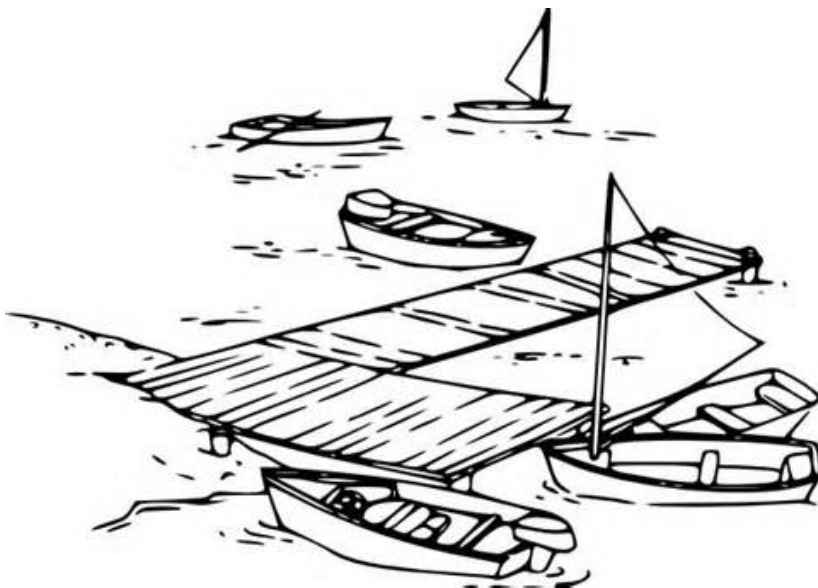
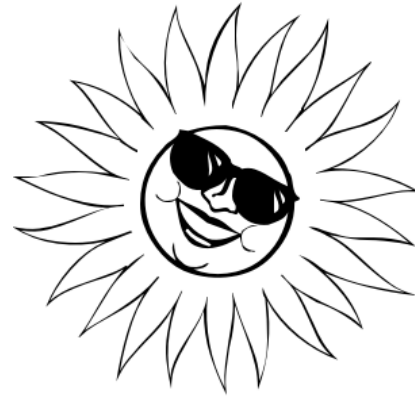


LAKE ARROWHEAD NEWS
JUNE 2014



Lake Arrowhead News

June 2014



LAPOA 2013-2014 Board of Directors

President & Pool

Ron Race

Vice President and Long Range Planning

Chris Speen

Secretary & Newsletter

Mary Davignon

Treasurer & Collections

Judy Race

Parliamentarian, By-laws, Historian

Scott Bicknell

Co-chair Roads & Maintenance & Long Range Planning

Dave Cunningham

Campground

Mike Gascoyne

Environmental & Zoning

Dave Liggett

Building Control Co-Chair

Karl McKennon

Roads & Maintenance Co-chair

Dick Miller

Gas wells

Ron Race Jr.

Forestry & Building Control Co-chair

Kyle Stubli

Real-estate

Dana Stubli

Parks, Recreation, Lakes, Safety

Anita Wheaton

Email to all board members:

board@lapoa.com

Contact information for individual board members is posted on the mailbox bulletin board and can also be found on our Website:

www.lapoa.com.

Email to Office Staff:

LAPOAoffice@gmail.com

Save a Stamp! A LAPOA drop box has been installed on the mailbox building for payments and for correspondence to the LAPOA.

LAPOA
7065 Arrowroot Trail
Gaylord, MI 49735

LAPOA Office: 231-585-7411

Annual Membership Meeting: July 5, 2014 at 10:00 a.m. at the Pavilion.

Picnic: July 5, 2013 at 2:00 at the Pavilion. Hamburgers, hot dogs, and beverages are provided. Please bring a dish to share and lawn chairs for your party.

Pool:—After one of the craziest winters in recent history, we are certainly looking forward to some fun in the sun. We'll keep the water sparkling clear and at a perfect 82 degrees. **The pool will be open every day from Memorial weekend to Labor Day, 10AM to 9PM weather permitting.** Come out and enjoy some relaxation with your friends, family, and neighbors.

