

## **STARLITE LAKE PROPERTY OWNERS' ASSOCIATION BYLAWS**

### **ARTICLE I**

#### **Name**

This Association shall be known as the Starlite Lake Property Owners Association and will hereinafter be referred to simply as the "Association."

### **ARTICLE II**

#### **Purposes**

The purposes of the Association shall be:

1. To establish and maintain the Association as a Michigan Corporation.
2. To maintain, uphold and enforce building and use restrictions of record in connection with the Association located in Shelby Township, Macomb County, Michigan.
3. To own, operate, maintain, improve, develop and repair recreational facilities in said Association for the benefit and convenience of all members of this Association.
4. To initiate, maintain, carry on, assist and develop suits, actions, activities, petitions, plans and projects for the improvement, convenience, benefit and welfare of said Association and for all of the members of this Association.
5. Notwithstanding the foregoing, while all members are expected to comply with the building and use restrictions of record, the Association is not responsible for taking legal action in response to a member's failure to comply with the building and use restrictions. Pursuant to the *Covenants and Restrictions* recorded in Book 1360, Page 329, Macomb County Records, Paragraph 14, any member may prosecute any proceedings at law or in equity against the person or persons violating any such covenant or restriction and prevent them from so doing or to recover damages or other dues for such violation. The *Covenants and Restrictions* recorded in Book 1360, Page 329, Macomb County Records are attached hereto and made a part hereof.

**[CONTINUED ON FOLLOWING PAGE]**

## **ARTICLE III**

### **Membership, Membership Fees and Voting**

#### **Section 1 – Mandatory Membership**

Owners of Lots 16 through 21 of Starlite Meadows Subdivision and owners of Lots 80 through 105 of Starlite Meadows Subdivision No. 2 are automatically members of the Association by virtue of their ownership of said designated lots. All current owners are hereby members as of the date the Bylaws are amended and all subsequent owners shall be members upon being conveyed their respective lot.

#### **Section 2 – Membership Requirements**

a. Immediately, upon commencement of membership in said Association, each member agrees: (a) to the covenants and restrictions established for the lands of owners subject to the Bylaws of the Association and to have the covenants and restrictions revised per the Bylaws as necessary and said revisions to be recorded with the Macomb County Register of Deeds Office; (b) to abide by the Bylaws of the Association and to support the purposes and principles for which this Association has been incorporated; (c) to remit promptly all fees, assessments and dues; and (d) any expenditure mentioned in 2(c) that exceeds \$10,000 shall require a majority vote of the members.

b. No lot subject to this agreement shall be used or permitted by the owner or owners thereof to provide or permit access to and/or use of Starlite Lake by any person or persons other than (1) the owner or owners of lots who are residing on designated lake lots subject to this agreement; (2) the immediate family of said owner or owners; and (3) invited guests of such owner or owners and the immediate family of such guests, provided, however, such invited guests are under the immediate supervision of the owner or owners and/or tenants.

#### **Section 3 – Membership Fees**

The annual dues shall be fixed by the Board of Directors from time to time, but not in excess of an amount previously authorized by the Members. Annual Dues shall be payable on the first day of March. After March 1<sup>st</sup>, a \$25.00 late fee shall be added to the current yearly assessment for each month the dues are not received, up to a maximum of \$100.00 per year. If a payment is received by any of the officers after March 1<sup>st</sup> without the late fee, the payment will not be accepted. It will be returned to the homeowner and will be considered late. After March 1<sup>st</sup>, payment must include the late fee to be accepted.

The Board of Directors shall have the power to levy special assessments upon the members of the Association, but only after prior sanction has been obtained from the members by a two-thirds vote of those members attending a regular or special meeting at which there is a quorum duly called for the purpose; such special assessments to be employed for the general purposes of the Association and for the benefit of the members at large.

#### **Section 4 – Voting**

Vote – There shall be only one vote per household.

