

Amended

Rose Lake Forest
Property Owners Association
P.O. Box 64
Leroy, Michigan 49655

**BY-LAWS OF
ROSE LAKE FOREST PROPERTY OWNERS ASSOCIATION**

These By-laws of the Rose Lake Forest Property Owners Association ("R.L.F.P.O.A." or the "Association") are dated the 13th day of January, 1995 and supersede and replace all By-laws previously adopted by or for the Association. Unless otherwise set forth in this document, all definitions in the Declaration of Restrictive Covenants dated July 17, 1972, shall apply to this document. In the event of any contradiction in the provisions of the Declaration and these By-laws, the Declaration shall prevail.

The Association is incorporated in the state of Michigan, as a non-profit, non-stock, domestic corporation. The purpose of the Association shall be as set forth in the Articles of Incorporation.

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Provisions

ARTICLE I
MEMBERSHIP

R.L.F.P.O.A. is a non-profit membership corporation as defined in the public acts of the state of Michigan. All members in good standing, and their families, are entitled to all the benefits and use of common properties in Rose Lake Forest ("the Forest"). Any person holding an interest in property or properties merely as security for performance of an obligation shall not be a member. Membership in the corporation shall not be assigned, pledged, encumbered or transferred in any manner except as an appurtenance to a lot in the Forest.

ARTICLE II
VOTING

A. Entitlement. Entitlement is as determined in the Declaration of Restrictive Covenants. The land contract purchaser shall be deemed to be the member.

B. Proxies. Votes may be cast in person or by written proxy. Proxies may be made by any person entitled to vote. Proxies shall be valid only for the particular meeting designated and any adjournment thereof and must be filed with the Association before the vote for which the proxy is utilized.

C. Voting Eligibility. If any person's membership in the Association is challenged by the Board, that person shall not be eligible to vote on any Association matter until he or she has presented to the Board written evidence, satisfactory to the Board, of ownership of a lot in the Forest. If any lot is owned by a corporation, partnership, trust association, fiduciary or other entity (other than a man or woman or combination thereof), the entity shall deliver to the Board a written certificate designating the name and address of the man or woman entitled to vote on behalf of the entity. Each such certificate shall be valid until the revocation by the entity or until a change in ownership of the lot, which ever first occurs. The Board may establish reasonable rules and procedures with respect to determining voting eligibility.

D. Election Committee. The Board shall select not fewer than three owners of properties in the Forest to serve on the Election Committee of the Association. No Election Committee member shall be a candidate for any Association office or position or campaign for any candidate while on the Committee. The Election Committee shall verify the eligibility of each nominee for election by the members to Board position, shall count the ballots and shall perform such other election-related tasks as may be assigned by the Board.

E. Election of Board of Directors. An election of members to the Board of Directors shall be held each year at the General Membership Meeting scheduled to be held on the Saturday of the Memorial Day weekend. The officers will take office on June 1 of each year. Four directors shall be elected for two-year terms in even numbered years and three directors shall be elected for two-year terms in odd numbered years. Elected directors may not serve for more than four years in succession, but are eligible for re-election(s) after a two-year absence of service on the Board. Ballots for the election of directors shall not be marked in any way that might tend to identify the person who cast that ballot. Nominees for the Board will be listed in the spring newsletter which shall be mailed to all members at least 30 days before the election (provided, however, that the failure to list the nominees in the newsletter or to mail the newsletter by the deadline or to mail it to all members shall not cause a delay to, or invalidation of, the election). Nominations for the Board, of people shown by the Association's records to be members in good standing, may be accepted from the floor. Cumulative voting shall not be allowed, but voters may vote for fewer than the number of directors to be elected. The ballots will be counted and the results of the election will be announced at the end of the meeting or posted by the end of the day of the meeting at which the election was held. In the event of a tie for the final Board slot(s) to be filled, those candidates receiving a greater number of votes than those tied shall be deemed elected to the Board and a run-off election shall be immediately held between the candidates who received the same number of votes.