Ron Race
Lake Arrowhead
Pool Chairman

Website: Our website has recently been rebuilt. It is now much easier to keep it updated and to provide helpful direct links to other useful sites. Go to the same address: www.lapoa.com and browse a bit.

Nextdoor: Lake Arrowhead residents and cottagers can now join Nextdoor. It is a Lake Arrowhead- only social media site where our members can post news and interact with each other. To join go to www.nextdoor.com and register using your Lake Arrowhead property address. Nextdoor verifies that the address actually exists within our boundaries. It sometimes takes a day or two. If you have any trouble getting verified, contact our Secretary at mkdavignon@gmail.com.

Facebook: Members of Facebook can also keep informed and post news via the Lake Arrowhead Facebook page.

PRESIDENTS CORNER

Your board has been extremely active during this past year with some very important initiatives. Here are a few of the key activities.

Lake improvement project

In accordance with your direction/approval at the 2013 Membership Meeting, we are continuing with our mandated objective of saving our lake through the Lake Improvement Project. Like you, we anticipate a great enhancement and stability to the lake level and quality.

Best Practice Manual

We are putting the finishing touches on a long, tedious, and detailed project of creating a Best Practice/Procedure manual. No more trial and error or re-creating the wheel when a new chairperson is appointed or contracted vendor takes over. Each operational/functional area of your association now has procedure/protocol down to the smallest of details. Example; identifying and ordering individual pool chemicals, when and what is the application, testing requirements, state laws, cleaning and sanitizing, repair contacts, etc. This will be a "living document" which will be enhanced on an ongoing basis.

Bylaw Revisions *

Our current bylaws are antiquated and out of date. Originally drafted in 1965, 50 years later our bylaws sit conflicted with vague and not applicable language throughout. Valiant efforts by individual board members were made over the last half century to modify numerous articles and sections to fit modern times. We are thankful for their efforts. Last year, the board formed a bylaws revision committee with the objective of bringing our bylaws into current times, standards, and to be consistent with Michigan Law. The goal was to put them in front of the Membership at the Annual July Meeting. Realizing this would be quite an undertaking; we sought the guidance of an expert in the field and were recommended to an attorney that specializes in homeowners association. After many meetings and revisions, we believe that we have an outstanding document for membership to take action on. Once approved, one of the immediate benefits will be the ability to legally recoup some of the tens of thousands of dollars in past due assessments owed to your association.

Reserve Study

Identifying each resource owned by the association. What is the current condition of each? Life expectancy? Repair cost? Replacement cost? How much available funding is needed to be held in reserve to meet the needs of your association? Funding has been allocated to complete this study and recommendations will be made to the membership.

Contract Revisions

The Board formed a Contract Revision Committee to review, evaluate, and rewrite as necessary all vendor contracts, as well as the Campground Rental contract. The goal was to get the "best bang for the buck" for the association while being fair and consistent with all Vendors. We sought legal counsel as necessary during the process as well.

Ron Race
LAPOA President

* The current bylaws can be found on the website: www.lapoa.com under the real-estate page.

Campground: The campground looks great! Many thanks go to those who have already raked and cleaned up their camp sites. The water was turned on May 12th and the new play scape has arrived. We would appreciate any volunteers who would like to help assemble it. The campground has a top-notch bath house, playground and access to all LAPOA amenities including the pool, pavilion and lake. We welcome all property owners and their visiting guests.

Association Rules: At our May meeting, the Board of Directors approved updated rules for the Association, Buhl Lake, and our pool. The new boating rules are in response to tightened Michigan laws regarding use of boats and personal watercraft. Please be sure to see the DNR website because the state now requires boater certification for many boat and personal watercraft operators. All these rules help us to live in harmony as a community. Please abide by them and provide them to your guests and renters.

