

**LAKE ARROWHEAD PROPERTY OWNERS ASSOCIATION
AMENDED AND RESTATED BYLAWS**

Updated July 1, 2017

ARTICLE I - NAME

The name of the Association shall be LAKE ARROWHEAD PROPERTY OWNERS ASSOCIATION, hereafter also alternatively referred to as "LAPOA," or "Association."

ARTICLE II - PURPOSE

Section 1. The Lake Arrowhead Property Owners Association is established to promote the health, safety and welfare of residents within subdivisions administrated and supervised by the Association, as designated and defined below in Section 2 hereof, in Hayes Township, County of Otsego, State of Michigan, and future additions thereto and, for this purpose, to own, acquire, build, operate and maintain parks, streets and recreational facilities within said subdivisions or additions thereto; to administer and supervise the collection and expenditure of assessments against properties in the subdivisions as permitted or directed by these Bylaws, and to do all things necessary and incidental to promote the common benefit and enjoyment of the residents of said subdivisions and additions thereto. The Association's purpose may be carried out by affirmative action by the Board of Directors, in its discretion.

Section 2. LAPOA is the administrator and supervisor of Lake Arrowhead Properties consisting of the following described properties. The subdivisions described in sub-paragraphs a-f shall hereinafter be referred to as "Subdivisions".

- a. Arenac Trails, a subdivision of part of Southwest Section 33, T30N, R4W, Hayes Township, Otsego County, Michigan.
- b. Arrow Shores, a subdivision of part of East Section 32 and part of West Section 33, T30N, R4W, Hayes Township, Otsego County, Michigan.
- c. Indian Hills, a subdivision of part of Section 32, T30N, R4W, Hayes Township, Otsego County, Michigan.
- d. Okemos Trails, a subdivision of part of East Section 33 and part of West Section 33, T30N, R4W, Hayes Township, Otsego County, Michigan.
- e. Southern Trails, a subdivision of part of Section 32, T30N, R4W, Hayes Township, Otsego County, Michigan.
- f. Tuscola Trails, a subdivision of part of Southeast Section 32 and part of Southwest Section 33, T30N, R4W, Hayes Township, Otsego County, Michigan.
- g. The property now owned or hereinafter acquired by the Association ("Common Grounds").

Section 3. No additions shall be made to the property administered and supervised by LAPOA except by a two-thirds vote of the Members of the Association.

ARTICLE III - LENGTH OF EXISTENCE

The term of the corporate existence is perpetual.

ARTICLE IV - MEMBERSHIP

Section 1. Every person or entity who is an owner of any platted lot in Subdivisions shall be a member of the Association and no other person or entity shall be entitled to membership. For purposes of these By-laws, a land contract vendee shall be considered the owner of a platted lot and the member of the Association.

Section 2. The membership rights of any member may be suspended by action of the Board of Directors during any period when any assessment(s) owed to the Association remain(s) unpaid. In addition to current payment of all assessments levied by the Association, the membership rights of each member are subject to maintenance of appropriate conduct in accordance with these Bylaws and in accordance with reasonable rules and regulations which may be adopted from time to time by the Board of Directors. Failure to comply with these Bylaws and such rules and regulations may result in suspension of a member's rights.

Section 3. The share of a Member in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his platted lot in the aforementioned Subdivisions.

Section 4. To be considered a Member in good standing, all annual maintenance assessments and special purpose assessments must be paid in full by the specified due dates.

Section 5. Each Member in good standing shall be entitled to the use and enjoyment of the common properties and facilities, and shall be eligible to participate and vote in all Membership meetings and elections.

ARTICLE V - VOTING RIGHTS AND PROCEDURES

Section 1. Each Member shall be allowed only one (1) vote, regardless of the number of lots owned. A maximum of two (2) votes will be allowed for each lot having more than one (1) owner. Voting rights, however, are expressly restricted to lots which pay a full assessment, as hereinafter defined, and voting rights shall only be afforded to property owners, irrespective of lot ownership, who are of legal voting age in the State of Michigan, and who are in good standing as Members.