F. General Voting Procedures. Voting shall be by voice or hand count, as determined by the Board, unless secret ballot is required by these Bylaws or the Board otherwise deems secret ballot voting necessary. If results of a voice vote or hand vote are immediately challenged by 20% of the members in attendance at the meeting, the Board shall conduct a roll call vote or secret ballot vote to determine the issue. If any person's qualifications to vote are challenged, the

decision of the Board members on the issue shall be final so long as the Board had a reasonable basis for making its decision.

ARTICLE III **ADMINISTRATION**

A. **Board of Directors.** The Board of Directors shall consist of seven members in good standing of the Rose Lake Forest Property Owners Association and shall administer the affairs and business of the Association. The Directors shall serve without compensation. Reasonable and necessary expenses incurred by a Director for Association business (but not travel expenses for meetings held in Osceola County) will be promptly reimbursed with proper documentation. The Directors shall have responsibility for the following matters and such other matters as may be delegated to them and shall provide status reports to the President at the Board's quarterly meetings or at such other times as the President may require:

<u>Grounds</u>	<u>Facilities</u>	<u>Beach</u>	<u>Member Relations</u>
grass	pavilion	dock	gypsy moth spraying
trees	bathhouse	stairs	shirts & hats
roads	shed	parking	maps, keys, stickers
dumpsters	wells	boats	
signs			

B. **Officers.** Each year, promptly after the Board elections, the Board shall elect from those elected to the Board a President, Secretary and Treasurer, whose duties shall be as follow:

President:

1. Shall preside at all meetings of the Association or delegate a representative from the Board to preside.
2. Shall make an annual "State of R.L.F.P.O.A." report.
3. Shall explain to the membership the annual budget adopted by the Board.
4. Shall see that all Association records, files and reports are properly kept as required by law.
5. Is one of the officers authorized to sign Association checks or drafts. All checks must be signed by an authorized officer and countersigned by another officer or director.

Treasurer:

1. Shall be in charge of all money belonging to the Association.
2. Shall deposit funds in the Association accounts.
3. Shall be responsible for the payment of all taxes and dues owed by the Association.

4. Is one of the officers authorized to sign checks or drafts.
5. Shall furnish a written account of the Association finances at all meetings (to be included in the minutes).
6. Shall collect assessments and send past due notices to those owners who are delinquent in their assessments.
7. Shall endeavor to keep each owner's address and assessment status updated.
8. Shall assist the President with the budget.
9. Shall render a yearly financial report to the membership.

Secretary:

1. Shall keep accurate minutes of all meetings recorded legibly in the minute record book.
2. Shall file all papers and certificates as required by law.
3. Shall serve all members with notices of pending meetings.
4. Shall endeavor to maintain an updated record of owners' addresses in cooperation with the treasurer.
5. Shall prepare and send out a quarterly newsletter to all members.
6. At general meetings, shall read the minutes of the previous general meeting and be prepared to answer questions concerning minutes of prior meetings.
7. Shall be custodian of all Association books and records in cooperation with the Historian. Shall handle any necessary correspondence of the organization.
8. Is one of the officers authorized to sign checks or drafts.
9. Shall be responsible for the safe keeping of the corporate seal.

The Board may also elect from the Board, one or more Vice Presidents, Assistant Secretaries and Assistant Treasurers, as the needs of the Association may require and the Board may then delegate to such officer(s) such duties as the Board deems appropriate.

C. Board Meetings. The Board of Directors will have at least one meeting each quarter of each year, on such dates and times and at such places in the Forest as the President shall determine. Written notice of each meeting shall be served on each Director no later than ten (10) days prior to the date of the meeting. Special meetings of the Board may be called by any three (3) or more directors on the same notice set forth in this paragraph. Notice of time, place and

purpose of any meeting of the Board may be waived by telegram, cablegram or other writing either before or after the meeting has been held. Attendance, in person or by proxy, at any meeting of the Board constitutes a waiver of notice, except where a Director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Each Board member is required to attend, in person or by proxy, at least three of the four quarterly meetings. Minutes will be taken at every meeting.

