



**CANADIAN
LAKES™**

**CANADIAN LAKES PROPERTY
OWNERS CORPORATION (CLPOC)
Articles of Incorporation & Bylaws**

ARTICLES OF INCORPORATION OF CANADIAN LAKES PROPERTY OWNERS CORPORATION

The Canadian Lakes Property Owners Corporation filed its Articles of Incorporation on August 30, 1993. The Canadian Lakes Property Owners Corporation has not changed its name, nor has it been known as any former names except for set forth in the original Articles of Incorporation since incorporated. These restated articles were duly adopted by the Board of Directors pursuant to MCL 450.2641(2) on October 18, 2008, as they merely restate and integrate previous amendments to the Articles of Incorporation previously filed and do not further amend the articles as theretofore amended, and there is no material discrepancy between those provisions and the provisions of these restated articles.

ARTICLE I - NAME AND INCORPORATION

The name of this corporation shall be "Canadian Lakes Property Owners Corporation" (hereinafter referred to as the "Corporation"), and its incorporated as a nonprofit corporation pursuant to the Michigan Nonprofit Corporation Act, MCL 450.2101, et seq.

The use of the names "Canadian Lakes" and Canadian Lakes Club" by this corporation is limited strictly to identify this Property Owners Corporation and the amenities and facilities under its control, and may be used in the same scope and manner in marketing items for sale in connection with the operation of the amenities and facilities as was done by the Canadian Lakes Development Company during the time it operated the amenities and facilities; provided that the Corporation may not license, assign, transfer or permit another to use the names "Canadian Lakes" or Canadian Lakes Club" for any other profit business enterprise.

ARTICLE II - REGISTERED OFFICE AND AGENT

The registered office of the Corporation shall be located at 10690 Pierce Road, Stanwood, Michigan, 49346. The registered agent of the Corporation is Norman R. Browning. (Amended 01/20/94).

ARTICLE III - DURATION

The period of duration of the Corporation shall be perpetual.

ARTICLE IV - PURPOSES

The Corporation is not formed for pecuniary profit or gain for its directors, officers or members and no part of the assets, income or profit of the Corporation, during its existence, shall be distributed to the directors, officers or members of the Corporation, except to the extent permitted specifically by the Act. The specific purposes for which the Corporation is organized are:

A. To own, construct, establish, operate, manage, maintain, repair, demolish and/or replace all designated common facilities existing, or which come into existence in the future, in the area known as Canadian Lakes Development located in Mecosta County, Michigan, which shall include all platted and unplatted lands within the boundaries of said development as shown in the legal description which is attached as Exhibit "A" and incorporated by reference herein.

B. To administer all of the business and affairs of the Corporation which are properly incident to the establishment, promotion and maintenance of civic, social, recreational and cultural purposes of the members of the Corporation.

C. To exercise such powers and take actions to enforce any valid condition, covenant, restriction, rule or regulation pertaining to the Canadian Lakes Development, as the successor to the developer, including action to prevent improper encroachments or other actions which adversely affect the common facilities, and to prevent deviations from building or other lawful restrictions, which deviations would adversely affect the interest and general welfare of the members of the Corporation.

D. To solicit, collect, receive, administer and disburse funds in such a manner as, in the sole discretion of the Board of Directors, will operate most effectively to further the mutual benefit of its members.

E. To assess, levy, collect and administer such annual and special dues, fees and assessments from members as the Board of Directors may from time to time determine to be necessary, desirable or convenient for achievement of the Corporation's purposes, and to enforce the collection of the same by all means permitted by law, including creating and enforcing liens against the property of members located in the Canadian Lakes Development for delinquent assessments, dues and fees.

F. To establish, collect and administer all use fees and other charges for the use of the common facilities.

G. To hold title to the common facilities in trust for the use and benefit of the Corporation's members and establish rules and regulations for the use thereof.

H. To exercise all the powers provided for or implied from the Nonprofit Corporation Act, except as those powers may be withheld, limited or modified by other provisions of these Articles of Incorporation.

I. Except as otherwise restricted by these Articles of Incorporation, to acquire, hold and dispose of real, personal and intangible property of any kind or character whatsoever in furtherance of the foregoing purposes in such manner as the Board of Directors may from time to time determine to be necessary, desirable or convenient.

J. To carry out all of the foregoing purposes in such a manner as will properly protect the interests of all property owners at Canadian Lakes Development.

K. Notwithstanding any other provision, commencing January 1, 2013, the Corporation shall not have the right to collect any maintenance fees that become due during 2013 – 2019 as reserved in any plat or condominium master deed within the Canadian Lakes Development, including those maintenance fees specified in paragraph 6(b) of the Transition Agreement dated December 17, 1994 between the Corporation and the Canadian Lakes Development Company, and others. This provision will not limit the Corporation's right, after January 1, 2013, to collect any of these maintenance fees that became due during 2006 and prior years, and remain unpaid. This provision will also not limit the Corporation's right after January 1, 2020, to collect any of these maintenance fees that become due after January 1, 2020. (Amended 11/23/13)

ARTICLE V - MEMBERSHIP

Voting

A. The Corporation is organized on a membership basis, and each individual and institution who from time to time is an owner of a platted or unplatted lot or condominium unit within the Canadian Lakes Development shall be a member of the Corporation.

B. For the purpose of voting on Corporation matters:

1. The owner or owners of each platted or unplatted lot and condominium unit which has been recorded pursuant to Michigan law and is part of the Canadian Lakes Development, who are in good standing as defined in subparagraph G of this Article, shall have one vote per lot or unit in the election of a Board of Directors and in any other vote allowed to the membership. In the case of multiple ownership of a lot or condominium unit, the vote allocated to the unit shall be cast in the manner prescribed in subparagraph E of this Article.

2. The Canadian Lakes Development Company, its successors or assigns, who have not purchased in the ordinary course of retail sales, shall be entitled to one vote for each platted and recorded lot or unit owned by it, up to but not to exceed two hundred fifty (250) votes; provided that as to each lot or unit there shall be no obligation to pay maintenance fees, dues or assessments until such lot or unit is sold in the ordinary course of retail sales. Also provided, previous assignee (Pat Bollman) will not be considered part of the Two Hundred Fifty (250) vote limitation.

Use of Facilities

C. Use of and access to the common facilities owned and maintained by the Corporation and shall be consistent with all deed restrictions, and with rules and regulations as may from time to time be established and shall be restricted to eligible members who are in good standing, and their guests. Eligibility for membership for the purpose of using the common facilities shall be as follows:

1. The owner(s) of a lot and the owner's spouse and unmarried dependents under Federal Internal Revenue Service rules residing with the owner(s) shall be members of the Corporation; provided, that only one family per lot shall be eligible to use the facilities at any given time. Provided further, that in the case of multiple owners of a lot, the owners shall designate in writing the family which shall be eligible to use the facilities at any given time, which designation must be filed with the Secretary of the Corporation, and shall not be changed for a period of twelve (12) months thereafter, except for good cause as may be permitted under procedures established in the Bylaws or by resolution of the Board of Directors. In the event a lot is owned by two single individuals, both shall be considered members upon providing acceptable proof of ownership to the Corporation. (Lot will still be eligible for only one vote as outlined in Article V, Section B-1 and E.)

2. The owner of a full-share or quarter-share condominium unit and the owner's spouse and unmarried dependents under Federal Internal Revenue Service rules residing with the owner shall be members of the Corporation; provided that only one family per full-share or quarter-share unit shall be eligible to

use the facilities at any given time. Provided further, that in the case of multiple owners of a full-share or quarter-share unit, the owners shall designate in writing the family which shall be eligible to use the facilities at any given time, which designation must be filed with the Secretary of the Corporation, and shall not be changed for a period of twelve (12) months thereafter, except for good cause as may be permitted under procedures established in the Bylaws or by resolution of the Board of Directors.