Each household of the Association registered upon the books of the Association and in good standing shall at every meeting of the members, be entitled to vote in person or by proxy upon each

subject properly submitted to vote. A Household shall be deemed in good standing if he has maintained his eligibility for membership and is not in default in the payment of any sums due the Association for dues, assessments, or otherwise. For the purpose of voting, membership shall be on a unit basis, that is, no member shall have more than one vote by reason of ownership of more than one parcel of land and groups of persons owning land jointly by entireties or in common shall be treated as one member entitled to cast but one vote where the eligibility of either is dependent upon the status of the other.

## **ARTICLE IV Governing Body**

### **Section 1 – Number**

The governing body of this Association shall be the Board of Directors consisting of 4 members; namely, the President, Vice-President, Corresponding-Recording Secretary, and Treasurer.

### **Section 2 – Vacancies**

Vacancies in the Board of Directors shall be filled by appointment made by the remaining Directors. Each person so appointed to fill a vacancy shall remain a Director during the unexpired term of the Director who he has replaced.

### **Section 3 – Term of Directors**

Each Director shall hold Office for one term of three (3) years. Election of the Board of Directors shall be by vote of the members at large.

### **Section 4 – Power to Elect Officers, Agents and Committees**

The Board of Directors shall have power to appoint such officers, agents, and committees as may be deemed necessary for the transaction of the business of the Association.

### **Section 5 – Removal of Officers and Agents**

Any officers or agents may be removed by the Board of Directors whenever, in the judgment of the Board, the best interests of the Association will be served.

### **Section 6 – Delegation of Powers and Duties**

For any reason deemed sufficient by the Board of Directors, whether occasioned by absence or otherwise, the Board may delegate all or any of the powers and duties of any officer to any other officer or Director, but no officer or Director shall execute, acknowledge, or verify any instrument in more than one capacity.

## **ARTICLE V**

### **Board of Directors**

#### **Section 1 – President**

The President shall be the Chief Executive of the Association. He shall preside over all the meetings of the Board and Members. He shall have general and active management of the business of the Association and shall see that all orders and resolutions of the Board and members are carried into effect. He shall be ex-officio member of all committees and shall have the general powers and duties of supervision and management usually vested in the office of President of a corporation. He shall make an annual report to the members.

#### **Section 2 – Vice-President**

The Vice-President shall perform the duties and exercise the powers of the President during the absence or disability of the President.

#### **Section 3 – Secretary**

The Secretary shall preserve in books of the Association true minutes of the proceeding of all meetings. He shall safely keep in his custody the seal of the Association and shall have authority to affix the same to all instruments where its use is required by statute, by law, or regulations.

#### **Section 4 – Treasurer**

The Treasurer shall have custody of all Association funds and securities and shall keep in books belonging to the Association full and accurate accounts of all receipts and disbursements. He shall deposit all moneys, securities, and other valuable effects in the name of the Association in such depositories as may be designated for that purpose by the Board of Directors. He shall disburse the funds of the Association as may be ordered by the Board and shall render an account of all his transactions as Treasurer and of the financial condition of the Association whenever requested by the President or the Board of Directors.

## **ARTICLE VI**

### **Meetings**

#### **Section 1 – General**

Any, or all, meetings of the members and of the Board of Directors of this Association may be held at such place as the Board of Directors may from time to time determine. A Quorum of members must be present or by proxy to legally conduct business (See Article VII).

All business brought before the members for voting at an official meeting shall require a two-thirds vote of the members present or by proxy, constituting a Quorum, to be passed; except that in the election of the Board of Directors the candidate having the most votes among candidates shall be elected.

## **Section 2 – Annual Meetings and Notice**

A meeting of the members of the Association shall be held on an annual basis. Members shall be notified four (4) weeks in advance of said Annual Meeting as to the date, time and place of such meeting. Election of the Board of Directors (when applicable) shall occur at such Annual Meeting.