Welcome to Lake Arrowhead! Our General Rules:

Lake Arrowhead is a Private Association. Owners and their guests, including renters, agree to follow the Rules of the Lake Arrowhead Property Owners Association (LAPOA). Failure to follow the Rules of LAPOA can result in being asked to leave the Association grounds. Be advised that if you are asked to leave and refuse, the State Police will be called and you could be charged with Criminal Trespass. **Members and guests are expected to be courteous to neighbors and to care for the LAPOA environment and property.**

All Federal, State, and County laws apply within Lake Arrowhead!

Parking is not allowed on any of Lake Arrowhead Roads at any time. Limited guest parking is available at the Large Park and in the area near the mailboxes during winter. **Lake Arrowhead Roads** are private roads, owned by the Association. Michigan motor vehicle laws apply in Lake Arrowhead. Snowmobiles and All Terrain Vehicles are permitted on the roads but riders must obey Speed Limits, Stop signs and Michigan Recreational Vehicle laws. Recreational vehicle riders are encouraged to use our many snowmobile and ATV trails instead of the roads.

Speed limits in Lake Arrowhead are 25 miles/hour except for the Campground where the Speed Limit is 5 miles/hour.

Trash:

- The dumpster is for the sole use of Lake Arrowhead Property Owners and their guests. Only household refuse may be discarded in the dumpster.
- No building supplies, furniture, leaves or brush may be discarded at the dumpster. Illegal dumpers will be prosecuted.
- Members are encouraged to participate in the Otsego County Recycling Program.
- Please read and follow compactor instructions at the dumpster.
- Trash may not be left on properties.

Animals:

- It is unlawful to permit any dog to run at large or to disturb the peace of the neighborhood. Owners are required to clean up their animal's waste.
- It is unlawful to raise barnyard animals (chickens, goats, etc) in Lake Arrowhead.
- Complaints may be directed to Animal Control in Gaylord at 989-732-6494.
- Do not feed water fowl which in excessive numbers can pollute the lakes.

Boating rules are posted at the boat launch and under "Amenities" at www.lapoa.com.

All boaters must comply with all Michigan Inland Boating and Personal Watercraft Rules & Regulations and [Lake Arrowhead Boating Rules](#).

Campground Rules are posted at the campground and in lease agreements.

Pool rules are posted at the pool and under "Amenities" at www.lapoa.com.

Lake Arrowhead is a family friendly environment where respect for neighbors is expected. Disorderly behavior, excessive noise, and foul language will not be tolerated.

Approved by LAPOA Board of Directors 5-3-2014

BOATING AT LAKE ARROWHEAD

BOATING PRIVILEGES

All boaters must comply with the Lake Arrowhead Property Owners' Association lake rules that are posted at the boat ramp. All Boaters must comply with all Michigan Inland Boating & Personal Watercraft Rules and Regulations and Lake Arrowhead Property Owners Association By-Laws related to lake privileges. Detailed below are a few basic rules:

- **Water sports PWC, skiing, tubing, etc. is permitted between the hours of 10 a.m. and 8:30 p.m., or one hour before sunset, whichever is earlier.**
- **Boats used in other bodies of water must be washed before launching. Boats must be washed at least 100 feet from the lake.**
- **A person shall not operate a vessel while under the influence of intoxicating substances or any controlled substance.**
- **Personal flotation devices must be carried on board for each person.**
- **All watercraft travel is counter clockwise around the lake.**
- **Slow, no wake must be observed within 100 feet of docks, swim areas, anchored boats, and the channel between the large and small section of the lake.**
- **All skiers, PWC operators, tubers, knee boarders, etc. must stay at least 100 feet from shore, docks, and swim areas.**
- **Operators and owners will be responsible for any damage created by his or her boat or watercraft or its wake.**
- **Police will be called in the event of reckless/dangerous boating behavior.**
- **Fishing in accordance with DNR regulations is permitted at any time.**
- **Do not dump unused bait in the lake.**
- **For current Michigan regulations regarding use of boats and personal watercraft see:
http://www.michigan.gov/dnr/0,4570,7-153-10365_10884-37311--,00.html**