3. If the owner of a lot or condominium unit is a business, partnership, corporation, church or other institution, the use membership shall be restricted to one officer, employee or member of the business, partnership, corporation, church or other institution, and the officer's employee's or member's spouse and unmarried dependents under Federal Internal Revenue Service rules residing with the officer, employee or member shall be members of the Corporation; provided that only one family per lot or per full-share or quarter-share unit shall be eligible for membership. Provided further, that the designation of the officer, employee or member designated as Corporation member under this sub-section must be in writing and filed with the Secretary of the Corporation, and shall not be changed for a period of twelve (12) months thereafter, except for good cause as may be permitted under procedures established in the Bylaws or by resolution of the Board of Directors. (Amended 9/10/97).

Owner Defined

D. The term "owner" as used in this Article shall mean the legal fee simple title holder, except where the lot or unit is being sold on an installment sales contract, in which case the "owner" shall be the purchaser of fee simple title under the contract. No person holding any lien, mortgage or other encumbrance upon a lot or unit shall be considered an owner, except in the event of foreclosure of such interest.

Voting - Multiple and Institutional Owners

E. In the case of multiple owners of a lot or unit the owners shall designate one of them as the voting member for the purpose of casting the vote allocated to such lot or unit. This designation shall be made in writing and filed with the Secretary of the Corporation pursuant to procedures established in the Bylaws or by resolution of the Board of Directors.

In case the owner or owners of a lot or unit are a business, partnership, corporation, church or institution, the owner or owners shall designate one of its officers, employees or members as the voting member for the purpose of casting the vote allocated to such lot or unit. This designation shall be in writing and filed with the Secretary of the Corporation pursuant to procedures established in the Bylaws or by resolution of the Board of Directors.

Runs With Property

F. Membership in the Corporation runs with the property located in the Canadian Lakes Development and cannot be separated therefrom; except that an owner, as defined herein, of property in Canadian Lakes Development may assign such owner's membership privileges to a member-assignee under procedures established in the Bylaws or by resolution of the Board of Directors. During the period of such assignment, the owner-assigner shall not have the right to claim any rights of membership as to

such property. Further, the owner-assignor and the member-assignee shall be jointly and severally liable to pay all dues, fees and assessments becoming due and payable to the Corporation during the period of such assignment and the annual maintenance assessment in such amount as would have been due and payable had the property been sold by the owner-assignor and the owner-assignor and the assignee shall execute such written agreements and instruments as the Corporation may request obligating the owner-assignor and the assignee as set forth in this sub-section F. It is provided that the designation of membership under Article V (C) shall not be considered an assignment of membership privileges for purposes of the limitations set forth above. (Amended 9/10/97).

Good Standing

G. Any person otherwise eligible for membership with respect to a particular lot or condominium unit for which any fees or assessments against such lot or unit are not more than thirty (30) days in arrears shall be considered a member in good standing. If a member owns more than one (1) lot and/or condominium unit, the maintenance fees, assessments and/or other fees on all lots and/or condominium units owned by that member must not be more than thirty (30) days in arrears for that member to be considered a member in good standing. (Amended 9/10/97).

Suspension of Member Rights

H. The membership use rights of a member shall be automatically suspended during any period in which that member fails to be in good standing with respect to all lot and/or condominium units owned by that member. Such rights of a member may also be suspended for a reasonable time period for violation of any rule or regulation contained in the Bylaws or rules established by resolution of the Board of Directors. (Amended 9/10/97).

Limitation on Total Membership

I. It is understood and agreed that the Canadian Lakes Development Company, its successors or assigns, shall have the right to develop, plat and sell up to five thousand eight hundred (5,800) lots and condominium units as part of Canadian Lakes Development, and that, as to such lots and units, the Canadian Lakes Development Company, its successors or assigns, and purchasers in the ordinary course of retail sales shall have all the rights, privileges and obligations of membership as set forth in these Articles of Incorporation.

ARTICLE VI - NON-MEMBER USE OF FACILITIES

Guests

A. A guest or guests of a member shall be allowed to use the common facilities subject to rules and regulations adopted pursuant to these Articles of Incorporation, which rules may include that guests be accompanied by a member while using the facilities, and may contain numerical limitations on guests.

Development Company

B. The officers, directors, employees and business guests or invitees of the Canadian Lakes Development Company, its successors or assigns, shall be allowed to use the common facilities, subject to the payment of user fees which do not exceed those charged to members' guests. This right to use the common facilities shall automatically terminate when the Canadian Lakes Development Company, its successors or assigns complete or withdraw from further development or sales of theretofore unsold lots or units within the Canadian Lakes Development, or when 5,400 of the 5,800 lots available for development are sold, or at the expiration of seven (7) years after the common facilities are turned over to the Corporation, whichever event shall first occur.

General Public

C. Members of the general public, not otherwise eligible under Article VI-A and VI-B above, shall not be allowed to use the common facilities, except under limited circumstances as may be approved by the Board of Directors; provided that at no time shall the Board of Directors approve any public use which may tend to materially lessen or impair the right of the Corporation's members to full use and benefit of the common facilities.

ARTICLE VII - BOARD OF DIRECTORS

Powers

A. The business and affairs of the Corporation shall be managed by, and all corporate powers shall be exercised by or under the authority of a Board of Directors, subject to limitations imposed by law, these Articles of Incorporation, or the Bylaws of the Corporation.

Initial Board of Directors

B. Before or after filing of these Articles of Incorporation, a majority of the incorporators at a meeting or by written instrument shall select a Board of Directors consisting of at least three (3) but not more than nine (9) persons, all of whom shall be owners as defined in these Articles of Incorporation. This initial Board shall serve until its successor board is elected and qualified. This initial Board shall call and hold the first annual meeting within ninety (90) days of the filing of these Articles of Incorporation, at which meeting the voting members of the Corporation shall elect a successor nine (9) member Board of Directors pursuant to the procedures set forth in these Articles.

Nomination

C. Prior to each election, the Board of Directors shall notify the Corporation membership that any member eligible to serve as a member of the Board of Directors may file with the Nominating Committee in the form and under procedures set forth in the Bylaws or by resolution of the Board of Directors, a notice of the Board of Directors, a notice of the member's candidacy for a Board vacancy, and the Nominating Committee shall place the candidate's name on the ballot. The forms, procedures and manner of, and time periods and deadlines for, actions to be taken under this section shall be as set forth in the Bylaws or by resolution of the Board of Directors, and shall provide a reasonable manner and time to take the actions provided for herein. The Board of Directors shall also appoint a Nominating Committee which shall present to the Board a slate of candidates equal to at least the

number of vacancies to be filled. (Amended 9/10/97).

Election

D. After the selection of the initial Board of Directors, thereafter the Board of Directors shall be elected at annual meetings of the membership. If, for any reason, the election of the Directors shall not occur at the annual meeting, the Board of Directors shall call a special meeting of the members as soon as conveniently possible for such purpose.