## **Section 3 – Order of Business**

The order of business at the annual meeting shall be as follows:

- a. Roll Call
- b. Reading of notice and proof of mailing
- c. Reading of minutes of last meeting
- d. Report of President
- e. Report of Secretary
- f. Report of Treasurer
- g. Standing committee special
- h. Election of officers
- i. Old business
- j. New business
- k. Adjournment

## **Section 4 – Special Meeting of Members**

A special meeting of the members may be called at any time by the President, by a majority of the Board of Directors, or by 20% of the members in good standing. The method by which such meetings may be called is as follows:

Upon receipt of a specification in writing setting forth the date and objects of such a proposed meeting, signed by the President or a majority of the Board of Directors or by 20% of the members in good standing, the Secretary or other members of the Board shall prepare, sign and mail the notices requisite to such a special meeting.

## **Section 5 – Notice of Special Meeting to Members**

At least 5 days prior to the date fixed for the holding of any special meeting of members, written notice of the time, place and purpose of such meeting shall be mailed, as herein provided, to each member entitled to vote at such meeting.

## **Section 6 – Organization Meeting of the Board**

Within 10 days after the annual meeting, the Board of Directors shall meet for the purpose of establishing a functioning governing body and transacting any business properly brought before it. The outgoing officers shall attend this meeting so that all materials and unfinished items of business can be turned over to the new Directors.

## **Section 7 – Regular Meeting of the Board of Directors**

Regular meetings of the Board shall be held no less frequently than quarter – annually. Written notice by mail of the time and place thereof shall be given to each Director as the President shall deem sufficient, but action taken at such meeting shall not be invalidated for want of notice if such notice shall be waived as hereinafter provided.

## **Section 8 – Notices and Meetings**

All notices required to be given by these Bylaws shall state the authority pursuant to which they are issued (as by order of the President) and shall bear the written, typewritten or printed signature of the Secretary or other member of the Board. Every notice shall be deemed duly served when it has been deposited in the U.S. Mail with full paid postage plainly addressed to the member at his last address appearing on the membership records.

## **Section 9 – Waiver of Notice**

Notice of the time, place and purpose of any meeting may be waived by telegram, cablegram or other writing either before or after such meeting has been held.

# **ARTICLE VII Quorum and Rules of Order**

## **Section 1 – Quorum of Members**

Presence in person or by proxy of members, representing nine (9) of the thirty-one (31) members in good standing, shall constitute a quorum at any meeting of the members.

## **Section 2 – Quorum of Directors**

Three of the Directors shall constitute a quorum of Directors.

## **Section 3 – Rules of Order**

All meetings shall be conducted according to the Roberts' Rule of Order.

# **ARTICLE VIII Voting, Elections, and Proxies**

## **Section 1 – Who is Entitled to Vote**

The voting rights of the members shall be as fixed in Article III of these Bylaws and shall be exercised only at duly called meetings.

## **Section 2 – Proxies**

No proxy shall be deemed operative unless, and until, signed by the member and files with one of the members of the Board of Directors twenty-four hours prior to the meeting for which it is to be operative.

A proxy shall specify who may vote it and expressly designate the meeting at which it is to be operative. No proxy is valid for more than one meeting. A proxy shall be assumed to apply to all items on which a vote is taken at the designed meeting unless the member assigning his proxy otherwise defines in writing and authority he intends to delegate to his proxy. No proxy shall be exercised at any meeting at which the member signing the same is present. In case two or more persons are entitled to sign the proxy for one membership, the signature of one shall be deemed sufficient. In the event of a disagreement among the persons in common ownership representing one membership, the vote for such membership shall not be counted.

## **ARTICLE IX**

### **Collection of Assessments**

Each Owner shall be obligated for the payment of all assessments levied on the Owner's lot while that person is the Owner of the lot and no Owner may become exempt from liability for the Owner's contribution toward the expenses of administration by waiver of the use or enjoyment of any of Starlite Lake or by the abandonment of their lot.