Section 2. Voting on Association business will be conducted at regular or special meetings of the Members, and the outcome will be determined by a simple majority of votes cast at such a meeting by the Members present in person, or who have submitted a written ballot in accordance with terms provided for herein, unless otherwise specifically provided for herein or as required by law. Exceptions are as follows:

- a. Additions to the property administered by the Association require a 2/3 majority vote of the Membership (Article II, Section 3).
- b. Increases in assessments require a 2/3 majority vote at a meeting of the Members, or by mail balloting (Article XIII, Section 2).
- c. Dissolution of the Association requires a 2/3 majority vote of the Members (Article XII).
- d. Changes in the Bylaws requested by Members require a 2/3 majority vote at a meeting of the Members or by mail (Article XIII, Section 3).

Section 3. Any matter which could otherwise be voted upon by the Members' annual or special meeting may, at the discretion of the Board of Directors, be submitted by mail to all Members eligible to vote, for vote thereon by written ballot.

Section 4. Voting at regular or special meetings of the Members shall be conducted in accordance with the following provisions:

- a. Upon sign-in at the registration table, each Member eligible to vote, pursuant to Section 1 above, will be given a voting card. Such cards will show the meeting date, and be a different color for each meeting.
- b. When a vote is taken, Members will hold their card up to indicate affirmation.

Section 5. The following procedures will apply to votes made by mail:

- a. The Secretary will have ballots mailed to the address of record of all eligible Members, either with a newsletter, or in a dedicated mailing. Included will be an explanation of the issues, and instructions for completion and return of the ballots.
- b. At the time specified in the ballot instructions, the returned ballots will be opened and counted by the Secretary and at least four (4) other Board members.
- c. Results will be published in the next scheduled newsletter.

Section 6. Voting procedures for electing Board of Directors:

- a. Members of the Association may nominate candidates who are Members in good standing, with the candidate's approval, for directors. Such nominations shall be in writing, signed by the Member making them, and shall be received by the Secretary by May 1st of the election year. Nomination application forms will be available in the March newsletter and posted on the LAPOA's website. Members may also nominate candidates for the Board at the annual meeting of the Members.
- b. Members may cast their votes for Board members either at the annual Membership meeting, or by ballot.
- c. The Secretary shall be responsible to have the ballot included in the June newsletter, upon which shall appear the names of the nominees, a personal resume of each nominee, and instructions for voting and returning the ballots.
- d. Ballots must be received by the Secretary twenty-four (24) hours prior to the annual meeting of the Members, or may be turned in at the meeting, providing the ballot is sealed in an envelope with the name or names of the Members casting the ballot written on the outside.
- e. Additional nominations for open Board positions will be taken from the floor during the Membership meeting, and attendees may add these nominees to their ballots for voting.
- f. Mail-in ballots will be opened and counted within twenty-four (24) hours prior to the annual Membership meeting, and all other ballots will be counted during a meeting recess called for that purpose. The Ballots shall be opened and counted in by the Secretary and with at least four (4) other Board members.

Section 7. The draft and approved minutes of all regular and special meetings of the Members will be posted within thirty (30) days of such meetings on the LAPOA's website and on the community board.

ARTICLE VI - MEMBERSHIP MEETINGS

Section 1. The regular annual meeting of the Association Members shall be held on the first Saturday of July of each year on the Common Grounds or at such place designated by the Board of Directors and at such time as the Board of Directors shall determine. In the event of dangerous or inclement weather, the annual meeting of Members may be delayed to a later time in the scheduled meeting day, or if necessary, to the following day.

Section 2. The following provisions apply to notice and conduct of the annual meeting:

- a. It shall be the duty of the Secretary to serve notice on each member of each annual meeting, at least thirty (30) days prior to, by mail or email, addressed to their last known address or email address as recorded with the Association. The mailing or emailing of the notice to the last known address or email address of a Member shall be deemed notice served.
- b. It shall further be the duty of the Secretary to include within the notice any suggestions or requests by Members as may be properly presented in writing and mailed to the Secretary of the Association at 7065 Arrowroot Trail, Box A3, Gaylord, Michigan 49735. Any request for such inclusion must be received no later than May 1 of the year of the annual meeting.
- c. The notice shall set out, in reasonable detail, the matters to be brought before the meeting and each meeting shall be limited to the matters set out in the notice. The notice shall also provide for the time and place of the meeting.
- d. The meeting will be conducted under Roberts Rules of Order
- e. Members present will be allowed no more than five (5) minutes each, to make suggestions covering items they feel should be brought before the Membership. If any such suggestions are approved for further consideration, it shall be the duty of the Secretary to present such resolutions on the agenda for the next regular or special Membership meeting.
- f. A member must be in good standing and eligible to vote under Article IV, Sections 4 and 5, to participate in the annual Membership meeting, or any special meeting. Members must sign in at the registration table at all Membership meetings, where eligibility will be verified, and voting cards issued.
- g. The presence of fifty (50) Members in good standing in person who are eligible to vote under Article IV, Sections 4 and 5, is required to constitute a quorum necessary for the transaction of business at any Membership meeting.

Section 3. The order of business at the annual meeting of the Members shall be as follows, provided however, that this order of business may be changed by the President, or by a majority of the Members present:

- a. Determination of quorum.
- b. Roll call of directors.
- c. Approval of minutes of previous meeting.
- d. Reports of officers.
- e. Reports of committees.
- f. Unfinished business.

- g. New business
- h. Results of election of Board of Directors

Section 4. If, for any reason, the annual meeting of the Members shall not be held on the weekend designated in Section 1 of this Article, such meeting will be rescheduled and held as a special meeting, and the same proceedings may be conducted there as at an annual meeting. Membership notification, quorum requirements and general procedures for any annual meeting rescheduled pursuant to this Section 4 will be the same as for the annual meeting.

Section 5. Special meetings of the Association may otherwise be called at the discretion of the Board of Directors, and also, shall be called by the Board whenever requested by Association Members, subject to the following provisions:

- a. Such requests shall be in writing, clearly state the subject to be addressed, and shall be signed by at least 10 percent of the Members who are in good standing.
- b. The subject must be germane to the purpose of the Association, pursuant to Article II, Section 1.
- c. The Board of Directors may include additional matters for consideration of the Members at such meetings.

Section 6. The President, or in his absence a designated Board Officer, shall preside over annual and special meetings of the Membership.

ARTICLE VII - THE MANAGEMENT

Section 1. The management, affairs, policies, business, property, and publications of the Association shall be vested in the Board of Directors, except as stated expressly in these Bylaws, as requiring approval by vote of the Members.

Section 2. The Board of Directors shall be composed of fourteen (14) members of the Association in good standing. Their term of office shall be for three (3) years, and they shall be elected for staggering terms as follows: five (5) elected in 2005, four (4) elected in 2006, five (5) elected in 2007, and follow in this order in succeeding years. Their term of office shall expire at the conclusion of the annual membership meeting of the corresponding year.

Section 3. The Board of Directors shall have the following powers and duties:

- a. To keep and maintain Common Grounds, the recreational facilities and other property owned by the Association or managed by the Association in a clean and orderly condition, to cut and remove weeds and grass there from, to pick up any loose or undesirable materials or refuse; and to do any other things necessary or desirable to keep such properties neat in appearance and in good repair and order as appropriate.
- b. To exercise such control and maintenance over road and pedestrian ways owned by the Association, as it may deem necessary or desirable.
- c. To do all things necessary or incidental to the protection of the lakes, plants and wildlife in and around the Common Grounds and in and about the subdivisions supervised and administered by the Association.

- d. To provide for the maintenance of gateways, entrances, or other ornamental features now existing or hereafter erected or created.
- e. To maintain recreational facilities.
- f. To enforce, either in its own name, or in the name of any Member, as may be necessary, all building and deeded restrictions which have been, are now, or may hereafter be imposed upon any of the real estate in Subdivisions and any Common Grounds. The Board, on behalf of the Association, shall have full power and authority to bring proceedings in the names of any of the owners to enforce the restrictions. The expenses and costs of these proceedings shall be paid out of the general funds of the Association and be a cost of Administration.
- g. To establish reasonable rules and regulations concerning the use of the Common Grounds and facilities of the Association, and make such documents available to all Members. Such regulations will be reviewed annually, revised as necessary, and shall include, but not be limited to, the following areas:
 - (1) General Rules and Regulations
 - (2) Swimming Pool Rules
 - (3) Campground Rules
 - (4) Boating and Lake Use
 - (5) Rule adopting fines for illegal dumping and littering

Notwithstanding, any Rule and Regulation that establishes fines may only be amended or revoked by the vote of two-thirds (2/3) of all board members. Members shall be held responsible for their guest and invitees violations of the Bylaws and any rule or regulation adopted hereunder and shall further be personally responsible for any fine or penalty related to such violation(s).