Number and Terms

E. The Board of Directors shall consist of nine (9) members, divided into three (3) classes of three (3) directors each. At the election of the first Board of Directors, the three (3) candidates receiving the highest number of votes shall be elected for a term commencing on the date of election and upon qualification, and terminating on December 31 of the third full calendar year thereafter and the election and qualification of the Director's successor. The three (3) candidates receiving the next highest number of votes shall be elected for a term commencing on the date of election and upon qualification, and terminating on December 31 of the second full calendar year thereafter and the election and qualification of the Director's successor. The three (3) candidates receiving the next highest number of votes shall be elected for a term commencing on the date of election and upon qualification, and terminating on December 31 of the first full calendar year thereafter and the election and qualification of the Director's successor. Thereafter, successor Directors shall be elected for three (3) year terms commencing January 1 following the annual meeting at which elected and upon qualification, and terminating on December 31 of the third succeeding year thereafter, and shall serve until the successor of each is elected and qualified. At such election the winning candidates shall be those receiving the most votes in descending numerical order until all vacancies are filled. In the event of a tie vote or votes, the winner or term of office, as the case may be, shall be determined by lot.

Removal

F. Any one or more of the members of the Board of Directors may be removed, with or without cause, by a vote of not less than sixty-seven percent (67%) of Corporation members eligible to vote and voting at any duly called regular or special meeting of Corporation members. Such removal election shall be scheduled upon: (1) the filing with the Board of Directors of a petition for removal of one or more Directors signed by not fewer than one hundred (100) members eligible to vote thereon, or (2) the passage of a resolution for removal of one or more Directors passed by the Board of Directors by a vote of not less than sixty-seven percent (67%) of the members then serving. Any Director whose removal has been proposed shall be given at least ten (10) days notice of the time, place and purpose of such a meeting and shall be given an opportunity to be heard at that meeting.

G. A member of the Board of Directors may resign at any time by filing written notice with the corporation at its registered office or by filing written notice with the Secretary of the Corporation and the resignation shall be effective upon such filing or a subsequent time as set forth in the notice of resignation. If a Director shall cease being an "owner" or a "member in good standing" as defined in these Articles of Incorporation, such cessation shall automatically constitute a resignation by such

Director and be effective upon presentation to the Board of evidence establishing that either disqualifying condition exists.

Vacancies

H. Any vacancy on the Board of Directors, for any reason other than normal expiration of term, shall be filled by appointment by the remaining Board of Directors for the unexpired term of the vacancy; provided that if the vacancy is the result of a removal election, then a Director being so removed shall not be eligible for such appointment.

Eligibility to Serve

I. To be eligible to serve as a member of the Board of Directors, a person must be an owner as defined in Article V (D), or the spouse of such an owner, or an officer, employee or member of an institutional owner; and be a member of the Corporation as defined in Article V (A); and be in good standing as defined in Article V (G) of these Articles of Incorporation.

Compensation and Expenses

J. Members of the Board of Directors shall be volunteer directors and shall serve without compensation of any kind and without payment or reimbursement of expenses for attendance at Board meetings, but may be reimbursed for actual reasonable and necessary expenses incurred on behalf of the Corporation upon presentation of receipts to the Treasurer.

Personal Liability of Director

K. The volunteer directors of the Board of Directors of the Corporation shall not be personally liable to the Corporation or its members for monetary damages for a breach of a Director's fiduciary duty, except in the instance of:

1. A breach of the Director's duty of loyalty to the Corporation or its members;
2. Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
3. A violation of section 551 (1) of Act 162 Public Acts of 1982, MCL 450.2551 (1);
4. A transaction from which the Director derived an improper personal benefit;
5. An act or omission occurring before adoption of this provision;
6. An act or omission that is grossly negligent.

Contracts with Directors

L. A contract or other transaction between the Corporation and one or more of its directors or between the Corporation and a domestic or foreign corporation, domestic or foreign business corporation, firm or association of any type or kind, in which one or more of its directors are directors or officers, or are otherwise interested, shall be subject to the provisions of the Michigan Nonprofit Corporation Act governing such contracts and transactions, and the director or directors involved shall abstain from voting on the contract or transaction.

ARTICLE VIII - OFFICERS

Number and Titles

A. The officers of the Corporation shall consist of a President, Vice-President, Secretary and Treasurer. The Board of Directors may appoint any other subordinate officers and agents as it deems necessary. No person shall hold more than one office at the same time.

Election or Appointment and Term

B. The President, Vice-President, Secretary and Treasurer shall be elected by the initial Board of Directors at its first meeting, and by the first elected Board of Directors at its first meeting following the date of its election. Thereafter, successive Boards of Directors shall elect its officers annually at its first meeting in January each year. An officer shall serve a term of one year, or until a successor is elected and qualified, or until the officer resigns, is removed or is otherwise disqualified to serve. Subordinate officers and agents appointed by the Board of Directors shall hold office for the period as determined by the Board not inconsistent with the Articles of Incorporation or Bylaws.

Vacancies

C. Any vacancy in an office on the Board of Directors shall be filled by election or appointment by the remaining members of the Board of Directors for the unexpired term of the vacancy.

Duties

D. The President shall preside at all meetings of the members and Directors, shall have general supervision of the affairs of the Corporation; shall sign or countersign all certificates and other instruments of the Corporation as authorized by the Board of Directors' shall make reports to the Board of Directors and members; shall perform all other duties incident to the office and such other duties as may be properly prescribed by the Board of Directors from time to time.

E. The Vice-President shall exercise the functions of the President during the absence or disability of the President, and such other duties as may be properly prescribed by the Board of Directors from time to time.

F. The Secretary shall issue notices for all meetings; keep minutes of all meetings; have charge of corporate seal and books; have charge of the membership records and voting list; and make such reports and perform other duties that are incident to the office or that are properly prescribed by the Board of Directors from time to time. All books, records and minutes shall be kept in the County of Mecosta, State of Michigan.

G. The Treasurer shall have responsibility for custody of all funds and securities of the Corporation and shall cause the same to be received, deposited or disbursed in payment of the just demands against the Corporation or as may be directed by the Board of Directors; shall render

to the Board of Directors from time to time as may be required an account of all transactions and of the financial condition of the Corporation; and shall perform all duties incident to the office or that are properly prescribed by the Board of Directors from time to time.

H. Other subordinate officers and agents appointed by the Board of Directors shall have the authority to perform the duties in the management of the Corporation as provided for in the Bylaws or as determined by resolution of the Board of Directors not inconsistent with these Articles of Incorporation or Bylaws.

Delegation of Duties

I. In case of the absence or disability of any officer of the Corporation and of any person hereby authorized to act for the officer during such absence or disability, the Board of Directors may from time to time delegate the powers and duties of that officer to any other officer or any director or any other person it may select.

Removal

J. Any officer or agent may be removed by the Board of Directors whenever, in the Board's judgment, the best interest of the Corporation will be served thereby; provided, however, that such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Resignation

K. An officer or agent may resign at any time by filing written notice with the Corporation at its registered office, or by filing written notice with the Secretary of the Corporation, and the resignation shall be effective upon such filing or a subsequent time as set forth in the notice of resignation.

Compensation

L. Officers who are also members of the Board of Directors shall serve without compensation of any kind. Subordinate officers and agents appointed pursuant to these Articles of Incorporation may be paid compensation as may be fixed by the Board of Directors.

Fidelity Bonds

M. The Board of Directors may require that any or all officers, subordinate officers or agents of the Corporation furnish a fidelity bond in an amount determined by the Board of Directors, the premium for which shall be paid by the Corporation.

ARTICLE IX - MEMBERSHIP MEETINGS

Annual Meeting

A. The first annual meeting shall be held on the date set by the initial Board of Directors; thereafter an annual meeting of the membership shall be held during the period of October 15 to December 15, with the specific date, time and place designated by the Board of Directors. Regular meetings, in addition to the annual meeting, may be scheduled by the Board of Directors.