#### **Section 1 - Legal Remedies.**

In the event of default by any Owner in paying the assessments, the Board may declare all unpaid installments of the annual assessment for the pertinent fiscal year to be immediately due and payable. In addition, the Board may impose reasonable fines or charge interest at the legal rate on assessments from and after the due date. Unpaid assessments, together with interest on the unpaid assessments, collection and late charges, advances made by the Association for taxes or other liens to protect its lien, attorney fees, and fines in accordance with the Association Documents, shall constitute a lien on the Lot prior to all other liens except tax liens in favor of any state or federal taxing authority and sums unpaid on a mortgage of record recorded before the recording of any notice of lien by the Association; and the Association may enforce the collection of all sums due by suit at law for a money judgment or by foreclosure of the liens securing payment as provided by MCL 559.208. In a foreclosure proceeding, whether by advertisement or by judicial action, the Owner or anyone claiming under the Owner shall be liable for assessments charged against the Lot that become due before the redemption period expires, together with interest, advances made by the Association for taxes or other liens to protect its lien, costs, and reasonable attorney fees incurred in their collection.

#### **Section 2 - Sale of Lot**

On the sale or conveyance of a Lot, all unpaid assessments against the Lot shall be paid out of the sale price by the buyer in preference over any other assessment or charge except as otherwise provided by the Association Documents or by Michigan Law. A buyer or grantee may request a written statement from the Association for the amount of unpaid assessments levied against the Lot being sold or conveyed, and the buyer or grantee shall not be liable for, nor shall the Lot sold or conveyed be subject to, a lien for any unpaid assessments in excess of the amount stated in a written response from the Association. However, unless the buyer or grantee requests a written statement from the Association at least five days before the sale as provided in the Act, the buyer or grantee shall be liable for any unpaid assessments against the Lot together with interest, late charges, fines, costs, and attorney fees.

#### **Section 3 - Application of Payments**

Money received by the Association in payment of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorney fees; second, to any interest charges and fines for late payment on the assessments; and third, to installments of assessments in default in order of their due dates.



## **ARTICLE X**

### **Revisions or Changes to Bylaws**

The Bylaws may be amended, altered, or repealed at any regular or at any special meeting of the members of the Association called for that purpose. Proposed amendments to these Bylaws shall be filed with the Secretary and spelled out in detail in the notice of the meeting at which they are to be considered. Any changes to Bylaws shall require a two-thirds vote of those members attending a regular or a special meeting at which there is a quorum (See Article VII).

## **ARTICLE XI**

### **Indemnification**

#### **Section 1 – Indemnification Granted as a Matter of Law**

The Association shall indemnify and reimburse any director or officer of the Association for expenses reasonably incurred by him or her and for liabilities imposed upon him or her in connection with or arising out of any action, suit or proceeding, civil or criminal or threat thereof, in which he or she may be involved by reason of his or her being or having been a director, officer or agent of the Association or of any firm, corporation or organization which he or she served in any capacity at the request of the Association to the fullest extent permitted:

- a. By the provisions of the Business Corporation Act effective on the date hereof including, but not limited to MCLA 450.1561 through 450.1569;
- b. By any future amendment of the Business Corporation Act;
- c. By any other statute adopted after the date hereof;
- d. By the common law of the State of Michigan; and/or
- e. As a matter of law.

#### **Section 2 – Additional Indemnification: Claims by Third Parties**

The Association shall indemnify a director or officer of the Association who was or is a party or is threatened to be made a party to a threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal, other than an action by or in the right of the Association, by reason of the fact that he or she is or was a director, officer 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 foreign or domestic corporation, against expenses, including attorney fees, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit or proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association or its members and with respect to a criminal action or proceeding, if the person had not reasonable cause to believe his or her conduct was unlawful. The termination of an action, suit or proceeding by judgment, order, settlement, conviction or upon plea of nolo contendere or its equivalent, does not of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interest of the Association or its members, and, with respect to a criminal action or proceeding, had a reasonable cause to believe that his or her conduct was unlawful.