Approved by LAPOA Board of Directors 5-3-2014

SWIMMING POOL RULES AND REGULATIONS

**Disclaimer: Lake Arrowhead is not responsible for accidents or injuries.
ALL PERSONS USE THE POOL AT THEIR OWN RISK.
THERE IS NO LIFEGUARD ON DUTY**

1. The swimming pool is for the use of all Association members in good standing and their guests.
2. No one under the age of 12 may be at the pool without a parent or guardian.
3. Showers must be taken before entering the pool.
4. Swimming is not allowed when the pool is closed.
5. Only swimwear is permitted in the pool.
6. No diving
7. No running or rough play in the pool or on the pool deck.
8. No glass, alcoholic beverages, or food in the pool area.
9. No pets in the pool area or shower house.
10. The emergency equipment (life rings, etc.) is for emergency use only.
11. Infants must wear swim diapers in the pool.

Rules Approved by the LAPOA Board of Directors 5-3-2014

Internet Access: Sixty minutes of free internet access is available at the Pavilion and in many parts of the big lake complements of The Waters Inn. Additional time can be purchased for a small fee.

Lots for Sale: Do you have friends or family who would like to have their own property in Lake Arrowhead? Be sure to tell them about the several lots that are owned by the Association which can be purchased for a reasonable price. See the website for a listing of the lots and a detailed map of Lake Arrowhead.

Office Building: To better serve our members, the office is scheduled to be open Monday and Thursday 1:30-2:30, Friday 5-6, and Saturday by appointment. Call 231-585-7411 for an appt. The board recently approved expanded use of the LAPOA Office Building. In winter we will have social events: card nights, chili cook-offs etc. that will be open to all LAPOA members in good standing. **Lending Shelf:** A lending shelf has been added to the Lake Arrowhead Office. Puzzles, books, and games can be borrowed or donated. Family friendly materials only please! The Lending Shelf can be accessed whenever the Office Building is open. Thank you to Pam Hawkins for the shelf and all the great materials!

Please Recycle: Otsego County now has five convenient recycling centers for your convenience. Trash disposal costs have risen. Recycling saves us money and saves Mother Earth too! See www.lapoa.com.

Trash Compacter: Operation: It seems so easy. Open the door, dump in the trash, close door, push the button, and go. It turns out that the order of operations matters! When one resident came to the dumpster to find it packed, the above procedure didn't work. The motor ran but it didn't actually compact trash. Follow the directions posted on the compacter and the trash compacts! Who knew!?

Please discard only regular household trash at the dumpster: no furniture, construction or yard waste. If it doesn't fit in the door, it doesn't go to the dumpster!



Lake Arrowhead Property Owners Association

As you may have noticed on your assessment bills/statements, LAPOA has converted to Quick Books, a new office managements program. In order for LAPOA to run more efficiently, please provide your email address below. You can also help with costs if you select to receive your LAPOA assessment bills/statements by email.

Property owner's name(s)

Email address:

Select the box(es) below:

I would like to receive my/our LAPOA assessment bills/statements sent to this email address. * I understand that I must keep LAPOA updated with any changes to my/our email address and billing address.

I would like to receive LAPOA Newsletters by email. If you do not select this box, you can find the newsletters on the LAPOA website. The May newsletter will be sent to you by US mail as required in the LAPOA Bylaws.

In order to update our records, please complete below:

Phone number (Including area code) _____ Alternate phone number _____

Mailing/Billing address (if recently changed):

LAPOA property address if different than billing address (if property has been assigned an address):

Sign below:

LAPOA Owners signature/date: _____

Date: _____

LAPOA Owners signature/date: _____

Date: _____

LAPOA Owners signature/date: _____

Date: _____

Please return this form by email to LAPOAoffice@gmail.com or mail to LAPOA, 7065 Arrowroot Trail, Gaylord MI 49735 prior to July 5th, or bring to the Annual meeting in July.

Thank you!

