

**Bylaws of the Higgins Lake Property Owners Association**  
Roscommon, MI

**ARTICLE I - Name**

1.1 The name of this Michigan nonprofit corporation is the Higgins Lake Property Owners Association, referred to in these Bylaws as “the Association.” The Association is an Internal Revenue Code Section 501(c)(4) exempt organization.

**ARTICLE II – Mission Statement and Objectives**

2.1 The Mission Statement adopted by the Association is: To protect, preserve, and enhance the quality of Higgins Lake and its surrounding watershed.

2.2 The corporate purpose is to promote the general welfare of the owners of property on the shores of Higgins Lake, Roscommon County, Michigan. To the extent consistent with the Articles of Incorporation and the exempt status granted to the Association, the Association shall:

- a. direct its attention, in every respect, to the use of lakefront parcels around the entire lake;
- b. through its Board of Directors, engage in activities to safeguard the environment, especially the water quality of Higgins Lake;
- c. when appropriate, bring to the attention of local, township, county and state government officials, incidents, and conditions that affect the future environment and water quality of Higgins Lake;
- d. publicize, through the local media, those activities that the Association performs, or is engaged in, contributory to safeguarding the environment.

2.3 The rules contained in the current edition of Robert’s Rules of Order Newly Revised (hereinafter “Robert’s Rules”) shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with these Bylaws or the Articles of Incorporation.

**ARTICLE III – Membership, Voting Rights and Dues Payment**

3.1 Any person or member of an entity (who qualifies under section 3.5) (including but not limited to corporations, partnerships, associations, trusts) who has an ownership interest in a lakefront parcel (riparian property) on Higgins Lake, Roscommon County, Michigan, who is at least 18 years of age is eligible to become a member of the Higgins Lake Property Owners Association upon payment of the required dues and assessments. The voting rights of any member are subject to the conditions set forth in sections 3.2 - 3.6.

3.2 The Board of Directors, “the Board”, shall determine if a person meets the requirements for initial and continuing eligibility for membership. The Board may develop reasonable required application forms. The Board shall also have the right to make determinations of voting rights and any other membership issues. The Board of Directors shall include its decisions on membership

issues in the Board minutes. Any person aggrieved by the decision may file a written appeal, within 30 days of posting of the minutes containing the decision on the website, specifying the reasons for objecting to the Board's decision. The appeal will be decided by vote of the membership at its next annual meeting. Until the appeal is decided, the Board's decision will be held in abeyance.

3.3 The membership year is January 1- December 31. Member dues are due January 31 of each year. In order to be a Member in good standing, a Member must be current in dues and assessments or all his/her rights as a Member (including, but not limited to, attending meetings and voting) shall be suspended until good standing is restored.

3.4 Except as otherwise provided in Section 3.5, there shall be only one (1) vote for each lakefront parcel. If multiple Members share an ownership interest in a lakefront parcel a single voting representative shall be designated through an approved form, as set forth in Section 3.6, and said representative may cast the one (1) vote for the shared ownership lakefront parcel. If a husband and wife own a lakefront parcel jointly, either may cast the authorized one (1) vote.

3.5 If a lakefront parcel is owned or controlled by a multi-family property owners association or other similar legal entity where owners do not reside on the parcel but enjoy riparian rights in said parcel as a result of their membership in such multi-family property owners association or other similar legal entity, then there may be one (1) vote for every fifty (50) feet of riparian frontage, and one (1) additional vote for any remaining portion thereof, if the requirements of this paragraph are otherwise met. Each vote must be supported by at least one membership in good standing in the Higgins Lake Property Owners Association who owns a separate land parcel that is linked to the common lakefront parcel owned by a multi-family property owners association or other similar legal entity. The multi-family property owners association or other similar legal entity owning the lakefront parcel shall deliver to the Higgins Lake Property Owners Association the form designating their voting representative(s) for the allowed number of votes for such lakefront parcel.

Any person or entity (including but not limited to corporations, partnerships, associations or trust(s) that has an ownership interest in more than one lakefront parcel shall be limited to one vote, regardless of the number of lakefront parcels owned.

3.6 The voting designation required in Section 3.5 shall be on the form approved by the Election Committee and the Association may rely on such designation it receives without investigation or verification. A new form revoking the prior form may be filed in accordance with rules developed by the Board.

#### **ARTICLE IV – Offices of the Association**

4.1 The Board of Directors shall approve the location of the principal and registered office of the Association and the establishment and location of any additional offices of the Association.

#### **ARTICLE V - Meetings of the Members**

5.1 The Annual Meeting of the Members shall be held at a suitable place not over ten (10) miles from Higgins Lake on a Saturday between Memorial Day and Labor Day and at a time and place determined by the Board of Directors.