- h. To provide services as may be deemed desirable by the Board of Directors and, where said services are of a character to be of mutual benefit to the Members.
- i. The Association shall not engage in any activities that are inconsistent with the Association's purposes or duties. This prohibition shall not preclude individual Members or groups of Members from undertaking such activities. The Association shall not use any Association funds or equipment owned by the Association for purposes other than those that directly benefit the Association.
- j. To collect annual assessments, including annual maintenance assessments and other special purpose assessments as may be approved by the Members.
- k. To purchase insurance policies to adequately protect the Common Grounds, assets, and interests of the Association.
- l. To purchase at the expense of the Association, a surety bond in sufficient amount to be maintained for all Directors or agents involved in the collection, deposit or disbursement of Association funds.
- m. A minimum of three newsletters will be published each year, March, June and September. All three newsletters will be posted on the website and the June newsletter will also be sent by mail. Each newsletter will contain the names of all Board members and Operating Committee chairpersons, dates of regular Board meetings, Membership meetings and

LAPOA activities, Operating Committee reports, and other pertinent information concerning the Association.

- n. To administer, lease, or otherwise convey oil, gas and mineral rights which may be owned by the Association.

Section 4. Actions required or permitted to be taken under authorization voted at a meeting of the Board or a committee of the Board may be taken without a meeting if, before or after the action, all members of the Board then in office or of the committee consent to the action in writing or by electronic transmission. The written consents shall be filed with the minutes of the proceedings of the Board or committee. The consent has the same effect as a vote of the Board or committee for all purposes.

Section 5. At a special meeting of the Association duly called for the purpose of removing a director(s), any one or more of the directors may be removed with or without cause by a majority of the Members present at such a meeting and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting.

Section 6. In case any director or officer shall fail to attend fifty percent (50%) of the meeting of the Board of Directors in any given year, the Board of Directors may, at their discretion, vote to remove such director at any regular or special meeting of the Board of Directors. The Board of Directors will notify such officer or director and shall thereupon elect a successor or successors as at such a meeting.

Section 7. All directors shall be in good standing as Members of the Association and remain in good standing for the entirety of their term. If any director shall not be in good standing, they shall resign as a director and a new director shall be appointed as provided for herein.

Section 8. If the office of any director or officer, one or more, become(s) vacant, the remaining directors shall, at a regular meeting of the Board of Directors, by majority vote of the remaining directors, appoint a successor or successors who shall hold office until the next annual meeting and election. The remaining term or terms of office shall be filled by the nomination of Members of the Association for each such vacancy, and the nominee(s) receiving the next highest number of votes after the regular terms are filled shall be elected to the shorter term or terms in that order.

Section 9. The Board of Directors shall after each annual meeting elect a Vice President, Secretary and Treasurer, with the Vice President of the previous year automatically becoming President for the ensuing year. Therefore, no director who is serving the final year of their term may be elected to the office of Vice President. All officers of the Association shall be members of the Board of Directors.

Section 10. Any officer may be removed by the Board of Directors whenever in the judgment of the Board of Directors the best interest of the Association will be served thereby.

Section 11. Each Board member will sign an Oath of Office, vowing to perform in a credible manner, abide by these Bylaws and mandates of the Board, and return any Association property in their possession at the end of the office term.

Section 12. No Board member shall have or exercise any official authority in the name of the Association, except as set forth in these Bylaws, or specifically authorized by the Board of Directors.

