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BYLAWS

MOON LAKE PROPERTY OWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of this organization is Moon Lake Property Owners Association (hereinafter referred to as the Association) and its principal place of business will be Moon Lake Resort, Greenwood Township, Oscoda County, State of Michigan.

ARTICLE II

PURPOSE AND POWERS

Section 1. Purpose. The purpose of the Association is to manage the affairs of Moon Lake Resort and its subdivisions located in Greenwood Township, Oscoda County, State of Michigan for the maximum benefit and enjoyment of the property owners. Affairs to be managed include

finances, common properties such as parks, lakes, pool, recreation facilities and buildings, social activities, building and use restrictions, sanitation, and such other items that may be approved by the membership.

Section 2. Powers. The Association through its duly elected Directors and Officers, will enforce building and use restrictions, formulate and enforce rules governing use of common properties and facilities, approve construction and placement of outbuildings, docks, wells and sanitation facilities, consistent with existing building and use restrictions and amendments thereto, and provide for the proper use of motor vehicles, power boats and other water craft, ATV's and snowmobiles, as prescribed by the Board of Directors.

ARTICLE III

MEMBERSHIP

Section 1. Members. The ownership of each lot located among the various subdivisions of Moon Lake Resort shall constitute the owners thereof as members of the Association, provided that if more than one lot has common ownership such ownership shall constitute only a single member of the Association, and further provided that ownership shall mean legal ownership as land contract vendee or under other contract of sale, and provided further that no such lot shall have more than one such ownership, and further, provided that no interest

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held as security only shall constitute ownership. Persons renting residential property in Moon Lake may become non-voting members of the Association under terms and conditions prescribed by the Board of Directors.

Section 2. Privileges. Members in good standing shall be entitled to share in the benefits of the Association, to have use of the common properties and facilities of the Association and to vote on all matters presented to the membership for vote.

Section 3. Guests. Guests of members in good standing may be permitted to use the common properties and facilities of the Association in accordance with policies established by the Board of Directors. Guests are all those who are not members of the immediate family of an Association member. Members shall be held responsible for the conduct of their guests. Guests will not be permitted to launch and operate their own boats on Moon Lake unless accompanied by a member in good standing.

Section 4. Fees and Assessments. Each member shall make the annual maintenance fund payment to the Association for each lot owned by him as prescribed in Section VI of the Building and Use Restrictions for the various subdivisions of Moon Lake Resort, on record at the Oscoda County Courthouse in Mio, Michigan. Payment is due May 1 of each year.

Section 5. Nonpayment of Fees and Assessments. For each lot on which the annual maintenance fund payment is not paid in full by June 1 after the member has been billed therefore, there shall be added to the amount then due and unpaid a penalty fee of \$2.00 and from the date interest at the rate of 6% per annum may be added to the delinquent balance and penalty and the Association, upon recommendation of the Board of Directors, may bring an action of law against or foreclose the lien against the property as provided in Sections VI and XVIII of the Building and Use Restrictions for Moon Lake Resort on record at the Oscoda County Courthouse, Mio, Michigan. If all fees payable by a member in any year and all penalties added thereto are not paid by such member on or before June 1 of that year, the rights and privileges of such member shall thereafter be suspended for the period such delinquency continues, and it shall be the duty of the Treasurer to notify such member with a copy of the notice directed to the President.

Section 6. Prejudicial Conduct. Any person charged with conduct injurious to the good order, peace, or interest of the Association, or at variance with its bylaws or rules, shall be cited to appear before the Board of Directors or an investigating committee appointed by the Board, should the Directors determine to investigate the matter. Members will be held responsible for the conduct of their children and guests. Should the Directors, after full investigation, determine that the conduct in question is prejudicial to the best interest of the Association they may take such action as they see fit. Should the Board decide to take action the member shall be informed in writing of the complaint against him, giving him at least fifteen (15) days notice to appear before the Board to answer thereto; and if upon inquiry and hearing the Board of Directors shall be satisfied of the truth of the charge or complaint they may censure him or cause him to lose his privileges. An affirmative vote of two-thirds (2/3) of the Directors present shall be necessary to cause loss of privileges for prejudicial conduct.

