shall take place in the following order:

- (a) Nomination for Directors
- (b) Election of Directors

Section 6. Within thirty (30) days following the election or appointment of any officer, or Director, it shall be the duty of the Secretary to notify membership, in writing, of the person or persons elected or appointed, giving the name and the current address of each person and the position to which each has been elected.

ARTICLE V

Board of Directors

Section 1. The Board of Directors shall consist of nine (9) members, who shall be elected by the membership at the annual meeting, as provided for in these bylaws. All of the Directors shall be members of the Association. The number of Directors may be changed from time to time to not fewer than five (5) by resolution of the Board of Directors. No reduction in the number of Directors may be made unless corresponding vacancies exist as

a result of deaths, resignations, expirations of terms of office, or other actions provided in these bylaws. A copy of the resolution of the Board of Directors shall be filed with the official copy of the bylaws of this Association and with the Clerk of County Court, Clinton County, St. Johns, Michigan.

Section 2. Regular terms of office for Directors shall be for three (3) years. Directors shall hold office until successors are elected and have qualified, unless disqualified or removed. The regular terms shall be as set forth in the Application to Organize. Upon any increase or decrease in the number of Directors, the terms shall be set so that three (3) Directors shall be elected to terms of three (3) years, three (3) Directors shall be elected to terms of two (2) years, and three (3) Directors shall be elected to terms of one year. Thereafter, Directors shall be elected to terms of three (3) years.

Section 3. Vacancies in the Board of Directors shall be filled within ninety (90) days from the date the vacancy occurred by a majority vote of the remaining Directors, as a regular or special meeting. Directors appointed to fill vacancies shall serve for the unexpired term of the person whose position has been vacated. Where the Board has increased its number, the term of the Director(s) appointed to fill the vacancy shall expire at the next annual meeting. In the event a protracted vacancy occurs in the Board of Directors, the President, Vice-President and Secretary may by majority vote fill the vacancy for the unexpired term such action being subject to confirmation by a majority vote of the Board of Directors at the next regular Board of Directors meeting.

Section 4. A regular meeting of the Board of Directors shall be held each month at a time and place fixed by resolution of the Board, and notice shall be given to each Director by the Secretary, the President, or, in the President's absence, by the Vice-President. A regular meeting may be adjourned provided there is sufficient cause and such cause is recorded in the minutes of the subsequent regular meeting.

Special meetings of the Board of Directors may be called by the President or the Board of Directors at any time and shall be called upon receipt of a written request of any three (3) Directors. Notice of any special meeting shall be given to the remaining members of the board by the Secretary.

The Directors shall hold a meeting within ten (10) days following the annual meeting of the membership for the purpose of electing officers, as provided in these bylaws.

A majority of the Board of Directors shall constitute a quorum for the transaction of business.

Section 5.
*Duties of
Directors*

The Board of Directors shall have the general management over the affairs, funds and records of the Association, and shall take all necessary measures necessary for the interest of the Association. The Directors shall exercise powers consistent with the regulations and statutes governing associations, and with these bylaws. These powers shall include but not be limited to the following:

- (a) To appoint Assistant Treasurers and/or engage other employees or agents as may be necessary to carry on the affairs of the Association. The authority to engage other employees may be delegated to the Treasurer, but the individual delegated shall act only within the limits of a personnel policy adopted by the Board of Directors. The individuals appointed or engaged shall be covered by proper bond with good and sufficient surety against fraud or dishonesty in an amount to be determined by the Board of Directors.
- (b) To authorize such officers, or Directors, to sign checks, drafts and money orders issued by the Association without the counter signature of any other officer. This authorization shall only apply to disbursements and not to notes and other obligations of the Association.
- (c) To designate the depository, as authorized by law, in which Association funds may be deposited.
- (d) To fix the maximum amount which may be expended within the limitations set forth in these bylaws.
- (e) To fill vacancies in the Board of Directors and in the committees until successors are chosen in accordance with these bylaws.
- (f) To appoint, at the discretion of the Board, and executive committee of not less than three (3) Directors to act for it in the purchase and sale of land.

Section 6.
Compensation

No Director shall receive any compensation for services rendered as a Director.

Section 7.
Conflict of

No Officer, Director, committee member, employee or agent of this Association shall in any manner, directly or in any manner convey the

Interest appearance of participating in deliberation upon or the determination of any matter affecting his/her financial interest or the financial interest of any organization, incorporated or otherwise (other than the Association) in which he/she is directly or indirectly interested. Relatives of Officers and Directors of the Board shall not be employed by the Association.