Special Meetings

B. Special meetings may be called by the President with the concurring vote of the Board of Directors, and shall be called by the President when so directed by resolution of the Board of Directors, or when so required by these Articles of Incorporation. The President shall call a special meeting upon petition signed by not less than ten percent (10%) of all members entitled to vote at a meeting. The notice of a

special meeting shall state the time, place and purpose of the meeting. No business shall be transacted at a special meeting except as stated in the notice.

Place

C. Meetings of the Corporation membership shall be held in the County of Mecosta, State of Michigan, at such suitable place convenient for the members as may be designated by the Board of Directors.

Notice and Waiver of Notice

D. The Secretary shall give notice of each annual or regularly scheduled meeting of the membership, at least twenty (20) days but not more than sixty (60) days, or special meeting, at least ten (10) days but not more than sixty (60) days, before the date of the meeting, either personally or by mail to each member of record entitled to vote at the meeting or by including such notice prominently displayed in a newspaper or other periodical regularly published at least semiannually by or in behalf of the Corporation and mailed at postage rates complying with the regulations of the United States Postal Service addressed to each member of record entitled to vote at the meeting stating the time, place and purpose of the meeting. Attendance of a person at a meeting constitutes a waiver of notice of the meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Adjournment Notice

E. When a meeting is adjourned to another time or place, it shall not be necessary to give notice of the adjourned meeting if the time and place of the adjourned meeting are announced at the meeting at which the adjournment is taken and at the adjourned meeting only such business is transacted as might have been transacted at the original meeting. Provided, that if any such adjournment is for more than sixty (60) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given pursuant to Section D above of this Article IX.

Record Date and Members of Record

F. For the purpose of determining members of record in good standing and entitled to notice and to vote at a membership meeting or for the purpose of any other action available to a voting member, the Bylaws may provide for fixing, or in the absence of such provision the Board of Directors shall fix, in advance, a date as the record date for such determination of members. Provided, the record date shall be a date which is not more than sixty (60) days nor less than fifteen (15) days before the date of the meeting, nor more than sixty (60) days before any other action. Such determination shall apply to any adjournment of the meeting, unless the Board of Directors fixes a new record date for the adjourned meeting.

Voting List

G. The Secretary shall make and certify a complete list of the members of record entitled to vote at a members' meeting or entitled to take any other action available to a voting member. The list shall be arranged alphabetically with the address of each member and number of votes held by each member, be produced at the time and place of the meeting, be subject to inspection by any member during the meeting, and be prima facie evidence as to who are members entitled to inspect the list or to vote at the meeting.

Quorum

H. Twenty-five percent (25%) of the Corporation members of record entitled to vote at a meeting shall constitute a quorum at the opening of a meeting. Members of record shall be counted toward the quorum whether they vote in person, by proxy or by absentee ballot. The members present in person, by proxy or by absentee ballot at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum. In the absence of a quorum at the opening of a meeting, such meeting may be adjourned to another time or place, and at any adjourned meeting at which a quorum is present, any business may be transacted as might have been transacted at the original meeting.

Proxies

I. A member of record shall be allowed to vote either in person or by an agent authorized to act for the member by written proxy signed and dated by the member or an authorized agent or representative of the member. A proxy may be revoked at the pleasure of the member executing it, unless the proxy is irrevocable.

Ballots

J. A member of record entitled to vote shall be allowed to vote in any election by mail-in ballot or by electronic voting procedure pursuant to procedures set forth in the Bylaws, or in the absence of such procedures, pursuant to procedures established by resolution of the Board of Directors. All ballots received shall be counted at one time at the meeting at which the election is held. (Amended 11/17/2018)

Casting of Votes

K. A member of record entitled to vote may vote for as many persons as there are Directors to be elected,

or for as many issues upon which a vote is to be taken. Cumulative voting is prohibited.

Ballots

L. The voting at all meetings of the membership shall be by written ballot, except for motions to recess or adjourn which may be by voice vote.

Conduct of Meetings

M. At every meeting of the membership, the President of the Corporation shall be the presiding officer. In the absence or disability of the President, the Vice-President shall preside. In the absence or disability of both the President and Vice-President, a majority of the members present in person and entitled to vote shall choose another member to preside as Chairman.

The Secretary of the Corporation shall act as Secretary of the meeting. In the absence or disability of the Secretary, the presiding officer shall appoint a secretary for the meeting from the membership.

Provided, that any person whose removal from office is to be voted on at the meeting shall be considered disqualified from presiding at the meeting, or serving as secretary.

The current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Corporation, when not in conflict with these Articles of Incorporation, the Bylaws or laws of the State of Michigan.

Election Inspectors

N. Prior to any meeting of the membership, the Board of Directors may appoint three or more persons, provided the total shall be an odd number, as Election Inspectors for the meeting. In the absence of such appointments by the Board of Directors prior to the meeting, the presiding officer at the meeting shall make the appointments. The presiding officer at the meeting shall have the authority to appoint Election Inspectors in addition to those appointed by the Board of Directors, and shall make whatever appointments are necessary to achieve an odd number of Election Inspectors. In case a person appointed fails to appear or act, the vacancy may be filled by the Board of Directors in advance of the meeting, or at the meeting by the presiding officer.

The Election Inspectors shall determine the members entitled to vote represented at the meeting; the existence of a quorum; the validity and effect of proxies; receive votes and ballots; hear and determine challenges and questions arising in connection with the right to vote; count and tabulate votes and ballots; determine the results; and do such other acts as are proper to conduct the election or vote with fairness to all members. The Election Inspectors shall report in writing to the meeting on any of the facts found by them or matters determined by them, such report to be signed by a majority of the Election Inspectors. The report of a majority of the Election Inspectors shall be the report of the Election Inspectors. The report of the Election Inspectors is prima facie evidence of the facts stated

and of the vote as certified by the Election Inspectors.

Manner of Acting

O. When an action, other than election or removal of Directors, is to be taken by vote of the members, it shall be authorized by a majority of the votes cast, unless a greater plurality is required by these Articles of Incorporation, the Bylaws or by Michigan law.

Action Without Meeting

P. Any action required or permitted to be taken at an annual, regular or special meeting of members may be taken without a meeting, without prior notice, and without a vote, if a consent in writing, setting forth the action so taken, is signed by members having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all members of record entitled to vote thereon were present and voted. Prompt notice of the taking of the action without a meeting by less than unanimous consent shall be given to members who have not consented in writing.

ARTICLE X - MEETINGS OF DIRECTORS

Regular Meetings

A. A regular meeting of the first elected Board of Directors shall be held immediately after, and at the same place as, the annual meeting of the membership at which elected, without call or notice. In the event such meeting is not held, it may be held at such time and place as shall be specified in a notice given as provided herein for special meetings of the Board of Directors, which meeting shall be held within ten days of the annual meeting. Thereafter, the Board of Directors shall provide by resolution for the holding of additional regular meetings; provided that such meetings shall be held at least once each month; and provided further that a regular meeting shall be held during the month of January each year.

Special Meetings

B. Special meetings of the Board of Directors may be called by the President or any two (2) Directors.

Notice

C. Notice shall be given to the Board members in person, by mail, by telegram or by telephone of the time and place of each regular meeting at least (10) days before such meeting. A schedule of regular meetings duly adopted by resolution of the Board of Directors and stated in the minutes shall constitute notice to the Board members as to any meeting scheduled to be held after delivery of the minutes to each Board member.

Notice shall be given to the Board members in person, by mail, by telegram or by telephone of the time, place and purpose of each special meeting at least four (4) days before the meeting.