***Owner is responsible for keeping a current email address with LAPOA and failure to keep an updated email address on file with LAPOA may result in a failure of the Owner to receive assessment bills and statements and may result in collection cost, late fees and penalties being assessed against Owner. Owner's failure to receive an electronic statement shall not relieve the Owner of their obligation to pay assessments.**

Office use: Date received _____ email address confirmation sent _____
received _____

2014 Mail in Ballot for the Board of Directors

There are five (5) three year positions available on the Lake Arrowhead Board of Directors. All ballots must be in the hands of the secretary twenty-four hours prior to the annual meeting or may be turned in at the annual meeting, sealed in an envelope with the member's name on the front. **Ballots will also be available at the annual meeting, if you would rather cast your ballot in person. Additional nominations will be accepted from the floor.** Two votes will be allowed to common owners of property in Lake Arrowhead regardless of the number of lots owned. Vote for no more than **five (5)**, by placing an X on the line next to the name of the person you wish to vote for. There can be two Xs on a line, if there are two owners voting.

Mail your ballot to the Election Committee, attn. Mary Davignon, 7065 Arrowroot Trail A-3, Gaylord, MI 49735. Ballots may also be placed in the Lake Arrowhead Drop Box located at the mailboxes. Your name must appear on the outside of the envelope so it can be verified that your assessments are paid in full.

_____ **Michael Gascoyne**, 301 S. Jefferson St., Saginaw, MI 48604 (LAPOA lot 240).

I am a maintenance manager with the following skill set: Budgeting, project management, and delegating the workforce. I would be delighted to run for the board again. (Mike currently serves on the Board as the Campground Chairperson.)

_____ **Dave Liggett**, 7375 Arrowroot Trail, Gaylord, MI 49735

Dave currently serves on the Board of Directors as the Environment and Zoning Chairperson and he would like to continue to serve the Lake Arrowhead community.

_____ **Ron Race Jr.**, 5773 Arrowroot Trail, Gaylord, MI 49735

Ron currently serves on the LAPOA Board as Chairman for the Gas Wells. He grew up camping in Lake Arrowhead and as an adult he continued bringing his family up as weekenders. He always wanted to raise his children in Lake Arrowhead and four years ago he, his wife and children purchased a house and relocated from Milford, MI. Ron is employed by Gordon Foods in Sales Service in the Gaylord office. He enjoys boating, swimming and tubing with his kids, golf, bowling and spending time with his family. Ron enjoys serving on the LAPOA Board and would like to continue to serve. He feels it is very important to protect and enhance the amenities of Lake Arrowhead for everyone to enjoy for many years to come.

Ron was nominated by Anita Wheaton

_____ **Ed Heitsch**, 7352 Leelanau Tr., Gaylord, MI 49735

Ed and his wife Cecile have been property owners since 2003. Since then, they have made improvements to their home with plans of becoming future full time residents. In 2007, after 29 years of service, they both retired from Ford Motor Company. While working at Ford, Ed held managerial positions in Accounting/Finance, Auditing/Internal Control and Property Management. As a property owner, he values the amenities of Lake Arrowhead and would like to assist in ensuring that they are properly maintained and enhanced.

Ed was nominated by Ron Race

NOTICE OF THE ANNUAL MEETING OF THE LAKE ARROWHEAD PROPERTY OWNERS' ASSOCIATION

DATE: JULY 5, 2014-

TIME: 10:00 A.M.

PLACE: PAVILION

AGENDA:

- I. Call the meeting to order with the Pledge of Allegiance
 - A. Establish a quorum
 - B. Roll call of the Board of Directors
 - C. Approval of the minutes of the July 6, 2013 membership meeting.
 - D. Treasurer's report

- II. Comments and/or concerns of the members

- III. Unfinished business, including discussion and action, if needed
 - A. Questions on the written reports submitted by chairpersons
 - B. Report from the Lake Improvement Committee
 - C. Other

- IV. New Business, including discussion and action, if needed.
 - A. The board recommends the members give approval to the adoption of the proposed amended bylaws.
 - B. Other
 - C. Election of board members
 1. Nomination from the floor
 2. Introduction of nominees.
 3. Voting
 - D. Results of Election

- V. Adjournment.