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ARTICLE IV

MEMBERSHIP MEETINGS

Section 1. Annual Meetings. The regular annual membership meeting of the Association shall be held on the 2nd Saturday of June at 10:00am, or such time and place as the Board of Directors may determine. At least thirty (30) days notice of the annual meeting shall be given to each member by mail, addressed to the last known address of the member as recorded by the Association. Such notice shall set out in reasonable detail the business to be brought before the meeting, and each meeting shall be limited by the items set out in the notice. However, the members present may make suggestions covering items which they feel should be brought before the membership, and upon approval, by proper resolution by the members present on the suggestions, it shall be the duty of the Secretary to present such resolutions to the membership for consideration at the next regular or special meeting of the membership. It shall further be the duty of the Secretary to include with the notice of any regular or special membership meetings such other suggestions or requests as may be properly presented in writing and endorsed by fifteen (15) or more members in good standing, provided such other suggestions or requests are received by the Secretary at least forty-five (45) days prior to the meeting date.

Section 2. Order of Business. The order of business at the annual meeting shall be as follows, provided, however, that this order of business may be changed by the Chairman or by a majority of members present:

- a) Reading of minutes of the previous meeting
- b) Reports of Officers and Directors
- c) Reports of Committees
- d) Unfinished business
- e) New business
- f) Election of Directors and Officers

Section 3. Special Meetings. Special meetings of the Association may be called by the President or the Board of Directors and shall be called by the Board of Directors when requested to do so in writing by fifteen (15) or more members in good standing, provided such request shall clearly state the purpose for which the meeting is to be called, and further provided the Board of Directors determines said purpose to be germane to the purposes for which the Association was organized and for the improvement thereof. However, when a special meeting is called pursuant to a petition of members, the Board of Directors may authorize submission of additional matters for consideration of members

4. Article IV, Section 3 continued

at such meeting. At least thirty (30) days notice of any special meeting shall be given to each member by mail, at his last known address as recorded by the Association. Such notice shall set out in reasonable detail the business to be brought before the meeting, and the meeting shall be limited to the items set out in the notice.

Section 4. Voting. A member must be in good standing and his fees and assessments paid each year in order for him to participate in the voting at the annual membership meeting and at any special meeting. Each lot within the subdivisions of Moon Lake Resort owned by a member of the Association (and his common owners, if any) shall be entitled to one vote but only one vote, irrespective of the number of common owners, provided the maximum amount of the annual maintenance fund payment has been paid and the lot owner is otherwise a member in good standing.

Section 5. Members Qualified to Vote. It shall be the duty of the Treasurer to prepare a list of the members in good standing entitled to vote at a meeting, against which list all members voting shall be checked, either by the Secretary, the judges of election provided for in Article V, Section 4, or in the case of a special meeting, by three or more inspectors appointed by the Board of Directors for that purpose and for the purposes of counting the votes and certifying the results. The list shall show the number of lots that each member owns, the lot numbers and subdivision in which each lot is located, that the member voting is a member in good standing and is therefore entitled to one vote but only one vote for each lot owned.

Section 6. Quorum. A majority of the members present at any meeting shall constitute a quorum for such meeting.

ARTICLE V

BOARD OF DIRECTORS

Section 1. Number, Tenure, Qualifications. The direction, policies and control of the Association shall be vested in a Board of Directors consisting of five (5) subdivision Directors plus the four (4) Officers of the Association who shall be Directors at Large. One (1) Director shall be elected to represent each subdivision of Moon Lake Resort by members of the Association owning lots, as defined above in the respective subdivisions. Directors shall be members of the Association in good standing and may include both full-time and part-time residents. The Directors shall be divided into two (2) classes. The first class consisting of two (2) Directors shall originally be elected for one year terms. The second class consisting of three (3) Directors shall be originally elected for two-year terms. Each class of Directors shall subsequently be elected for two-year terms. Directors shall serve without remuneration.

Section 2. Nominations. At a timely meeting of the Board of Directors each year the Directors shall appoint a committee of members of the Association in good standing, none of whom shall be a member of the Board, unless a committee cannot be assembled from the general membership. The committee shall place in nomination for Directors and for Officers twice as many names (if possible) as there are nominees to be elected at the annual membership meeting.