Section 13. Meetings of the Board of Directors will be governed by the following:

- a. A majority of the Board of Directors shall constitute a quorum for the transaction of business. When at any meeting of the Board there shall be less than a quorum present, no official action

may be taken and such meeting shall be adjourned until the next scheduled meeting, or special meeting called by the President. A member must be in good standing under Article IV, Sections 4 and 5, to participate in a Board of Directors meeting, or any special meeting.

- b. Regular meetings of the Board of Directors will be scheduled for February, May, July, August, October and December with the specific dates to be established by the Board at their first meeting after the annual Membership meeting in July. The July meeting will be held for the purpose of setting meeting dates, assignment of responsibilities, appointment of officers, and any urgent matters.
- c. Special meetings may be called at any time by the President or shall be called upon the request of the majority of the Board. Notice shall be given to the Board members either personally, by email or by mail at least one week prior to the scheduled meeting. Such special meetings may be conducted either by physical attendance of the directors, or through teleconferencing or other remote electronic means, except when the Board is dealing with issues it feels, in its sole discretion, are confidential in nature, access will be made available to the Association membership by providing compatible communication devices at the regular meeting building.
- d. There shall be no proxy votes by absent Board members. The Board may make exception by written consent, if unanimous and signed by all Board members.
- e. Except as otherwise provided for in these Bylaws, a majority of the Board members present at the meeting shall decide all matters voted upon at meetings of the Board of Directors. All votes shall be taken by yeas and nays, and any board member may demand a roll call vote which will be entered in the minutes to show the names of those voting in the affirmative and those in the negative. Secret ballot voting will only be allowed when 2/3 of the Board members present are in favor.
- f. All board members shall receive minutes of the previous Board meeting, and the agenda for the ensuing meeting, along with copies of all proposals on said agenda, at least one (1) week prior to any meeting.
- g. The approved minutes of all regular and special meetings of the Board will be posted on the LAPOA's website within thirty (30) days of their approval and posted on the community board.

Section 14. Upon majority vote of the Members at a regular or special Membership meetings, or by written ballot, the Board of Directors may be granted the authority to borrow funds, to mortgage, pledge, or otherwise encumber the assets of the Association as security for the properties of the Association, together with the right to assign, as further security, the right to collect assessments due the Association.

Section 15. All duly elected Board members will receive as remuneration for their work, credit for one (1) full assessment during each year served.

ARTICLE VIII - ASSOCIATION ASSESSEMENTS AND EXPENDITURES.

Section 1. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the Common Grounds or the administration of the Association shall constitute expenditures affecting the administration of the Association.

Section 2. All lots within a subdivision shall be assessed a full assessment if the member owns one lot or owns

additional lots that have a well and septic system (“Full Assessment”). Additional lots without a well and septic system shall be assessed a lesser amount as determined by the Members in accordance with these by-laws (“Secondary Assessment”).

Section 3. At any regular or special meeting of the Members, the Members may vote to approve a change to the Full Assessment and Secondary Assessment. Further, at any regular or special meeting of the Members, the Members may adopt a special purpose assessment. All annual maintenance assessment shall be paid on or before June 15 of each year. All special purpose assessments shall be paid as provided in the approval of the special purpose assessment by the Members at such a meeting. A \$50 late fee shall be assessed to any annual or special assessment not received by the due date. Membership assessment funds received shall be applied to the oldest balance due of said member.

- a. Commencing with the 2016 maintenance assessments, all “Full Assessment” and “Secondary Assessment” shall be increased annually by 3% irrespective of future membership approved maintenance assessments changes and without any further vote of the Members.
- b. Commencing in 2016, each lot qualifying for a “Full Assessment” will be required to pay \$71.00 annually for the purpose of creating and maintaining a “Reserve Fund.” The Reserve Fund shall be held in separate account and may be used at the Board’s discretion for the purpose of funding the repair or replacement of the Association’s Common Grounds, the recreational facilities, roads within the Subdivisions, the Association’s equipment, and other property owned by the Association.

Section 4. Each Member shall be and remain personally liable for the payment of all assessments pertinent to his unit which may be levied while such Member is an owner of a lot in one of the subdivisions referenced herein.

Section 5. No Member may exempt itself from liability for their payment of annual maintenance assessments or any special purpose assessment by waiver of the use or enjoyment of any of the Common Grounds or by the abandonment of their property in any of the subdivisions.