Section 8. If a member of the Board of Directors fails to attend the regular or special meeting of the board for three (3) consecutive meetings, the office may be declared vacant by the Board of Directors and the vacancy shall be filled as elsewhere provided for within these bylaws.

Removal from Office

ARTICLE VI **Officers**

Section 1. The officers of this Association shall be elected by the Board of Directors from persons serving thereon. Such officers shall be the President, Vice-President, Secretary, and Treasurer. The election of officers shall be held at an organizational meeting of the Board of Directors within ten (10) days following the annual meeting of members. Officers of the Association shall be members of the Board of Directors. Officers elected at the organizational meeting of the Directors shall hold office for a period of one (1) year, or until election of their successors, unless removed for cause or resignation. Any person elected or appointed to fill a vacancy caused by death, resignation, or removal from office shall be elected within ninety (90) days from the date the vacancy occurred, to serve only the unexpired term of such officer or until a successor is elected. The affirmative vote of a majority of the Board of Directors shall be deemed necessary to elect any officer. Abstentions shall be deemed a negative vote.

Election

Section 2. The duty of the President shall be: to preside at meetings of the members and the Board of Directors; to provide the general and active management of the business of the Association; to see that all resolutions of the Board of Directors are carried into effect; to countersign all legal documents authorized for his/her signature evidencing obligations of the Association and to perform the other usual duties of the office. The President shall not have a vote, but shall serve as a tie-breaker in matters brought before the Board of Directors. The President shall serve as ex-officio of all committees.

President

Section 3. The Vice-President shall perform the duties of the President in case of absence or inability of the President.

Vice-President

Section 4. Subject to such limitations and controls as may be imposed by the Board of Directors, the duties of the Secretary shall be:

Secretary

- (a) To promptly prepare and maintain correct minutes of meetings of the members and the Board of Directors in a form consistent with there bylaws. Minutes, when approved by the Board of Directors, shall be signed by the presiding officer and secretary of the meeting, and become a permanent record of the Association.
- (b) To give, or cause to be given, in the manner provided in these bylaws; copies of the minutes of the preceding meeting of the Board of Directors, proper notice of all meetings of members and the Board of Directors; and shall perform other duties as the Board of Directors may, from time to time, prescribe.
- (c) Maintain physical custody and provide safeguards for the security of board meeting minutes.
- (d) Keep records of Association members' names and addresses, and shall be custodian of the Association's seal.
- (e) Advise the Board of Directors of all delinquencies and shall keep the board informed regarding the properties of the Association, and the liability insurance thereon.
- (f) Perform other duties required by the executive committee of the Board of Directors.

Section 5. The Treasurer shall report to and be under the control of the Board of Directors. Subject to such limitations and controls as may be imposed by the Board of Directors, the Treasurer shall:

Treasurer

- (a) Have custody of funds, securities, valuable papers, assets, books and records of the Association, except the records of minutes of the board meetings in the possession of the Secretary, all of which shall be available at all times for inspection by the Board of Directors and other such authorities as may be provided by law or regulation.
- (b) Maintain full and complete records, accounts of all assets and liabilities, and all financial transactions of the Association in accordance with standard accounting procedures and good business practices.

- (c) Within ten (10) days prior to any regular scheduled board meeting prepare a financial statement showing the financial condition of the Association, including the number and amount of delinquent dues and/or special assessments, as of the close of the last business day of the month. This statement shall be maintained by and made available for review by the Treasurer of the Association where it shall remain until replaced by the financial statement for the following month. A copy of the financial statement shall be submitted to each Director of the Board at its next regular meeting and shall be made part of the minutes of the meeting.
- (d) Deposit promptly in a depository as authorized by law, and designated by the Board of Directors, all funds paid into the Association. Disbursements of funds shall be evidenced by a paper or film record of the transaction in such form to show the nature and method of disbursement.
- (e) Disburse the funds of the Association as may be approved by a majority vote of the Board of Directors and shall render to the Board of Directors at regular and special meetings, or upon demand of a Director, an account of all transactions as Treasurer and of the current financial condition of the Association.
- (f) Deliver to the Board of Directors and shall keep in force a bond in form, amount and with surety or sureties satisfactory to the Board of Directors, conditioned for faithful performance of the duties of his office, and for the restoration of or removal from office, of all papers, books, vouchers, funds and property of whatever kind in his/her possession or under his/her control belonging to the Association.
- (g) Perform other duties as required by the executive committee or the Board of Directors.
- (h) It shall be the duty of the Treasurer or in his/her absence the Board of Directors may designate an officer, to prepare a list of the members entitled to vote at each meeting against which list all members voting in person shall be checked prior to commencement of elections.