Waiver of Notice

D. Any director may, either before or after a meeting, waive notice of the meeting, and actions taken at the meeting are as valid as if taken at a duly noticed meeting, if each Director not present signs a waiver of notice; which shall be made part of the minutes of the meeting. The attendance by a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Place

E. Meetings of the Board of Directors shall be held in the County of Mecosta, State of Michigan, at such suitable place as may be designated by the Board.

Quorum

F. A majority of the authorized membership of the Board of Directors constitutes a quorum for the transaction of business, except the filling of vacancies, in which case a majority of the remaining members shall constitute a quorum.

Manner of Acting

G. Except as may otherwise be provided by law or these Articles of Incorporation, the concurring vote of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors; provided, that in any event the concurring vote of at least four (4) Directors shall be required for action by the Board, except for appointments to fill vacancies on the Board which requires only a majority of the remaining members.

Conduct of Meetings

H. At every meeting of the Board, the President shall preside. In the absence or disability of the President, the Vice-President shall preside. In the absence or disability of both, a majority of the remaining members shall choose another Board member to preside.

The Secretary shall act as Secretary to the Board. In the absence or disability of the Secretary, the presiding officer shall appoint another Board member to act as Secretary of the meeting.

The current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Board, when not in conflict with these Articles of Incorporation, the Bylaws or laws of the State of Michigan.

Action Without Meeting

I. Any action required or permitted to be taken pursuant to authorization voted at a meeting of the Board may be taken without a meeting if, before or after the action, all members of the Board consent in writing to the action. The written consents shall be filed with the minutes of the Board. Such consents

shall have the same effect as a vote of the Board for all purposes.

ARTICLE XI - POWERS OF CORPORATION - LIMITATIONS

General Powers

A. The Corporation, in furtherance of its corporate purposes, shall have all of the powers granted to it under the laws of the State of Michigan, subject to the limitations set forth in this Article XI and elsewhere in these Articles of Incorporation.

B. The Corporation shall not acquire purchase real property outside of the boundaries of Canadian Lakes Development without the prior voted approval of the members of the Corporation. Real property can be acquired by the Corporation in conjunction with a foreclosure action taken to enforce a lien on the property of a member for failure to pay fees or assessments. The Board may acquire property within the established boundaries of Canadian Lakes Development, (reference Article IV) when, in the Board's judgment, the best interests of the Corporation will be served. A Board-authorized acquisition requires a two-thirds (2/3) approval vote of the authorized membership of the Board of Directors. (Amended 11/22/14)

Except as to real property acquired by the Corporation in conjunction with a foreclosure action, or a Board authorized acquisition, the Corporation shall not convey, lease, exchange, transfer or otherwise dispose of, or mortgage or pledge, or create a security interest in, any of its real property, or any interest therein, without the prior voted approval of the members of the Corporation. The Corporation may grant an easement to a telephone, gas, electric or other utility company for utility purposes when the Board of Directors, by at least a two-thirds (2/3) vote, approves such action. (Amended 9/10/97, 11/22/14).

Joint Participation

C. The Corporation shall not own any interest in or invest any funds in any corporation, business corporation, limited liability corporation, partnership, or limited partnership without the prior voted approval of the members of the corporation.

The Corporation with a two-thirds (2/3) approval vote of the authorized membership of the Board of Directors, may participate in a joint venture, so long as the joint venture is in keeping with the purposes of the Corporation and, in the Board's sole judgment, does not expose the Corporation or its assets to unreasonable risk. The joint venture shall not involve the sharing or delegation of Board authority and/or control with or to others.

The limitations contained in this subparagraph C shall not be construed to impair the power granted to the Corporation under the Nonprofit Corporation Act to make contracts in furtherance of its purposes.

ARTICLE XII - FINANCIAL

Fiscal Year

A. The fiscal year of the Corporation shall be January 1 to December 31, unless otherwise provided by the Bylaws.

Budget

B. An annual budget shall be developed and adopted by the Board of Directors each year prior to the end of the fiscal year. The Board in developing the annual budget shall make a determination of anticipated revenues and expenses of the Corporation and shall adopt a balanced budget so that expenses are covered by revenues. Revenues can be in the form of maintenance, user, assessment fees as well as any surplus monies from prior years. Expenses should cover operating expenses and capital expenditures and should provide for contributions to a reserve fund, if possible. Revenues and expenditures shall be monitored by the Board throughout the year with adjustments made to expenditures, where appropriate, to keep the budget in balance. (Amended 9/10/97).

Budget Hearings

C. The Board shall schedule at least one hearing at which the membership shall be given the opportunity to obtain information and make comments on the budget. Prior to the hearing date, the Board shall distribute to all voting members a summary of the budget and proposed assessments included in the budget in such detail as to at least show the amounts budgeted by major categories of revenues and expenditures. The Board shall consider such membership comments and make such adjustments in the budget as the Board shall deem desirable. The Board shall adopt a final budget prior to the beginning of the fiscal year.

Financial Statements

D. The Treasurer shall make, or cause to be made, at the close of each fiscal year a true statement of the Corporation assets and liabilities and of the results of its operations and of changes in surplus, all in reasonable detail, to be filed at the registered office of the Corporation within three (3) months after close of the fiscal year. The statement so filled shall be kept available for inspection by any member of the Corporation for a period of not less than ten (10) years. The Treasurer shall make, or cause to be made, such other financial statements at such times as may be required by the Board of Directors. The annual statements and other statements shall be in such form and contain such information as the Board may require.

Public Audit

E. The annual financial statements shall be prepared on a reviewed, audited or certified basis by an accredited certified public accounting firm as determined to be appropriate by the Board of Directors. The firm shall be selected by and report to the Board of Directors.

Annual Report

F. At least once each year, the Directors shall cause a report of the Corporation for the preceding fiscal

year to be distributed to each Corporation voting member. The report shall include the year-end statement of assets and liabilities, including trust funds, and the principal change in assets and liabilities during the year and, if prepared by the Corporation, its source and application of funds and such other information as may be required by the Michigan Nonprofit Corporation Act.

Accounting System

G. An accounting system for the Corporation shall be established using recognized standards of accounting to assure accuracy and accountability. No disbursements shall be made by cash, except that the Board may establish appropriate petty cash funds. All checks, drafts and other orders for the payment of money issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall be provided in the Bylaws, or in the absence of a Bylaw provision, as shall from time to time be determined by resolution of the Board of Directors.

Deposits

H. All funds of the Corporation shall be deposited to the credit of the Corporation in such depositories and at such times as the Board of Directors shall direct.

Borrowings and Loans

I. The Board of Directors is authorized to borrow on behalf of the Corporation and issue evidences of indebtedness in the name of the Corporation only for the purposes of: 1) obtaining working capital, provided that the outstanding balance of borrowing for working capital shall at no time exceed an amount equal to five percent (5) of budgeted revenue, 2) obtaining funds to make capital expenditures required to maintain or restore existing facilities, and 3) obtaining funds to make capital expenditures required to maintain current levels of ongoing services. Such authority shall be exercised by resolution of the Board and may be general or specific in nature and scope.

Borrowing for new facilities and/or new services, or any purpose other than as specifically provided above, shall be authorized by the Board only after being approved by vote of the membership.

The Corporation shall not lend its money for any purpose, unless approved by vote of the membership; provided, this shall not be construed to apply to the investing and reinvesting of Corporation funds.

Contract Services

J. To the maximum extent feasible, contracts for services to be furnished to the Corporation shall be competitively bid and contracts awarded to the best bidder, such determination to be made in the sole discretion of the Board of Directors.

Capital Expenditures

K. Capital expenditures in excess of the amount shown in the budget as originally adopted for that

fiscal year shall be reviewed with the membership no later than the next annual meeting following the expenditures.