Section 6. If any Member does not pay any annual maintenance assessment or special purpose assessment when due, the Board of Directors shall have the right to use the following legal remedies to collect the delinquent assessments.

- a. Suspend the rights of the Member(s) to use all Common Grounds and suspend providing any service provided by the Association upon seven (7) days written notice.
- b. Assess interest at a rate of seven (7%) percent per annum.
- c. The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. Each Member shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement, and further, to have authorized and empowered the Association to sell or to cause to be sold the property with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Notwithstanding anything to the contrary, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published until the expiration of ten (10) days after mailing, by First Class Mail, postage prepaid, addressed to the delinquent Member(s) at his or their last known

address of a written notice that one or more installments of the annual maintenance assessment or special purpose assessment levied against the pertinent property is or are delinquent and that the Association may invoke any of its remedies hereunder if the delinquency is not cured within ten (10) days after the date of mailing. Such written notice shall be in recordable form, executed by an authorized representative of the Association and shall set forth the following: (1) the name of the Member(s) of record thereof, (2) the legal description of the property to which the notice applies, (3) the amounts due the Association at the date of the notice. The notice shall be recorded in the office of the Register of Deeds in Otsego County prior to the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. The Member subject to foreclosure under this section is liable for the annual maintenance assessment and special purpose assessments by the Association chargeable to the property that become due before expiration of the period of redemption together with interest, advances made by the Association for taxes or other liens to protect its lien, costs and attorney fees incurred in their collection.

- d. The Association will charge a nominal fee, established by the Board of Directors, for any returned checks. Any such charge will be deemed an addition to that Member's assessment, and failure to pay the same will have the same effect as having the assessment remain unpaid.
- e. The delinquent Member shall be assessed all costs of collection, including without limitation, actual attorney fees.
- f. Member's payments shall be first applied to cost of collection incurred by the Association then to interest and late fees then to special purpose assessments and then to annual maintenance assessments.

Section 7. Upon the sale or conveyance of a Member's property in the Subdivisions, all unpaid assessments against the property shall be paid out of the sale price or by the purchaser. A purchaser of property in the Subdivisions is entitled to a written statement from the Associations, setting forth the amount of unpaid assessments outstanding against the property, and the purchaser is not liable for unpaid assessments in excess of the amount set forth in such written statement, nor shall such property be subject to any lien for any amounts in excess of the amount set forth in the written statement. Any purchaser or grantee who fails to request a written statement from the Associations as provided herein at least five (5) days before the sale, or arrange for the payment of any unpaid assessments against the property at the closing, shall be liable for any unpaid assessments against the property together with interest, costs, and attorney's fees incurred in connection with the collection thereof.

ARTICLE IX - DUTIES OF OFFICERS

Section 1. PRESIDENT. The President shall be the chief executive officer of the Association, and shall have the general control and management of its business and affairs, subject, however, to the orders of the Board of Directors. Except as provided in the annual budget, the President shall spend no monies of the Association unless first approved by the Board. The President shall preside at all meetings of the Association and at all meetings of the Directors. The President shall also perform such other duties as may be delegated by the Board.

Section 2. VICE PRESIDENT. The Vice President shall act in the place of the President in his absence, or in the event the office of the President shall become vacant, or due to the inability of the President to discharge the duties of the office. The Vice President shall also perform such other duties as may be delegated by the Board.

Section 3. SECRETARY. The Secretary shall keep the minutes of all the meetings of the Association and the directors, and shall preserve in the files of the Association, true minutes of the proceedings of all such meetings. The Secretary shall maintain current lists of the names, addresses and lot numbers of all Members of the Association.

Section 4. TREASURER. The Treasurer shall disburse the funds of the Association as provided in the annual budget or as approved by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and Directors, at regular meetings of the Board, and whenever requested by them, an account of all the transactions as treasurer and of the financial condition of the Association, The Treasurer shall have custody and keep accounts of all monies, corporate funds, and securities of the Association, and shall keep full and accurate accounts of all receipts and disbursements. The Treasurer shall oversee the depositing of all monies, securities and other valuable effects in the name of the Association in such depositories as may be designated for the purpose by the Board of Directors, and perform such other duties as delegated by the Board of Directors.