### **Section 3 – Additional Indemnification: Claims brought by or in the Right of the Association**

The Association shall indemnify a director or officer of the Association who was or is a party to or is threatened to be made a party to a threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor of the fact that he or she is or was a director or officer of the Association or is or was serving at the request of the Association as a director, officer, employee or agent of another foreign or domestic corporation, against expenses, including actual and reasonable attorney fees and amount paid in settlement incurred by the person in connection with the action or suit, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Association or its members. However, indemnification shall not be made for a claim, issue or matter in which the person has been found liable to the Association unless and only to the extent that the court in which the action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for the expenses which the court considers proper.

### **Section 4 – Approval of indemnification**

An indemnification under Sections two or three, unless ordered by the court, shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because he or she has not met the applicable standard of conduct set forth in Sections two and three. This determination shall be made in any of the following ways:

- a. By a majority vote of a quorum of the board consisting of directors who were not parties to the action, suit or proceeding;
- b. If the Quorum described in subdivision (a) is not obtainable, then by a majority vote of the committee of directors who are not parties to the action. The committee shall consist of not less than two disinterested directors;
- c. By independent legal counsel in a written opinion; or
- d. By the members.

### **Section 5 – Advancement of Expenses**

Expenses incurred in defending a civil or criminal action, suit or proceeding described in Section two or three shall be paid by the Association in advance of the final disposition of the action, suit or proceeding upon receipt of an undertaking by or on behalf of the director officer of the Association to repay the expenses if it is ultimately determined that the person is not entitled to be indemnified by the Association. The undertaking shall be unlimited general obligation of the person on whose behalf advances are made but need not be secured.

### **Section 6 – Other rights of indemnification**

The indemnification or advancement of expenses provided under Section two through Section Five is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under the articles of incorporation, Bylaws or contractual agreement. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses. The indemnification provided for in Sections two through six continues as to a person who ceases to be a director or officer of the Association and shall inure to the benefit of the heirs, executors and administrators of the person.

## **Section 7 – Insurance**

Unless expressly contrary to law, the Association may purchase and maintain insurance on behalf of any director or officer who is or was a director, officer 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, against any liability asserted against and incurred by such person in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify such person against such liability under this Article.

## **Section 8 – Savings Clause**

Each and every paragraph, sentence, term and provision of this Amendment shall be considered severable in that, in the event a court finds any paragraph, sentence, term or provision to be invalid or unenforceable, the validity and enforceability, operation or effect on the remaining paragraphs, sentences, terms or provisions shall not be affected and this Amendment shall be construed in all respects as if the invalid or unenforceable matter had been omitted.

## **ARTICLE XII Starlite Lake Maintenance**

It is recognized that it may be necessary and/or appropriate to clean out, dredge, perform approved water treatment and otherwise maintain and/or improve Starlite Lake and the bed thereof including stocking said lake with fish and maintaining the supply of fish in said lake from time to time. In order to effectively and efficiently accomplish such work and equitably share the costs of same. It is agreed as follows: (1) That any such project shall be accomplished, in accordance with established Bylaws; (2) Said project shall specify, in general terms, the work to be done or performed, the manner of doing same, the persons and/or organizations by which it shall be performed and time or period for such work to be done; (3) each of the owners of lots subject to this Agreement shall pay their pro-rata share of the cost of such project which shall be determined by such formula as will result in each household paying an equal share of the costs; (4) payment for the share allocable to each household shall be made in the manner at the time and to the Starlite Lake Homeowners' Association; (5) in the event that any such owner shall fail to pay his/her portion or share of the costs within the timeframe prescribed therefor, an action in the appropriate Court of Law subject to this Agreement for the enforcement and collection thereof; (6) any such share of the cost shall be and remain a lien upon the land owned by the person liable therefor until paid in full.

**Drafted By: Janice S. McQueen  
Law Office of Douglas C. Wozniak, PLC  
51543 Van Dyke Avenue  
Shelby Twp., MI 48316**

**When recorded return to: Drafter**

**Exhibit A  
(Legal Description)**

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