5.2 A special meeting of the Members may be called by the Board of Directors at a place and time determined by the Board if such place meets the requirements of Section 5.1 and if written notice of the time, place and purpose of the meeting is given as provided in Section 5.3. A special meeting of the Members will also be called by the Board upon receipt of a written petition signed by a minimum of (a.) 10% of the Members, or (b.) fifty (50) Members, whichever is lesser. Meetings brought by petition shall be held on a date and time set by the Board as soon as reasonable but no later than sixty (60) days from receipt of the petition and shall require the same notice as provided herein for a special meeting called by the Board.

5.3 Written notice of the Annual Meeting, and all other business meetings of Members, shall be sent to each Member not less than thirty (30) nor more than sixty (60) days before the date of the meeting. Written notice and any and all other meeting materials shall be mailed to the Members at the address filed with the Association for such Member, unless such Member has elected to receive written notice and any and all other meeting materials via electronic transmission. In this event, the Board of Directors, at its discretion, may elect to provide such materials to such Member by either electronic communication or regular mail.

5.4 A quorum shall be 10% of the Members. A majority vote of the Members shall carry a proposal at a duly-called meeting, except as otherwise specifically provided in these Bylaws or in the Articles of Incorporation.

5.5 The order of business at each Annual Meeting of the Members is as follows:

- a. Reading and Approval of Member Meeting Minutes;
- b. Reports of Officers;
- c. Reports of Committees;
- d. Election of Directors;
- e. Special Orders;
- f. Unfinished Business and General Orders;
- g. Announcements and any other Reports; and
- h. New Business.

5.6 Cumulative voting shall not be allowed. There shall be no separate classes of voters. Voting rights may be exercised either in person or by proxy on a form approved by the Board of Directors. The Association's approved form of proxy is attached to these Bylaws. Executed proxies, on the approved form, must be presented prior to or during registration for the meeting in question to be effective for such meeting. Every written notice of a meeting shall include a copy of the approved proxy form. Alternate forms of proxy may be accepted provided they meet the requirements as defined by the Elections Committee.

5.7 Each voter as determined under Article III shall receive the number of ballots and voting cards to which he/she is entitled during registration preceding a Member meeting. If the voter has properly designated a proxy, the proxy holder shall be entitled to vote the number of ballots and voting cards granted to the voter and such ballot(s) and voting card(s) shall be delivered to the proxy holder during registration for the meeting. All valid proxies presented at a meeting shall

count toward the quorum requirement. Voting for Directors shall be done by ballot. A copy of the sample ballot, without names, shall be included in the written notice of meeting. Voting on matters other than the election of Directors shall be done by voting cards raised during the election.

5.8 Nominations of Director Candidates – The Elections Committee shall solicit Member applicants in good standing who are interested in running for a seat on the Board of Directors. The Elections Committee shall establish procedures that:

- a. includes a written notice of such a solicitation, mailed to all Members prior to the Annual Meeting;
- b. ensures that each Member who has expressed a written interest in running for a seat will be added as a candidate for election;
- c. requires each interested Member candidate to submit a brief bio and qualifications;
- d. ensures the Board publishes and distributes such prior to the Annual Meeting in accordance with Section 5.3;
- e. establishes the design of the ballot;
- f. ensures the voting procedures conform to Section 5.9;
- g. allows nominations from the floor until a motion to close nominations is made and passed by a majority vote of the Membership;
- h. allows each floor nominee the opportunity to verbalize a brief bio and qualifications to the Membership;
- i. states the number of full terms and unexpired terms for the election together with a listing of which term each candidate is seeking;
- j. requires the Secretary to confirm that each Member nominated is eligible for election and shall read the entire candidate list to the Membership; and
- k. if possible, displays or projects the complete candidate list, together with the desired terms, to the membership prior to and during the voting.

5.9 Election of Directors - Upon conclusion of the nominations, the President/chair or designee shall appoint three disinterested tellers. A disinterested teller shall mean any Member who is not running for office, who is not a family member of a person running for office, and who is not holding a proxy for any Member.

The ballot shall list, without names, all vacant positions for the three (3) year regular term and shall separately list all vacant positions due to unexpired terms determined under Section 6.1c of the Bylaws. Each voter shall designate the candidates who shall fill the vacant positions in the manner set forth on the ballot based on the full candidate list announced by the President/chair or designee as provided in Section 5.8. No voter shall designate more candidates on the ballot than are necessary to fill the vacant positions. Ballots shall be folded in half and collected by the tellers upon the conclusion of balloting. The tellers shall count and prepare a report of the vote to be read by the President/ chair or designee prior to the adjournment of the meeting.