ARTICLE X - STANDING COMMITTEES AND CHAIRPERSONS

Section 1. The President, with the approval of the Board, will appoint chairpersons for the following standing, operating committees:

- a. Roads and Maintenance
- b. Parks, Recreation, Lakes and Safety.
- c. Building Control.
- d. Long-range Planning.
- e. Pool.
- f. Real Estate.
- g. Parliamentary, Bylaws and Historian.
- h. Campground.
- i. Environmental and Zoning.
- j. Collection Committee.
- k. Newsletter
- l. Minerals
- m. Website

Section 2. The chairpersons of all committees must be an elected member of the Board of Directors.

Section 3. The duties of the chairpersons of the above committees will be established by the Board, reviewed annually, and made available to Association members.

Section 4. Committee chairpersons will select committee members deemed necessary to accomplish the assigned duties, and have the committees in place by the August meeting for the year in which they are appointed.

Section 5. The President, with approval of the Board of Directors, may, on an annual basis, appoint special committees for any purposes deemed necessary and appropriate. Such committees shall meet the other requirements of committees under this Article, and will not be extended from year to year unless further authorized by the Board of Directors.

Section 6. All committees shall make regular reports to the Board of Directors. No committee, or committee chairperson, has authority to bind the Association, unless expressly authorized by the Board of Directors.

Section 7. The Board of Directors shall at all times maintain an Ethics Committee, which shall be charged with and have the duty and responsibility to review, investigate and make recommendations to the Board of Directors for all claims related to the alleged misconduct or conflicts of interest of the Member's of the Board or any of the Association's contractors. The members of the Ethic's Committee shall be the officers of the Association. Should the alleged misconduct involve an officer of the Association, an alternate Board Member appointed by the officers of the Association from the current Board of Directors will serve on the committee to review the alleged misconduct or conflict of interest. At the conclusion of the Ethics Committee's review, the President shall call a meeting of the Board of Directors, closed to the membership, for the purpose of discussing and resolving the alleged misconduct or conflict of interest.

ARTICLE XI - APPOINTED AND/OR SALARIED CONTRACTORS OF THE ASSOCIATION

Section 1. The Board of Directors is authorized to appoint or hire independent contractors to perform services for the Association. Such services shall include, but not be limited to, the following:

- a. Accounting
- b. Financial Secretary and/or Committee
- c. Maintenance Person(s)
- d. Pool Manager
- e. Campground Manager
- f. Office Manager

Section 2. The specific duties of each contractor will be established by the Board, and made available to Association members. The Board shall negotiate and approve the terms of the agreements with all contractors.

Section 3. The terms of such agreements shall require the contractors to attend all regular Board meetings and give such reports as may be required by the Board. Further, such terms shall require that any contractor who is a member shall remain in good standing during the term of the Agreement. If the member is not in good standing, the Agreement shall be terminable by the Board of Directors.

Section 4. The Members of the Association in good standing shall have first consideration for such contracted positions, providing qualifications are acceptable to a majority of the Board members. If no Member is acceptable, the Board shall advertise for outside contractors. All outside bids shall be submitted in sealed envelopes.

ARTICLE XII - DISSOLUTION

The Association may be dissolved only with the assent given in writing and signed by two thirds of the Members eligible to vote under Article IV, Sections 4 and 5. Written notice of a proposal to dissolve setting forth the reasons therefore and the disposition to be made of the assets shall be mailed to every Member at least ninety (90) days in advance of any such action taken.

ARTICLE XIII - AMENDMENT

Section 1. The Board of Directors may modify these Association Bylaws, by a vote of 2/3 of the Board of Directors, irrespective of quorum requirements, subject to the provision that any such amendments or modifications made in this manner shall be brought before the Association at the next annual meeting, or prior thereto by mail, so that the Members, by a majority of those voting at the meeting, may ratify the action of the Board of Directors. Failure of the majority to vote to ratify the changes shall result in the Bylaws reverting back to their form as existed prior to such amendment by the Board.

Section 2. These Bylaws, however, shall not be altered, amended, or changed to increase the assessment of any Member without prior affirmative vote of 2/3 of the Members voting at an Annual or Special meeting called for that purpose.