Section 6. The Board may appoint one (1) Assistant Treasurer, as provide for in

*Assistant
Treasurer*

these bylaws, and authorize him/her, under the direction of the Treasurer to perform any of the duties of the Treasurer. When designated by the Board of Directors, one (1) appointee may act as Treasurer during the absence of the Treasurer, or in the event of his/her inability to act.

ARTICLE VII **Committees**

Section 1.
Members

A committee shall consist of members who shall be appointed by the Board of Directors at a regular meeting as defined in Article II of these bylaws.

Section 2.
Term

Regular terms of office for members of each committee shall be for one (1) year. Members shall hold office until successors are appointed and have qualified, unless disqualified or removed.

Section 3.
Vacancies

Vacancies in a committee shall be filled within ninety (90) days from the date the vacancy occurred by a majority vote of the Board of Directors at a regular or special meeting. Members appointed shall serve only for the unexpired term. Where the board has increased the committee's number, the term of the committee member shall expire at the next annual meeting.

Section 4.
*Officers and
Records*

Annually, the committee shall choose from among its numbers a Chairperson and a Secretary. It shall be the duty of the Secretary to prepare and maintain full records of all actions taken by the committee. The records shall remain the property of the Association and be held in the custody of the Association Secretary. The office of the Chairperson and Secretary may be held by the same person.

Section 5.
Meeting

A committee shall hold meetings as often as necessary, upon call by the Chairperson, or Secretary of this committee. Notice of all meetings must be given to all members of the committee unless a committee member waives, in writing, his/her requirement. A majority of the members of a committee shall constitute a quorum for the transaction of business.

Section 6.
*Compens-
ation*

No member of a committee shall receive any compensation for services rendered as a committee member.

Section 7.
*Duties of a
Committee*

A committee shall have the general supervision over its designated area of responsibility subject to the conditions and limitations prescribed by these bylaws and Board of Directors. A committee member serves at the pleasure of the Board of Directors.

ARTICLE VIII

Duties and Powers

- Section 1.** The Board shall have supervisory powers and duties consistent with the subdivision restrictions to be exercised for the benefit of all members, including but not limited to the following:
- Section 2.** *Maintenance* To keep and maintain common properties in orderly condition, to cut and remove weeds and grasses there from, to exercise maintenance on common property passageways, to remove loose and/or undesirable materials to ensure the common properties remain neat in appearance and in good order.
- Section 3.** To ensure, maintain and protect the plant and animal life in the common properties.
- Section 4.** To provide for the erection or maintenance of gateways, entrances, or other ornamental features provided that such maintenance shall be undertaken only upon the affirmative action of the Board of Directors.
- Section 5.** To maintain recreational facilities provided that such maintenance shall be undertaken only upon the affirmative action of the board.
- Section 6.** To enforce, as may be necessary, covenant restrictions which are not or hereafter may be imposed upon real estate in the Lake Geneva subdivision, or additions thereto.
- Section 7.** To bring proceedings to enforce covenant restrictions.
- Section 8.** To establish, upon affirmative action of the Board of Directors, and post reasonable rules and regulations concerning the use of common properties and facilities of the Association.
- Section 9.** To provide only services which equally benefit each member of the general membership.

ARTICLE IX Dues and Assessments

- Section 1.** In order to maintain and improve the Lake Geneva area, the purchaser of each lot (or title holder, if title has been conveyed) shall pay an amount in accordance with the Building and Use Restrictions as held by the Registrar of Deeds, County Court, St. Johns, Michigan to the Lake Geneva Property Owners' Association, Inc., its designated successors or its assigns together with any special assessments. Annual payments shall be a lien on each lot and if not paid by June 15th of each year may be denoted

by an affidavit recorded with the Registrar of Deeds, and this lien may be enforced as are real estate mortgages by foreclosure by advertisement of in circuit court.

Section 2. Dues and special assessments, other than those specified in the recorded
Assessment restrictions, may only be assessed upon an affirmative vote of the members at an annual or special meeting.

Section 3. The Board of Directors shall have the authority to carry on the affairs of
Encumbrances the Association. The Board of Directors shall have the authority to borrow funds, to mortgage, pledge, or otherwise encumber the assets of the Association as security for the properties of the Association, to assign dues and capital assessments due or to become due the Association only upon affirmative action of a two-thirds vote of the general membership.