Contributions

L. The Corporation shall not use any of its funds to make donations or contributions to any person or entity for any purpose whatsoever, whether charitable or otherwise.

ARTICLE XIII - GENERAL PROVISIONS

Seal

A. The Board of Directors may adopt, use, and thereafter alter a corporate seal. However, use of a corporate seal or a facsimile thereof shall not be required and shall not affect the validity of any instrument.

Nonstock Basis

B. The Corporation shall be a nonstock corporation organized on a membership basis as set forth in these Articles of Incorporation.

Assets of Corporation

C. The assets of the Corporation, classified as to real and personal property and their value, are set forth below:

<u>Classification</u>	<u>Value</u>
Real Property:	0
Personal Property:	0

Method of Financing

D. The operations of the Corporation shall be financed by membership dues, fees and assessments, fees for use of the common facilities, sales of goods and services to users of the common facilities, earnings on deposits and investments, fund-raising activities, lease or rental of common facilities, donations, gifts, grant and bequests.

Books and Records

E. The Corporation shall keep at its registered office books and records of account; minutes of the proceedings of its members, Board of Directors and Executive Committee, if any; records containing the names and addresses of all members, the class of membership held by each member and the dates when they respectively became holders of record or members; documents of every kind; financial statements; annual reports; and any other books, records, documents, statements and reports required to be kept pursuant to the Bylaws or resolution of the Board of Directors.

Content of Books and Records

F. The book of minutes of the proceedings of the meetings of the membership, Board of Directors, and committees shall note the date, time and place of each meeting, whether it was a regular or special meeting, and if special, how it was called, the notice given, the names of the directors present and absent, the number of voting members represented at a membership meeting, and the proceedings thereof, and such other information as may be required by other provisions of these Articles, the Bylaws or by direction of the Board of Directors.

The books of account shall cover the Corporation's property and business transactions including accounts of its assets, liabilities, receipts, disbursements, gains, losses and surplus, and such other information as may be required by other provisions of these Articles, the Bylaws or by direction of the Board of Directors.

All other books and records of any kinds required to be kept shall contain such information as may be required by other provisions of these Articles, the Bylaws or by direction of the Board of Directors.

Examination of Books and Records

G. Every Director shall have the absolute right at any reasonable time to examine all books, records, documents of every kind, and the physical properties of the Corporation. Examination by a Director may be made in person or by the Director's agent or attorney, and the right of examination includes the right to make extracts.

H. All books, records, documents of every kind and the physical properties of the Corporation shall be open to examination during normal business hours for all proper purposes by every member of the Corporation, upon written demand delivered to the Secretary of the Corporation, either in person or by mail, at least three (3) business days before the planned examination date. The written demand shall specify the records to be examined, the purpose of the examination, and the planned date of the examination. Examination by a member may be made in person or by the member's agent or attorney, and the right of examination shall include the right to make extracts.

Dues, Fees, Charges and Assessments

I. Membership dues, fees and annual or special assessments, user fees, charges for goods and services furnished, and all other fees, assessments, rents and charges of any kind whatsoever to be levied on behalf of and for the operation of the Corporation and its activities, shall be determined by the Board of Directors, subject only to the provisions of these Articles of Incorporation and the Bylaws and may be levied and collected by the Corporation in the furtherance of any of the purposes for which the Corporation is organized. It shall be permissible for the schedule of fees, rents and other charges to be different as between Corporation members and nonmembers.

Provided, that the annual maintenance assessment established by the Corporation for new lot sales shall be the same as the maintenance assessment applicable to lots already sold in any one of the previously platted subdivisions of Canadian Lakes Development. Provided further, that the selection of the particular subdivision maintenance assessment structure to be followed shall be within the sole

discretion of the Corporation.

An annual assessment for each budget year may be levied by the Board of Directors in an amount which, when added to all other anticipated budget revenues, will be sufficient to meet all budgeted needs. Provided, that after establishing the annual assessments needed for fiscal years 1994 and 1995, the Board of Directors shall not levy in subsequent years an annual assessment which would be in excess of ten percent (10%) higher than the annual assessment for the prior year, unless the amount of the assessment in excess of a ten percent (10%) increase is approved by vote of the membership. (Amended 5/18/94)

Special assessments for needs which cannot be met out of the approved budgeted revenues and annual assessment shall not be levied by the Board of Directors unless approved by vote of the membership.

Rules and Regulations

J. Rules and regulations governing the use of the Corporation common facilities and to implement property restrictions imposed by law or deed may be promulgated as Bylaws or by resolutions adopted by the Board of Directors.

Bylaws

K. The Bylaws may be adopted, altered, amended or repealed and new Bylaws adopted by a two-thirds (2/3) vote of the authorized membership of the Board of Directors, or by majority vote of the Corporation members. The Board or Corporation members may adopt such bylaws as they deem proper for the regulation management, control and disposition of the property, affairs and concerns of the Corporation and to implement the provisions of these Articles of Incorporation in furtherance of the purposes of the Corporation, provided such bylaws are not inconsistent with these Articles of Incorporation or with Michigan law. Any bylaws adopted by the Corporation members may not be altered, amended or repealed by the Board of Directors.

Employees

L. The Board of Directors shall have the authority to hire, remove and to fix the compensation of such employees as it shall deem necessary for the effective and efficient management and operation of the Corporation business and affairs. Such employment shall be terminable at will by the board, with or without cause, unless the Board shall have agreed otherwise in writing with a specific employee or group of employees. The authority to hire and remove employees may be delegated by resolution of

the Board of Directors to an officer, agent, committee or employee. Such resolution of authority may be general or specific in nature and scope.

Distribution of Assets

M. Upon dissolution of the Corporation, the assets of the Corporation shall be applied and distributed

as permitted by Michigan law for nonprofit corporations, and as determined by vote of the membership.

Notices

N. Whenever, under law, under these Articles of Incorporation, or under the Bylaws, written notice is authorized or required to be given to any director, officer or member, such notice may be given in writing, by mail, registered, certified or first class mail, addressed to such director, officer or member at his or her address as it appears on the records of the Corporation, with postage thereon prepaid. Such notice shall be deemed to be given at the time when the same shall be deposited in a post office or official depository under exclusive care and custody of the United States Postal Service.

Common Facilities Defined

O. The term “common facilities” as used in these Articles of Incorporation shall mean all the facilities and amenities owned and maintained by the Corporation for the use and enjoyment of the members including, but not limited to, the roadways, rights-of-way, parks, greenbelts, clubhouses, water bodies, swimming pools, tennis courts, golf courses, airport runway, boat ramps, marinas, easements, campgrounds, ski park and beaches.

Spouse Defined

P. The term “spouse” as used in these Articles of Incorporation shall include an adult person living with another adult person in a spouse-like relationship.

Amendment of Articles

Q. At a duly called meeting, the Corporation members entitled to vote thereon, may amend these Articles of Incorporation pursuant to the Michigan Nonprofit Corporation Act, and subject to provisions of the Act. Unless otherwise required by said Act, or by other law, the proposed amendment shall be adopted upon receiving an affirmative vote of a majority of the members present in person or by proxy, or by absentee ballot, at such meeting where a quorum was present at the opening of the meeting.

R. The (original) incorporators’ names and addresses are listed as follows:

1. Norman R. Browning, 10700 Pierce Road, Stanwood, MI 49346;
2. Robert V. Doerr, 10700 Pierce Road, Stanwood, MI 49346; and,
3. Judith K. Browning, 10700 Pierce Road, Stanwood, MI 49346.