Section 3. The Members of the Association may propose changes in these Bylaws, provided such proposals are filed in writing with the Secretary on or before May 1st of the year of the proposal. Any such proposal must be signed by twenty - five (25) or more Members of the Association in good standing, and mailed to the Association address: 7065 Arrowroot Trail, Box A3, Gaylord, Michigan 49735. The proposed change shall be placed on the agenda for the next annual meeting, for a vote of the Members present or, at the discretion of the Board of Directors, be submitted to the Membership by mail. It must be passed by a 2/3 majority of the Members voting.

Section 4. The Board of Directors shall have the power and authority to interpret the meaning of any section or provision of these Bylaws and also rule thereon at any meeting.

ARTICLE XIV - INDEMNIFICATION OF OFFICERS AND DIRECTORS

Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party or in which he may become involved, by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder, based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the director seeking reimbursement abstained) proves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten (10) days prior to payment of any indemnification of which it has approved, the Board of Directors shall notify all Members thereof.

ARTICLE XV – SUPPLEMENTARY DOCUMENTS

Section 1. As stipulated elsewhere in these Bylaws, the Board of Directors shall establish, publish, annually review, and revise as necessary, the following supplemental documents:

- a. Rules and Regulations Governing Use of Common Grounds and facilities of the Association. (Article VII, Section 3(g))
- b. Responsibilities of Standing Operating Committees (Article X, Section 3)
- c. Duties of Contractors (Article XI, Section 2)
- d. Oath of Office for Board of Directors (Article VII, Section 8)

Section 2. Members in good standing may petition the Board to make changes in any of the foregoing documents and, upon Board concurrence, the changes shall be implemented. In the event the Board rejects the proposed change, the Member may present it for consideration by the general Membership, following the procedure governing the amendment of these Bylaws, as described in Article XIII, Section 3.

ARTICLE XVI - AVAILABILITY OF DOCUMENTS

Section 1. Each Board member is to receive copies of these Bylaws, Supplemental Documents, all applicable Declarations of Restrictions, and current contracts of the Association Contractors.

Section 2. Association Members in good standing may request a copy of these Bylaws, Supplemental Documents, and the Declarations of Restrictions by paying a prescribed fee which will cover the cost of printing and mailing.

ARTICLE XVII – EFFECTIVE DATE OF BYLAWS

These Amended and Restated Bylaws have been approved and implemented by more than a two-thirds (2/3) majority of the Board of Directors on May 3, 2014, and confirmed by a majority vote of the Membership on July 5, 2014. A history of previous Bylaws, and amendments, shall be maintained in the Association records.

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Lake Arrowhead Property Owners Association Bylaws Change History

8/6/2005 Bylaws corrected for spelling and grammar and sections were rearranged to make things easier to find, by Chuck O'Connell.

8/6/2005 Revised Bylaws approved by a unanimous vote of the board of directors.

7/1/2006 Revised Bylaws approved by a unanimous vote of members at the annual membership meeting.

7/3/2010 Revision to Bylaws post Newsletters to the website and to stop mailing Newsletters, except for the Newsletter that contains the notice and agenda for the annual meeting. Passed 87 Yes and 11 No votes

7/3/2010 Changed assessment on second and subsequent lots with a well and septic to first lot assessment rate. Passed 105 Yes votes and 3 No votes.

7/7/2012 Changed penalty for late payment from 10% per year to \$50. Passed 106 Yes votes and 11 No votes

7/4/2015 Added Article 3a to include that all "Full Assessment and Secondary Assessment" shall be increased annually by 3%. Passed 96 Yes votes and 20 No votes.

7/4/2015 Added article 3b to include that each lot qualifying for a full Assessment: will be required to pay \$71.00 annually for the purpose of creating and maintaining a "Reserve Fund." Passed 80 Yes votes and 39 No votes.

7/1/2017 Amended Article VII Section 3 Paragraph g and Section 13 Paragraph e to include a rule and regulation adopting and amending fines for illegal dumping, making members liable for their violations, and that of their guests' violations. Passed 76 Yes votes and 7 No votes.