In an attempt to shorten the meeting, all reports from the committees will be in writing and distributed at the meeting.

DRAFT AMINUTES OF THE LAKE ARROWHEAD PROPERTY OWNERS' ASSOCIATION
MEMBERSHIP MEETING
JULY 6, 2013

- I. The July 6, 2013 membership meeting of the Lake Arrowhead Property Owners' Association was called to order at 10:25 a.m. by President Dick Miller, in the pavilion, with the Pledge of Allegiance.
- A. A quorum was met with 225 members.
 - B. Board members present were: Dick Miller, Ron Race, Sue Fuller, Gary Fuller, Anita Wheaton, Dave Cunningham, Scott Bicknell, Gordie Wearsch, Chris Frey, Kyle Stubli, Tim Devine, Ron Race Jr., Chris Speen and Dave Ligget.
 - C. Approval of minutes of July 7, 2012 meeting: Ron Race moved that the minutes of the July 7, 2013 annual membership meeting be approved as presented. The motion was seconded by Scott Bicknell and passed unanimously.
 - D. Approval of minutes of September 1, 2012 meeting: Anita Wheaton moved that the minutes of the September 1, 2012 special membership meeting be approved as written. The motion was seconded by Tim Devine and passed unanimously.
 - E. Treasurer's report: Gary Fuller
 - 1. Year ended with \$156,420.14 total income taken in. \$17,665 was spent on the lake improvement project. The forestry funds were used for this. The year ended with \$24,000 in fund equity and \$45,486.47 in the truck replacement fund. Total funds on hand at the end of the year \$70,333.92.
 - 2. The campground ended the year with \$3,156.08 in savings.
 - 3. At the end of June, \$122,484.78 has been taken in to date. Only \$18,000 has been budgeted to be received from the gas wells this year. All expenses are within their budgeted amounts.
 - 4. The campground has taken in \$19,097.20 to date.
 - 5. Chris Speen moved that the treasurer's report be accepted as presented. The motion was seconded by Ron Race and passed unanimously.
- II. Comments and/or concerns from members
- A. Mary Grindol announced that the dates for the community-wide rummage sale will be July 26-27th. Let Mary know by July 15th if you wish to be a part of it. Mary and her husband will make out the maps for the sale.
 - B. Mark Davis informed us about the salt water system for pools. He stated that before he used the system it cost him \$1300 to maintain his pool. After purchasing the system for \$900 plus \$250 for salt to start the process, it now costs him \$100 a year to maintain it. It took him 45 minutes to install the system. Ron Race asked to talk to him after the meeting for further information.
 - C. Sharon Morris stated that the campground committee is selling tickets for a 30 year old neon sign that says cocktails on it. The proceeds will be used to purchase new playground equipment for the campground.
- III. Unfinished business
- A. There were no questions on the written reports from chairpersons.
 - B. Recap of lake improvement project: Dave Cunningham
 - 1. This is the third option that we have looked into to improve the lake.
 - 2. In 2004 at the annual meeting the members requested that we look into dredging the lake.
 - 3. At the 2005 meeting the board reported that it would cost between one million and one point three million to do the dredging. This was more than the association could afford.