5. Article V continued

Section 3. Election Each member owning property in any subdivision of Moon Lake Resort shall be mailed one (1) ballot for Officers and Director, if appropriate, for each lot owned along with the notice of the annual membership meeting. Members shall be entitled to vote either by mail or by presenting their ballots in person at the annual meeting. No duplicate ballot shall be issued and no other form of ballot than the one provided shall be voted or counted by the judges of election. Each member voting shall place an X opposite the name of each candidate for whom he votes and only the names so indicated shall be counted by the judges of election. No ballot shall be counted when more than as many names as there are nominees to be elected are voted for. No member of the Association who is delinquent on payment of fees or assessments, or who is not a member in good standing for any reason, shall be entitled to vote.

Section 4. Judges of Election. The Board of Directors, at a meeting prior to the annual meeting, shall appoint one (1) member in good standing to serve as chairman of the judges of election, and at the meeting the members present may appoint two (2) additional members in good standing to serve with the previously appointed chairman. These judges shall not be members of the Board of Directors or the nominating committee. The judges shall certify the results to the Secretary, and the Secretary shall announce the results to the members.

Section 5. Powers. The Board of Directors shall control the policy, funds and common properties of the Association, shall authorize all contracts, sales and purchases, and shall have such other authority as may be approved by the membership.

Section 6. Committees. For the better execution of their powers and duties, the Board of Directors shall appoint or designate by resolution authority to the President to appoint from their own number, or from members of the Association in good standing, such committees as occasion may require and they may deem necessary, and shall define the powers and duties thereof. The committees so appointed shall hold office at the pleasure of the Board of Directors.

Section 7. Rules and Regulations. The Board of Directors shall direct the President to enforce the rules and regulations pertaining to the use of the Association's common properties and facilities, building and use restrictions, social activities, sanitation, pollution, power boats and recreational vehicles. The Board of Directors shall be responsible for preparing rules and regulations covering the above listed items and such other regulations deemed necessary for the better enjoyment of the properties within Moon Lake Resort and improvement of community environment. Official rules of the Association shall be published for the information of property owners and shall be permanently posted, as amended, in all appropriate locations. The Board of Directors may also present, from time to time, for consideration and action by the membership, such additional building and use restrictions as they deem to be for the better enjoyment and appearance of Moon Lake Resort property.

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Section 8. Meetings. The Board of Directors shall meet monthly at such times and places as it may establish at Board meetings. Special meetings may be called at any time by the President and shall be called upon request of the majority of Board members. At least seven (7) days notice shall be given of all special meetings, either personally or by mail, telephone or e-mail. The majority of the Board of Directors shall constitute a quorum. No action shall be taken by the Directors, except for the appointment to fill vacancies on the Board, without the affirmative vote of at least four (4) members present.

Section 9. Vacancies. The Board of Directors shall appoint a member of the Association in good standing to fill any vacancy among the Officers or Directors by vote of the majority of those present at a regular or special meeting of the Board, provided that the said Directors filling said vacancy shall be furnished a written notice thirty (30) days in advance that said vacancy is to be filled. The member so appointed shall hold office until the next annual meeting or until the term of his successor commences.

Section 10. Resignation. Any member of the Board of Directors who shall absent himself from three consecutive meetings of the Board, unless he shall have previously obtained permission to do so, or shall present at the next meeting an excuse for his absence satisfactory to the majority of the Board present, shall be deemed to have resigned as a Board member and cease to be a member thereof.

ARTICLE VI

OFFICERS

Section 1. Election of Officers. The Officers of the Association shall consist of a President, a Vice-President, a Secretary and a Treasurer who shall be elected by and from the membership of the Association at the annual membership meeting in June. The Officers shall be divided into two (2) classes. The first class consisting of the President and the Secretary shall originally be elected for two-year terms. The second class consisting of the Vice-President and Treasurer shall originally be elected for three-year terms. Each class of Officers shall thereafter be elected for two-year terms or until their successors have been elected and qualified. Only members in good standing shall qualify as candidates. Officers shall upon election become members at large of the Board of Directors.