I, Steven D. Wilcox, President of Canadian Lakes Property Owners Corporation, sign these amended Articles of Incorporation of Canadian Lakes Property Owners Corporation on this 15th day of December, 2018.



By: Steven D. Wilcox Its: President

BYLAWS

CANADIAN LAKES PROPERTY OWNERS CORPORATION

First Issued on November 17, 1994
Amended June 3, 1995, September 19, 1998, December 18, 1999, November 19, 2005, April 21, 2007, January 30, 2008, October 18, 2008, December 2, 2009, February 19, 2011, June 18, 2011, January 19, 2013, November 22, 2014, July 22, 2017, March 24, 2018

ARTICLE I - INTRODUCTION

These are the Bylaws of the Canadian Lakes Property Owners Corporation. The rights and obligations contained in these Bylaws may be superseded or modified by the laws of the State of Michigan, including the Michigan Non-Profit Corporation Act, the Articles of Incorporation of the Canadian Lakes Property Owners Corporation and documents which have been recorded or may hereafter be recorded with the Mecosta County Register of Deeds Office. In the event of a conflict, the laws of the State of Michigan, the Articles of Incorporation and Prospective Covenants and Land Use Restrictions in recorded plats prevail. Any language underlined was adopted by a vote of the membership and may only be amended in the same manner. Any language in ***bold italics*** was taken from the Articles of Incorporation.

ARTICLE II - MEETINGS

A. Open Meeting: All meetings shall be open to the Membership and shall be held in a place available to the Membership, except that the Board may close a meeting to consider personnel matters, labor negotiation matters, the purchase or lease of real or personal property (up to the time an option is obtained), a bid review or contract negotiation, or consultation with its attorney where privileged information is discussed.

B. Meeting of the Board of Directors may be held, which allow the presence and participation, by directors, of the Board using electronic communication. Meetings may be held by videoconferencing, provided that all members participating can see and hear each other simultaneously. Meetings may be held by teleconferencing, provided that all members can hear or speak to each other simultaneously.

ARTICLE III - COMMITTEES

A. Executive Committee: The Executive Committee shall consist of the President, Vice-President, Secretary and Treasurer. They shall perform such duties and tasks as provided for in the Articles of Incorporation, these bylaws and others as deemed appropriate by the Board of Directors. These Officers shall serve on this committee as long as they hold office.

B. Standing and Ad Hoc Committees:

1. Standing or Ad Hoc Committees are hereby authorized. They shall serve for the period designated by a resolution adopted by a majority of the Board of Directors present at a meeting at which a quorum is present. Each Committee shall be composed and shall perform such duties and tasks as provided for in the resolution designating the committee or as further directed by the Board of Directors.
2. The Board of Directors shall appoint a Standing Finance and a Standing Strategic Planning Committee at the beginning of each calendar year pursuant to the paragraph above. Other Standing Committees may be appointed by the Board of Directors as deemed appropriate.

C. Nominating Committee: A Nominating Committee shall be appointed by the Board of Directors each year to make nominations for election to the Board of Directors at the annual meeting to be held that year. The Nominating Committee shall be composed and shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee. The Board shall appoint the members of the Nominating Committee when deemed appropriate, but at least one hundred twenty (120) days prior to the scheduled date of the annual meeting.

D. Architectural Control Committee: The Board of Directors shall appoint a committee consisting of a minimum of three (3) members for the purpose of enforcing the covenants, conditions and restrictions of the various plat documents within Canadian Lakes each year. The Committee shall be composed and shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee.

E. General Manager Advisory Committees: The General Manager may create such advisory committees as deemed necessary and appropriate by the General Manager. Members on these committees shall serve at the pleasure of the General Manager subject to review by the Board of Directors. Meetings and other activities of such committees will be in accordance with rules and policy established by the General Manager.

F. Committee Eligibility: No more than four Board Directors shall serve on any single committee. Only members in good standing shall be eligible for appointment to any committee covered under this Article. If after appointment a member ceases to be a member in good standing, as defined in the Articles of Incorporation the member shall automatically be removed from the committee thirty (30) days from the date of receipt of written notice thereof by the corporation unless, within such thirty (30) day period, the member shall be reinstated as a member in good standing.

ARTICLE IV - NOMINATIONS AND ELECTIONS

A. Election Procedures:

- i. The Notice of Candidacy Form, as approved by the Board of Directors from time-to-time, must be completed.
- ii. The member must submit, on the same form, the signatures of ten (10) members (one (1) per lot or condominium unit) who support this member's candidacy, with each signature having been acquired within six (6) months of the filing of the Notice of Candidacy.

iii. In addition, the member must submit a written background description not to exceed one hundred (100) words at the time of the filing of the Notice of Candidacy.

iv. The deadline for submission of the Notice of Candidacy is at least forty-five (45) days prior to the annual meeting.

v. The Nominating Committee shall present to the Board of Directors a slate of candidates equal to at least the number of vacancies to be filled.

B. Mail-in Ballots: All members in Good Standing may vote in any election by mail-in ballot. The ballot shall be returned in an envelope supplied by the Corporation. It shall be labeled "Ballot," have a place for the member to print his or her name and a place for the member's signature. Failure to sign will invalidate the vote. Instructions sent with the ballot shall advise the member to enclose the ballot in the special envelope provided and to both print and write the signature of the sole Owner or one of the joint Owners in the space provided. Any ballot not received by the date and time of the election meeting shall not be valid and shall not be counted. The number of ballots received by mail prior to the date of the meeting shall be determined before the meeting for the purposes of determining if a quorum exists. However, no counting of ballots for the purposes of the election or vote shall be made before the meeting date.

C. Casting of Votes: A member of record entitled to vote may vote for as many persons as there are Directors to be elected. Cumulative voting is prohibited.

D. Proxies: A member of record and in Good Standing shall be allowed to vote either in person or by an agent authorized to act for the member by written proxy signed and dated by the member or an authorized agent or representative of the member. A proxy may be revoked at the pleasure of the member executing it, unless the proxy is irrevocable. For a proxy to be irrevocable it must be entitled, "irrevocable proxy" and state that it is irrevocable in the body of the proxy. A proxy is not valid after three (3) years from the date it was signed unless the proxy specifically states that it extends beyond three (3) years. The use of proxies is further governed by the provision of the Michigan Non-Profit Cooperation Act, MCLA 450.2421, et seq.

E. Vote: The winning candidates shall be those receiving the most votes in descending numerical order until all vacancies are filled. In the event of a tie vote or votes, the winner shall be determined by lot using a method agreeable to the involved candidates.

In the event that after the holding of an election for Board of Directors there are fewer newly elected Directors than open positions, the following procedure will be followed:

- The Director(s) with expired terms may agree to extend their term beyond the term for which they had been elected or appointed to encompass the unfilled three-year term.
- If more Directors with expired terms agree to extend their terms then there are unfilled positions then the Director(s) will be selected by lot using a method agreeable to the involved term-expired Directors.
- If too few Directors with expired terms agree to extend their terms then there are unfilled positions then the Director(s) will be selected by lot using a method agreeable to the involved term-expired Directors.
- Once the new term for a Director has begun, the term-extended Director(s) has the option to resign their position.

- In the event that the term-extended Director(s) resigns, the members of the existing Board of Directors will identify and appoint a replacement Director(s) through a process agreed upon by the Board to serve the remainder of the three-year term.

F. Outstanding Fees or Assessments: A member is not in good standing if Maintenance Fees or Assessments are outstanding from previous ownership of the lot(s) or condominium unit(s) owned by the member.

G. Parliamentarian: The Board of Directors shall appoint a parliamentarian who shall advise on the conduct of the meeting under the current edition of ROBERT'S RULES OF ORDER.