4. Two years later Lakes of the North placed a deep well to augment Lake Herald. The members at the meeting requested that the board look into doing the same in Lake Arrowhead.
 5. A test well was drilled and it was not successful since there is not a clay base present to hold the water.
 6. A geological company was hired to tell us why there is no water coming into the lake. The predominate springs in our lake are on the north side approximately from the boat launch to just past the pavilion area. This area is filled with silt up to twelve feet deep. Test wells were placed around the lake and it was found that the ground water level is higher than the lake level.
 7. This is the last option available to improve the lake level.
 8. A permit has been obtained from the DEQ to do the dredging of the lake. The work can be started as soon as the dredging company can start.
- C. Questions on the project:
1. Mark Davis asked if the dredging was only going to be done on the north side of the lake. Dave answered yes; these are the springs that are closest to the major route of the water to the lake.
 2. Sharon Morris asked where the silt came from. Jeff Anagnostrou, from Applied Geotechnical Services Inc., answered that the silt came from decaying leaves and vegetation.
 3. James Morris stated that he felt that since the jet skis go counter clockwise around the lake they push the silt to the leeward side of the lake, not the wind. Dave answered that the silt has accumulated over the years.
- D. Jeff Anagnostrou went through the hand-out that was given to the members.
1. The water has fluctuated over the years due to the precipitation over the years.
 2. The water should be flowing into the lake from the east but the silt has built up to prevent this. The silt on the west side of the lake is shallower and is allowing the water to flow out of the lake at a higher rate.
 3. The ground level in the test wells has come up a foot higher than at this time last year. The lake level is up six inches or less.
 4. The ground water in the test well near the bell tower is three feet higher than the lake level. There should be very little difference in this short distance.
 5. Mike Melenczynko asked if there were dangerous elements found in the silt. Jeff answered no. Dick Miller stated that we would not have been given the permit from the DEQ if there had been.
 6. Al Sanom stated we know great lakes are down, so until they rise, is it true that ours won't raise either. Dick Miller stated that we are not tapping into an aquifer but the allowing the ground water to flow into the lake by the removal of the silt.
 7. Dave Maddix stated that all the tons of sand placed on the shoreline have contributed to the problem. Chris Speen stated that after the dredging is done a representative of the DEQ will come out and help us to learn how to take care of the lake. Jeff stated that the shallower the lake is the more vegetation will grow.
 8. Brian Holter stated that the sand is where the water has gone down. All the sand on his beach was once under water. He stated that spring-fed lakes are usually cold. Since the lake has become shallower it has warmed due to the decaying matter in the silt. There are fewer fish, due to it being so shallow. If nothing is done then we will see rapid evaporation in this lake.

9. Paul Aubry reminded us that American Central had dredged the whole lake in the early 1960's. He stated the water was so cold you could hardly breathe. He asked if when the muck was taken out if the lake level would go down. Jeff stated that when the spoils are placed in the disposal area the water would return to the ground water and return to the lake.
10. Steve Frantz asked if there were some places where this has been done successfully. Scott Bicknell stated that Lake Manuka certainly has come up since they dredged it a few years ago.
11. Darren Scwiesow asked if there were any state grants available. Chuck O'Connell stated that this was checked into three or four years ago and because we are a private association we are not eligible. Chris Speen stated that he had asked the DEQ if any funds were available and he was also told, no since we were private.
12. Jeff explained a page in the hand out that shows that the water is flowing out of the lake faster than it is flowing into it.
13. Cheryl Osantowski asked how the dredging will affect the fish. Bill, from Michigan Hydraulic Dredging, stated that the fish stay away from the dredging operations. Dick Miller stated there are requirements from the DEQ on when it can be done. Cheryl also asked if the size of the boat motors had anything to do with the lake problem. Jeff stated that this was not studied but it made sense that if the muck is churned up by the motors that the wind would push it to this side of the lake.
14. Paul Dellock stated that he has a friend that dredges and he told him that the divers can feel the cold water rushing up while dredging. He also told him that when they do this they are 95% successful on raising the lake level.
15. Jeff Kennedy asked if "French drains" were still going to be placed in the banks by the swim area. Jeff stated that after studying further date it is felt they will not be required.
16. Les Youngs stated that number one, he took Jeff on the lake to measure the muck and that when he pushed his hollow pole through the muck, clear water rushed out of the pole. Number two the large boats cannot get onto this lake. Number three it would be nice to have the use of the whole lake again. He stated that it is worth \$600 to keep his property values up.