D. Vacancies. A vacancy in the Board of Directors shall be filled by Board appointment of an individual to serve the remaining term. A vacancy in office shall be filled by vote of the Board.

E. Committees. Committees may be formed either by volunteer or appointment, at any time by the Board of Directors, to perform a task relating to the needs of the Association. When that task is completed, the committee is to be dissolved. A member of the Board may serve on a committee as a member, but may not be the chairperson.

F. Books and Records. All Association books and records shall be open for inspection at reasonable dates and times at the Association's designated office by any owner.

G. Resignation and Removal. A Director may resign at any time and such resignation shall take effect upon receipt of written notice by the Association or at such subsequent time as may be set forth in the notice of resignation. Any or all of the Directors may be removed, with or without cause, by the vote of seventy-five percent (75%) of members present either in person or by proxy at any general meeting or special meeting called for such purpose.

H. Action By Written Consent. If and when all the Directors shall severally or collectively consent in writing to any action taken by the Board either before or after the action, such action shall be valid corporate action as though it had been authorized at a meeting of the Board.

I. Powers and Duties. In addition to the powers and duties imposed or permitted by law, these By-laws, the other documents of the Association or resolution of the Association, the Board shall have all powers and duties necessary for the administration of the affairs of the Association.

ARTICLE IV INDEMNIFICATION

A. Scope of Indemnification. The Association shall indemnify to the fullest extent authorized or permitted by the Michigan Nonprofit Corporation Act, as amended, any person, or his or her estate or personal representative, who is made or threatened to be made a party to an action, suit or proceeding (whether civil, criminal, administrative or investigative) because such person is or was a director or officer of the Association or serves or served in any other enterprise at the request of the Association. Persons who are not directors or officers of the Association may be similarly indemnified in respect of the Association to the extent authorized at any time by the Board of Directors of the Association. The provisions of this Article shall be applicable to directors and officers who have ceased to render such service and shall inure to the benefit of their

heirs, personal representatives, executors and administrators. The right of indemnity in the Article shall not be exclusive, and the Association may provide indemnification to any person, by agreement or otherwise, on such terms and conditions as the Board of Directors of the Association may approve. Any agreement for indemnification of any director, officer, employee or any other person may provide indemnification rights which are broader or otherwise different than those set forth in the Michigan Nonprofit Corporation Act, unless otherwise prohibited by law.

B. Authorization of Indemnification. Any indemnification under this Article (unless ordered by a court) shall be made by the Association only after ten (10) days written notice to all owners of the facts surrounding the request for indemnification, when authorized in the specific case upon a determination that indemnification of the director, officer, employee, or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in this Article. Such determination shall be made: (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding; or (2) if such a quorum is not obtainable, or, even if obtainable, when a quorum of disinterested directors so directs, by independent legal counsel (who may be the regular counsel of the Association) in a written opinion; or (3) by the vote of a majority of the members at a meeting in which a quorum was present.

C. Advance of Expenses. Expenses incurred in defending a civil or criminal action, suit or proceeding described in Section A of the Article may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors upon the receipt of a written undertaking by or on behalf of the director, officer, employee or agent to repay such amounts unless it shall ultimately be determined that he or she is entitled to be indemnified by the Association as authorized in this Article.

D. Insurance. The Association may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

ARTICLE V ASSESSMENTS

A. Administrative Expenses. The Association shall be assessed as the entity in possession of any tangible personal property of Rose Lake Forest owned or possessed in common by the owners, and personal property taxes based thereon shall be treated as expenses of administration. All costs incurred by the Association in satisfaction of any liability arising within, caused by or connected with the common properties or the administration of Rose Lake Forest shall be expenses of administration, and all sums received as proceeds of, or pursuant to any insurance policy securing the owners against liabilities or losses arising within, caused by or connected with the common properties or the administration thereof shall be receipts of administration.