The election of directors is based on a majority vote. The director candidates running for the regular term shall be elected based on the votes cast for candidates running for the regular terms. Similarly, the director candidates running to fill specific unexpired terms shall only be elected based on the candidates running to fill the same unexpired terms. If any positions are not elected on the first ballot, the voters shall keep voting until the positions are filled. If more candidates receive a

majority vote than there are positions available, those candidates receiving the highest votes are considered elected. At any meeting where there is only one nominee for each director office that needs to be filled, there shall be no election and the President/chair or designee shall simply announce that each nominee shall assume the open office.

5.10 Reports to Members - At the time that the notice of each Annual Meeting is provided, each Member shall also receive a report of the Association for the preceding fiscal year as set forth in Section 10.1. The report shall include the Association's year-end statement of assets and liabilities, including trust funds, and the principal change in assets and liabilities during the year preceding the date of the report and its source and application of funds and any other information required by the Michigan Nonprofit Corporation Act. Such report shall be distributed as set forth in Section 5.3.

Following the Annual Meeting and/or any Special Meeting, the Association shall provide a copy of the minutes, including a full and detailed report of such meeting. In addition, a copy of any minutes that have not yet been approved by the membership shall be included with the notice of each Annual Meeting.

From time to time, the Association shall also advise the Members of important activities and events related to the Association. Such information shall be provided as set forth in Section 5.3.

Any Member of record, in person or by attorney or other agent, may during regular business hours inspect for any proper purpose the Association's list of its Members, and its other books and records, if the Member gives the Association written demand describing with reasonable particularity the purpose of the inspection and the records the Member desires to inspect, and the records sought are directly connected with the purpose. A "proper purpose" means a purpose that is reasonably related to a person's interest as a Member. A Member must deliver a demand to the Association at its principal place of business. If an attorney or other agent is the person seeking to inspect the records, the demand must include a power of attorney or other writing that authorizes the attorney or other agent to act on behalf of the Member.

## **ARTICLE VI – Governing Body**

### 6.1 - Board of Directors

- a. The Board of Directors, consisting of a minimum of eleven (11) members, shall be vested with the responsibility and authority to manage the affairs, funds, property and finances of the Association and may, from time to time, adopt rules governing the operation of the Association, its Officers, Committees, and employees.
- b. Six (6) voting members of the Board of Directors shall constitute a quorum for conducting official Association business.
- c. Directors shall be elected by the Members at the Annual Meeting, for a term of three (3) years. The terms of the elected Directors are staggered so each year either three (3) or four (4) Directors shall be elected depending upon the number of Directors whose terms expire. Each Director shall assume office immediately after the Annual Meeting in which he/she is elected.

A vacancy incurred in any unexpired term shall be filled promptly by vote of the Board of Directors but such Director position shall only be held until the next Annual Meeting of the Members. At the next Annual Meeting, the vacated position shall also be put up for election in the same manner as the other open positions except that the term for such Director position shall be limited to the unexpired term and not the full three (3) years.

- d. A Director or the entire Board may be removed with or without cause by a majority of the Members entitled to vote at an election of Directors, at either the Annual Meeting or a Special Meeting, provided that written notice of the proposed removal motion is sent to the Members not less than thirty (30) or more than sixty (60) days prior to the date of the meeting. Such notice shall be distributed in accordance with Section 5.3. The Board must provide any such written notice of proposed removal motion received by it to each Member on a timely basis to assure that Members receive the notice within the required timeframe.

## 6.2 – Board Meetings

- a. The Board shall hold such board meetings as it deems necessary, at a time and place determined by the Board. Each Director must at all times be a Member in good standing, meaning current in dues and any assessments, or his/her rights to hold office, attend Board meetings, or vote as a Director or an Officer shall be suspended until good standing is restored. There shall be no grace period for Officers or Directors.
- b. Special meetings of the Board of Directors may be called by the President or by any three (3) or more Directors, upon three (3) days notice to each Director, given personally or by mail, telephone, fax, or email, which notice shall state time, place and purpose of the meeting.
- c. Any action required or permitted to be taken under authorization voted at a meeting of the Board of Directors or a Committee may be taken without a meeting if, before or after the action, all members of the Board then in office or of the Committee consent to the action in writing or by electronic transmission. The written consents shall be filed with the minutes of the proceeding of the Board or Committee. The consent has the same effect as a vote of the Board or Committee for all purposes.
- d. The President, after consultation with the Board, shall set and publish for the Board a fixed regular Board meeting schedule for the twelve (12) months following an Annual Meeting as soon as possible after such Annual Meeting. The twelve month schedule shall be subject to adjustment by a majority of the Board as circumstances dictate, but shall be generally followed wherever reasonable. Each Board member shall make a diligent effort to attend scheduled Board meetings in person. However, when necessary, a member of the Board of Directors may participate in a Board of Directors meeting or a meeting of a committee designated by the Board of Directors by means of conference telephone or other means of remote communication by which all persons participating in the meeting can communicate with each other. Participation in a meeting via remote communication constitutes presence in person at the meeting.
- e. The Secretary shall keep minutes of all Board proceedings which shall be accessible to all Board Directors. The Secretary shall also keep, or cause to be kept, minutes of all Board meetings which shall be posted on the Association website after they are approved by the Board of Directors. Any Member shall be entitled to request that the Secretary send him/her a copy of the minutes of any Board meeting.