IV. New Business

- A. Dave Cunningham stated that bids were received from three companies and Michigan Hydraulic Dredging was accepted. The cost to do the dredging and containment of the spoil came to \$310,000. We need to continue to keep our geological company to manage the entire operation. This takes the cost up to \$330,000. Since this is not an exact science, the board is recommending that we obtain a line of credit not to exceed \$400,000, this number also includes the cost for the loan.
 1. Basing the figures on 80% of the members paying, this will cost each one no more than \$675 payable over three years, \$225 the first year, \$225 the second year and not to exceed \$225 the third year.
 2. The special assessment is for the lake project only.
 3. This assessment is per first lot owner, any lot with a house is a first lot owner.
 4. Tracy Smith stated that we are all owners here and we need to do this no matter how much it cost us if we want to keep our beautiful lake.
 5. Cheryl Franchi stated that if you have cancer you do whatever is necessary to be cured. Our lake has a cancer and we need to do whatever is needed to fix it.

6. Gary Shellenbarger stated that the muck will come back. He believes a bubbler system is needed to keep the lake oxygenated.
 7. Corey Ames thanked the board for all their hard work on the project.
 8. Norm Sinclair stated that he lives on a canal and that he had to raise \$15,000 for his part to dredge it. The houses went up 30% in evaluation afterwards.
 9. Steve Frantz stated that the board has done a lot of investigation on this project. He stated that \$600 is not a lot of money to put into saving our lake. He encouraged everyone to vote yes.
 10. The vote counters today are Patti Burroughs, Shelly James and Paula McKinnon.
 11. The question was called. The vote to cut off discussion and vote passed with 220 yes and 3 no.
 12. There was a vote on the board's recommendation for the members to give approval to the board to obtain a line of credit, not to exceed, the amount of \$400,000, to finance the lake improvement project. There were 190 yes votes and 33 no votes. The recommendation was approved.
 13. Chris Speen moved that the members approve the board's recommendation for a special assessment, the total not to exceed \$675 per first lot owner, payable the first year \$225, the second year \$225 and the third year not to exceed \$225. The motion was seconded by Dick Tomlinson and passed with 191 yes and 25 no votes. This met the 2/3 approval as stated in the by-laws.
- B. Dick Miller stated some reasons why the board feels the maintenance assessments need to be raised.
1. The dumpster costs have gone up \$3,500 per year.
 2. The road brine has increased by \$1,200 per year.
 3. Insurance costs have increased by \$5,000 per year.
 4. We have made budget cuts on maintenance of equipment, road maintenance and parks.
 5. The budget for 2012 was \$166,000 and the budget for 2013 is \$158,000.
 6. Sue Fuller moved we approve the maintenance assessments on all lots paying \$110 to be raised to \$135. The motion was seconded by Tim Devine. The motion passed with 196 yes and 9 no votes. This vote also met the 2/3 requirement.
- C. Nominations for the board of directors:
1. Gary Smith nominated Kyle Stubli.
 2. Gordie Wearsch nominated Mike Gascoyne.
 3. Mary Davignon nominated Dave Ransom.
 4. Anita Wheaton nominated Karl McKinnon.
 5. Mary Davignon, Judy Race and Dana Stubli were nominated by mail.

The meeting recessed at 12:37 p.m. to count the votes.

The meeting was called back to order at 1:57 p.m.

- D. The election results were as follows: Judy Race 143 votes, Mary Davignon 131 votes, Dana Stubli 125 votes, Karl McKinnon 65 votes and Kyle Stubli 63 votes.
- V. Adjournment: Chris Speen moved the meeting be adjourned. The meeting was adjourned at 2:00 p.m.

Respectfully submitted,
Sue Ann Fuller, Secretary Lake Arrowhead Property Owners' Association

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

ARTICLE I - NAME

Section 1. 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
- 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 6. 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 7. 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 8. 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 9. 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 10. 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 11. 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 12. 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. 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 13. 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 14. 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.

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 6. 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 _____, and confirmed by a _____ vote of the Membership on _____. 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

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