B. Determination of Assessments. Assessments are determined as defined in Article V of the Declaration of Restrictive Covenants. Annual assessments are currently set, by member vote, at \$35 for the first lot and \$30 for each additional lot. The Board shall present the financial budget to the members at any General Meeting of the Association or at any special meeting of the Association called for such purpose. Copies of the financial budget shall be distributed to the owners present at the meeting and shall be made available to absentee owners on request. Non-budgeted expenditures must be made only in accordance with the following:

- (a) If the Board shall find the budget as originally adopted is insufficient to pay the costs of operation and maintenance of the common properties;
- (b) The non-budgeted expenditure is less than five hundred dollars (\$500);
- (c) To provide for the repair or replacement of existing common properties or;
- (d) In the event of emergency or unforeseen development.

C. Levy of Assessments. All assessments levied against the properties to cover expenses of administration shall be apportioned among and paid by the owners.

D. Collection of Assessments. Each owner shall be obligated for the timely payment of all assessments levied with regard to his property during the time that he is the owner and no owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the common properties or Association functions, or by the abandonment of his property. If any assessment is not paid by any owner within thirty (30) days after the delinquency date, then the Board may impose a late fee of \$2.00 and interest on the past due assessment at the rate of 6% per annum. Unpaid assessments shall constitute a lien on the property prior to all other liens except tax liens in favor of any state or federal taxing authority and sums unpaid upon a first mortgage of record recorded prior to the recording of any notice of lien by the Association. The Association may enforce the collection of the assessment by suit at law for a money judgment or by foreclosure of the lien securing payment in the manner provided in Michigan for foreclosure of mortgages. In an action for foreclosure, a receiver may be appointed and reasonable rental for the property may be collected from the owner or anyone claiming under him, and all expenses incurred in collection, including interest, costs and reasonable attorney's fees, and any advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the owner in default. The lien shall secure payment of all amounts (including, without limitation, fines, interest, costs of collection and assessments) owed by the owner on the date of recording of the lien, together with all amounts subsequently assessed and/or owed by the owner to the Association prior to the Association's recording of a notice of discharge of the lien.

Upon the sale or conveyance of a property, a purchaser or grantee, upon written request served on the secretary of the board no later than twenty (20) days prior to the closing of the sale, shall be entitled to a written statement from the Association setting forth the amount of unpaid assessments against the seller or grantor. Such purchaser or grantee shall not be liable for, nor shall the property be conveyed or granted subject to a lien for any unpaid assessments against the seller or grantor. The seller or grantor shall remain liable for such sums.

All payments on delinquent accounts shall be applied in the following manner: first, to costs of collection and enforcement of payment, including reasonable attorney's fees; second, to any interest charges and fines for late payment on such installments; and third, to installments in default in order of their due dates.

ARTICLE VI **MEETINGS**

There shall be two general meetings of the members each year. The meetings shall be held in Rose Lake Township, Osceola County. The first meeting shall be held on the Saturday of the Memorial Day weekend and the second shall be held on the Saturday of the Labor Day weekend in the Gamma Park pavilion or at such other place as the Board may designate in writing. All members shall be advised of each meeting via newsletter or other written correspondence at least 30 days prior to the meeting. Newsletters and other notices shall be sent to the last known addresses of the owners as disclosed by the Association's records.

At each general meeting, the Secretary shall read the minutes from the last general meeting and shall have on hand all minutes from the Board of Directors meetings held subsequent to the last general meeting. The Treasurer shall give the financial report, and the President shall report on significant events occurring subsequent to the last general meeting. The suggested agenda for the general meeting is as follows:

1. Call to Order
2. Minutes of Previous Meeting
3. Treasurer's Report
4. President's Report
5. Committee Reports
6. Unfinished Business
7. New Business
8. Membership Discussion
9. Adjournment

Special meetings of the members may be called by the President or by a majority of the Board. Notice of special meetings will be sent to members at least thirty (30) days prior to such meeting and must state the purpose of the meeting. No other business but that specified in the notice may be transacted at a special meeting without the unanimous consent of all present at such meeting.