ARTICLE X **Budget**

Section 1. The Association shall maintain a balanced budget and financial records
subject to annual and special audit by the Finance committee.

ARTICLE XI **Borrowing**

Section 1. The Association may borrow form any legitimate source upon approval of
Borrowing two-thirds vote of the Board.

Section 2. The total sum borrowed by this Association shall not at any time exceed
Limitation any limitation imposed by a vote of the general membership.

ARTICLE XII **Amendment of Bylaws**

Section 1. These bylaws may be amended by those members present and entitled to
Procedure vote at the annual or special meeting of the general membership, or by the unanimous vote of at least a quorum of the Board of Directors, provided that:

- (a) When bylaws are amended by the membership:
 - (1) The number of affirmative votes needed to amend the bylaws equals two-thirds vote of the membership.

- (2) A quorum shall be the same as that at a regular meeting.
 - (3) The notice of the annual or special meeting to consider such amendment shall specifically set forth the amendment to be considered.
- (b) When bylaws are amended by the Board of Directors:
- (1) The proposed amendment shall have been submitted to the Board for consideration and included in the minutes of the board meeting at least thirty (30) days prior to the vote of the amendment.
 - (2) At least fifteen (15) days prior to the vote of such amendment, each member of the Board of Directors shall be given notice of the meeting which shall set forth the proposed amendment and specify the portion of the bylaws to be amended.
 - (3) An abstention shall be deemed a negative vote.
 - (4) At the first annual meeting of the membership following an amendment to the bylaws, notice of the amendment shall be submitted to the membership.

Section 2. The membership may rescind the authority of the Board of Directors to
Recession amend the bylaws at any special or annual meeting of the membership.

Section 3. No amendment to the bylaws shall become operative until approved in
Operative writing by a majority of the Board of Directors.

ARTICLE XIII
Dissolution

Section 1. The process for voluntary and involuntary dissolution shall be as provided
Procedures by a majority vote of the membership. Written notice of a proposal to dissolve, setting forth the reasons therefore and the disposition of the assets which shall be consonant with Article X hereof shall be mailed, or cause to be delivered to every member at least sixty (60) days in advance of any action taken.

Section 2.
*Disposition
of Assets on
Dissolution*

Upon dissolution of the Association the assets, both real and personal property of the Association, shall be dedicated to an appropriate public agency utility to be devoted to purposes as nearly as practicable the same as those to which they were acquired to be devoted by the Association. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed, and assigned to any non-profit corporation, association, trust, or other organization to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted to the Association. No such disposition of the Association properties shall be effective to divest or diminish the right or title of any member vested in him under the recorded covenants and deeds applicable to the Properties unless made in accordance with the provisions of such covenants and deeds as amended.

ARTICLE XIV
Indemnification of Officers and Directors

Section 1. Any person, his heirs, executors, or administrators, may be indemnified or reimbursed by the Association for reasonable expenses actually incurred with any action, suit, or proceeding, civil or criminal, to which he or they shall be made a party by reason of having been a director, officer, or employee of the Association; provided, however, that no person shall be so indemnified or reimbursed in relation to any matter in such action, suit, or proceeding as to which he or they shall finally be adjudged to have been guilty of or liable for gross negligence, misconduct, or criminal acts in the performance of his or her duties to the Association; And, Provided further, that no such person shall be so indemnified or reimbursed in relation to any matter in such action, suit, or proceeding which has been made the subject of a compromise settlement except with the approval of the court of competent jurisdiction, or the holders of record of a majority of the outstanding share of the Association of Board of Directors, acting by vote of Directors not parties to the same or substantially the same action, suit, or proceeding, constituting a majority of the whole number of the Directors. The foregoing right of indemnification or reimbursement shall not be exclusive of other rights to which such person, his heirs, executors, or administrators may be entitled as a matter of law.

Definitions as Used in These Bylaws

- (a) “Deposits” means the amount paid in by the membership in dues and special assessments, if any, where the terms and conditions are set and/or a guaranteed rate of interest is paid.

- (b) “General Parliamentary Procedure” means the rules and precedents governing meetings not specifically found in law and/or these bylaws usually found in “Robert’s Rules of Order.”

Re-affirmed April 4, 2005
Heidi S. Fernandez, Secretary
Lake Geneva Property Owners’ Association, Inc.