ARTICLE V - FINANCIAL

A. Any Maintenance Fee or Assessment levied against any lot and/or condominium unit which is not paid when due shall become a lien upon said lot, subject only to matters of record on such due date and shall remain a lien until paid in full. The Board of Directors may direct that a suit be instituted for the collection of the unpaid Maintenance Fees, Assessments or other unpaid fees or charges, as well as attorney ¹fees, as deemed appropriate. Upon request, the Corporation shall furnish a statement certifying that the fees, Assessments and other charges against a specified lot and/or condominium unit have been paid or that certain charges remain unpaid. In any event, the Corporation shall not be required to transfer membership on its books or to allow the exercise of any rights or privileges by any member unless and until all of the Maintenance Fees, Assessments and/or other fees or charges are paid in full.

Beginning in Fiscal Year 2007 and in each successive year the budget shall include an authorization and appropriation to a Capital Improvement Fund for major improvements to existing facilities, new construction, and acquisition of new capital assets, provided; however, that such amount shall not exceed 10% of the current year aggregate budget of the Corporation without a majority vote of the membership of the Corporation present and voting, in person or by proxy, or by absentee ballot at a membership meeting duly called and noticed pursuant to Article IV(i) of these Bylaws.

No major improvement, new construction, or acquisition of a new capital asset is allowed to exceed an amount greater than 5% of the current year aggregate budget without a majority vote of the membership of the corporation present and voting, in person or by proxy, or by absentee ballot at a membership meeting duly called and noticed pursuant to Article IV(i) of these Bylaws.

B. All Annual Maintenance Fees provided by the Protective Covenants and Land Use Restrictions in the respective Plats and Condominium Master Deeds, as amended, shall be billed to the presently known owner of record by January of each year. Failure to send such notice shall not impair the validity of the maintenance fee or limit any remedy of the CLPOC for the collection thereof. Such maintenance fees shall be due when billed and payable without penalty by March 1 of that year; thereafter, a one percent (1%) interest charge per month will be added and be due and owing until all such maintenance fees and other charges are fully paid.

Any assessment, properly approved by the membership, shall be due and payable at such a time as approved by the membership. Bills will be mailed and interest will be added at one percent (1%) per month beginning thirty (30) after the date due.

It is the responsibility of each member, and not that of the Corporation, to determine and know the facts applicable to the Protective Covenants and Land Use Restrictions for the individual lots or units owned by that member and to ascertain and/or verify the correctness of any maintenance fees billed on the member's individual lots or units.

If any member disagrees with the amount of any maintenance fees billed, a written objection must be filed with the General Manager by the due date, containing a statement of what the member claims the proper amount to be, all reasons therefore and copies of documents relied on in support of such claim. The amount of the maintenance fee claimed by the member to be correct shall be paid by the member with the filing of the objection.

The failure to file such an objection by the due date shall constitute an acceptance by the member that the amount of maintenance fee billed for such lot or unit was true and correct and such failure to object shall be a waiver of all claims past and present to the contrary.

C. Fiscal Year: The fiscal year of the corporation shall be from April 1st to March 31st of each year.

ARTICLE VI – MISCELLANEOUS

A. Temporary Memberships: The Board of Directors, by Resolution, shall have the right, but not the obligation, to establish a procedure for issuing temporary memberships. Temporary memberships may only be issued in exceptional situations. The resolution, if adopted, shall establish the fees, rights, privileges, obligations and duration of each such temporary membership.

B. Condominium Lease Program: Wintergreen Condominiums have Owners who are participating in a Condominium Lease Program. Individuals, who are renting one of these condominium units pursuant to the Condominium Lease Program, shall be entitled to use the Designated Common Facilities during the period of occupancy of this condominium unit. The Owner of that condominium unit will not be permitted to use the Designated Common Facilities during that period of occupancy.

C. Compensation and Expenses: Members of the Board of Directors shall serve without compensation of any kind and without payment or reimbursement of expenses for attendance at Board meetings or otherwise, except as follows:

- i. A Director may be reimbursed for out-of-pocket expenses (except for meals) for one-day trips.
- ii. A Director may be reimbursed for meals, hotel room or other normal expenses for an overnight trip, pre-approved by the President or the Board.
- iii. Postage, supplies and other petty cash items may be reimbursed for Corporation business.
- iv. Automobile travel, to the extent otherwise reimbursable, will be reimbursed at the then current IRS rate.
- v. No reimbursements will be permitted until receipts or certification of mileage have been submitted to the Treasurer of the Corporation.

D. The Board of Directors may from time-to-time adopt or amend forms to be used by members or Directors when taking actions required or permitted by the Articles of Incorporation or the bylaws.

E. Removal of an Officer: Legal counsel shall be consulted before an employment termination is affected, but failure to do so shall not create any rights in any other person.

F. Employment Contracts: No written contract shall exceed three (3) years except in extraordinary circumstances acknowledged and agreed to by the Board of Directors. The Board of Directors is authorized to require each "at-will" employee to sign an acknowledgment of that legal relationship. Legal counsel may be consulted before an employment termination is affected.

G. Amendment to Rules: Amendments to the adopted rules of the corporation may be made by the Board of Directors following a public hearing on the proposed change. However, the proposed rule may not take effect until notice of the change has been provided to members and sixty (60) calendar days have elapsed since the adoption of the rule.

H. Rights of Guests: Members who are determined by the Board to not be in good standing and have had their member use rights suspended by the Board shall not be eligible to use corporate amenities as a "guest." Guests who do not comply with the rules of the corporation, cause damage to corporate assets and/or are determined by the General Manager to be a threat to the health or safety of others may have their guest privileges revoked. Property owners shall be liable for the cost of any damage to corporate assets caused by the owner's guest(s).

I. Penalties: The Board of Directors shall have the final authority to establish and impose penalties for the violation of any approved rule governing common property/facilities. The General Manager and/or designee(s) shall have the authority to enforce all rules and impose a penalty in accordance with a schedule adopted by the Board of Directors. A member may appeal a penalty or a notice of violation imposed by the General Manager or his designee by filing a written statement of appeal to the Board of Directors within thirty (30) calendar days of issuance of the penalty or notice.

The Board shall establish its own rules and procedures for conducting the hearing and arriving at a final determination. The hearing and the Board's final decision shall be made within sixty (60) calendar days of the original notice of appeal. The Board's decision shall be final.

J. Right of Review: A member in good standing shall have the right to ask in writing the Executive Committee to review any rule, regulation or policy proposed or already adopted by the Board of Directors or the membership relating to the operation of the Corporation or any common facility or property.

K. Assignment of Membership: No assignment of membership interest will be valid if the assignee is a member of CLPOC not in good standing.

ARTICLE VII – COMMUNICATION

A. Member Communication: The CLPOC Board of Directors values member communication. This aids the Board in being an active, informed, and engaged governing body with the membership. It provides members transparency and accountability. At the first meeting of each year the Board shall establish the member communication mechanisms. Those should include but are not limited to:

- Bi-Monthly Board Magazine
- Weekly Board Communication via email, txt, or other available appropriate technology.
- Board Workshop broadcast and recorded using online streaming or other means as appropriate. It will include live on-line interaction with Membership

- Board Business Meeting broadcast and recorded using online streaming or other means as appropriate.

B. The Board shall establish dates for the above and/or any alternate methods of communication they may desire to use. The Board shall at the end of every six-month period review the methods of communication for effectiveness and revise as needed.

ARTICLE VIII - AMENDMENT

Amendments to these bylaws, both language and method of election, shall conform to the Articles of Incorporation.