Except as may be otherwise set forth in the Articles of Incorporation or the Declaration, the presence at a meeting, in person or by proxy, of five percent (5%) of the members shall constitute a quorum of members. A majority of the directors then in office, or of the members of any committee, shall constitute a quorum for the transaction of business by Board or committee, respectively. Members, directors or committee members present or represented at any meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough persons to leave less than a quorum, and may adjourn the meeting for not more than thirty (30)

days without notice other than announcement at the meeting, until a quorum shall be present in person or by proxy.

The Board may establish rules, customs and/or procedures for the conduct of meetings, but unless otherwise decided by the Board to the contrary, Roberts Rules of Order shall be adhered to.

ARTICLE VII **AMENDMENT**

These By-laws may be amended, altered, changed, added to or repealed by the vote of a majority of the members, present either in person or by proxy, at any general meeting or at any special meeting called for such purpose, but only if the proposed amendment was mailed or hand carried to the members for consideration prior to the meeting.

Notwithstanding the foregoing, a proposed amendment, otherwise duly adopted, shall not be deemed invalid by reason of one or both of the following:

- * Despite a good faith effort to mail or hand deliver the proposed amendment to the members prior to the meeting, the proposed amendment was not mailed or hand delivered to one or more members.
- * The proposed amendment was modified before adoption.

ARTICLE VIII **ADDITIONAL RESTRICTIONS, RULES**

A. **Restrictions.** In addition to the Building and Use Restrictions set forth in the Declaration, the properties in Rose Lake Forest are also subject to the following restrictions:

1. No dogs are allowed on the beach.
2. No pets shall be permitted to run loose on property other than the animal owners lot.
3. Appropriate authorities may be requested to impound loose-running pets at their owners expense.

B. **Rules.** The Board of Directors may, by majority vote, adopt and amend reasonable rules respecting the use and enjoyment of the properties and common properties. Copies of the rules shall be furnished by the Board to each owner at least ten (10) days prior to their effective date. No rules may contradict any provision of the Declaration or the By-laws. Any rule may be revoked or amended at any general meeting or special meeting called for such purpose by the vote of fifty-one percent (51%) of the members present at such meeting either in person or by proxy.

**ARTICLE IX
ENFORCEMENT**

A default or breach by an owner shall entitle the Association to the following relief:

A. Failure to comply with any provision of the Declaration, the By-laws or any other document (including rules) shall be grounds for relief, which may include the levy of fines, imposition of liens, action to recover sums due for damages, injunctive relief, foreclosure of lien or any other remedy which in the sole discretion of the Board of Directors is appropriate to the nature of the breach as may be set forth in applicable law or the documents, including, without limitation, any or all of the remedies available for the collection of unpaid assessments which are appropriate to the nature of the breach. All such remedies shall be deemed to be cumulative and shall not constitute an election of remedies.

B. In a proceeding arising because of an alleged default by an owner, the Association, if successful, may recover the cost of the proceeding and such actual attorney's fees as may be determined by the court.

C. The failure of the Association to enforce any right, provision, covenant or condition which is granted by the documents shall not constitute a waiver of the right of the Association to enforce such right, provision, covenant or condition in the future.

D. An aggrieved owner shall also be entitled to compel enforcement of the documents by action for injunctive relief and/or damages against the Association, its officers or another owner.

E. Owners shall be responsible and liable for the defaults of their guests and tenants.

F. Before assessing any fine or late charge against any owner because of the owner's alleged default of any provision of the Association's documents (other than failure to pay the Association any sum when due), the Board must provide the owner with written notice reasonably describing the alleged default and give the owner a reasonable opportunity to appear before the Board to be heard.

G. Any alleged default of the Association shall not permit any owner to withhold payment of all or any part of any assessment. Each assessment must be paid in full without offset.

These By-laws were approved as a result of an Osceola Court Order dated March 28, 1994 and the law firm of Varnum, Riddering, Schmidt & Howlett.

R.L.F.P.O.A. Board of Directors approval January 13, 1995