Section 2. President. The President shall be the chief executive officer of the Association and shall have the general control of its business and affairs, subject, however, to the orders of the Board of Directors. He shall preside at all meetings of the Association and Directors, and where controversy of procedure should arise, meetings shall be conducted under Robert's Rules of Order. The President shall sign all legal documents authorized for his signature by the Board and he shall appoint a chairman for all standing committees; be an ex-officio member of same, and be a full time resident of Moon Lake.

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Article VI continued

Section 3. Vice-President. The Vice-President shall act in the place of the President in his absence or, in the event the office of President shall become vacant by death, resignation or otherwise, or due to the inability of the President to discharge the duties of his office. The Vice-President shall also perform such duties as may be delegated by the President or the Board of Directors. The Vice-President shall be a full time resident of Moon Lake or a part time resident who is known to be resident at least thirty (30) weekends each year.

Section 4. Secretary. The Secretary shall keep the minutes of all Association meetings in books provided for that purpose. He shall make such reports and perform such other duties as are incidental to the office and as may be required by the Board of Directors. The Board shall have the authority to pay the Secretary such remuneration as it believes necessary and desirable. The Secretary shall be covered by corporate security bond in an amount established by the Directors at the Association's expense. The Secretary shall be a full time resident of Moon Lake.

Section 5. Treasurer. The Treasurer shall attend to the giving and receiving of all notices of the Association and shall keep a record of the names and addresses of all members of the Association and all books, records and papers thereof. The Treasurer shall have custody and keep accounts of all money and securities of the Association and render such statements as required of him by the Board of Directors. He shall make quarterly reports, showing the financial condition of the Association, as well as an annual statement at the annual meeting which is to be certified by a Certified Public Accountant or such other auditing agent as determined by the Board. He shall deposit all funds in such bank accounts as the Board may designate and such bank accounts **shall be in the name of Moon Lake Property Owners Association.** He shall exhibit his accounts and records at all reasonable times to the Board, and shall pay out money as instructed by the Board and, in addition, shall perform such other duties incident to his office and as may be required by the Board. The Board of Directors shall have the authority to pay the Treasurer such remuneration as it believes necessary and desirable. The Treasurer shall be covered by corporate security bond in an amount established by the Board at the expense of the Association. The Treasurer shall be a full time resident of Moon Lake.

Section 6. Removal. The Board of Directors may remove any Officer whenever in their judgment the business interests of the Association will be served thereby.

ARTICLE VII

CONTRACTS, DISBURSEMENTS AND GIFTS

Section 1. Contracts. The Board of Directors may authorize any Officer or agent of the Association to enter into any contract and deliver any instrument in the name of and on behalf of the Association, and such authority shall be confined to specific instances.

8. Article VII contd.

Section 2. Disbursements. All checks, drafts or orders for payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by the Treasurer and countersigned by the Secretary (bonded employees) or President or Vice-President of the Association in the absence of the aforementioned officers.

Section 3. Gifts. The Board of Directors may accept on the Association's behalf any contribution, gift or devise for any Association purpose.

ARTICLE VIII

CERTIFICATES OF MEMBERSHIP

Section 1. Certificates. The Board of Directors shall provide for the issuance of certificates evidencing membership in the Association. Such certificates shall not be issued until the member has paid all fees and assessments required and, further, shall not be issued if the member is under suspension for prejudicial conduct. A certificate of membership shall be issued in the name of one property owner or issued in the names of owner and spouse in case of joint ownership but shall be considered as only one membership. Certificates must be presented upon demand to any Director, Officer, or Association member. A duplicate certificate may be issued on such terms as the Board of Directors may determine.

Section 2. Certificate Issuance. When the Board of Directors deems a member eligible a certificate shall be issued in the member's name and shall be delivered to the member by the Treasurer.

ARTICLE IX

AMENDMENTS

These Bylaws may be amended only by a vote of the majority of members voting at any annual or special meeting of the Association, provided the proposed amendment shall have been mailed to the membership at least thirty (30) days before the meeting at which the amendment is to be considered and also provided the nature of the existing provisions of these Bylaws shall be clearly stated for a comparison with the changes proposed.

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