### 6.3 – Board Powers

- a. General Powers as to Negotiable Paper - The Board of Directors shall, from time to time, prescribe the manner of making signature or endorsement of checks, drafts, notes acceptances, bills of exchange, obligations and other negotiable paper or other instruments for the payment of money and designate Officers or agents who shall from time to time be authorized to make, sign or endorse the same on behalf of the Association. All checks/disbursements exceeding \$600 shall require the signatures of two (2) Board members.
- b. Powers as to Documents - The Board of Directors may authorize an Officer or agent to enter into any contract or execute or deliver any conveyance or other instrument in the name of the Association, and such authority may be general or confined to specific instances. When the execution of any contract, conveyance, or other instrument has been authorized without specification of the Officers authorized to execute, the same may be executed on behalf of the Association by the President.
- c. Compensation of Directors and Transactions between the Association and Directors - A Director shall serve without compensation but may be reimbursed for actual, reasonable and necessary expenses incurred by a Director in his or her capacity as Director. Notwithstanding the foregoing, a reimbursement, a contract (including a contract that allows compensation for special services) or other transaction between a Director and the Association is permitted if it is approved by the Board and meets the requirements set forth in the Michigan Nonprofit Corporation Act.
- d. Appointment of Executive Secretary and Other Agents - Nothing herein shall limit the right of the Board of Directors to hire employees, consultants or other subcontractors and to pay reasonable compensation for services performed by such persons on behalf of the Association.

### 6.4 – Executive Committee

- a. The Executive Committee of the Board of Directors shall be made up of the Officers of the Board - President, Vice-President, Secretary, and Treasurer, all with full vote. The Immediate Past President may also serve on the Executive Committee in an advisory role, without vote.
- b. The Executive Committee shall function as an advisory body to the Board of Directors and President with the authority to act for and on behalf of the Board between regular meetings of the Board. The Executive Committee shall have such additional specific powers and duties as may from time to time be delegated by resolution of the Board of Directors.
- c. The following powers and duties of the Members and/or Board of Directors may not be delegated to the Executive Committee, which is prohibited from acting on any such matter:
  1. Amending the Articles of Incorporation;
  2. Amending the Bylaws;
  3. Removing, appointing, or filling any vacancy among the Directors, Officers, or Executive Committee;
  4. Amending or repealing any resolution of the Board of Directors or the Members;
  5. Authorizing the sale, lease, exchange, or mortgage of assets of the Association;

6. Adopting an agreement of merger or consolidation;
7. Providing or changing compensation of any paid Director, Officer, Committee member or employee; and
8. Terminating the membership of any Member in the Association.

#### **ARTICLE VII – Officers**

7.1 Effective beginning just prior to the election of Officers at the October 13, 2014 Board meeting and continuing thereafter, the new Board members shall convene at the first meeting of the Board following the Annual Meeting of Members and elect from the Board membership a President, Vice-President, a Treasurer and a Secretary. The Officers shall constitute the Executive Committee.

7.2 The principal Officers of the corporation shall be the President, Vice-President, Secretary, and Treasurer, all of whom shall be members of the Board of Directors.

7.3 Effective beginning just prior to the election of Officers at the October 13, 2014 Board meeting and continuing thereafter, each Officer shall be elected annually by the Board. Each Officer shall hold office for one year or until a successor is elected and qualified. Each Director shall be eligible for re-election as an Officer each year and there shall be no term limitations.

7.4 The President shall be the Chief Executive Officer and shall preside over all meetings of the Members and the Board of Directors. The President shall also participate in the establishment of other Committees in accordance with Article VIII-Committees.

7.5 The Vice-President shall serve in the absence of the President, assuming all duties and powers of the President during the latter's absence or inability to serve.

7.6 The Secretary shall oversee the recordkeeping of all books, records, and corporate documents and shall perform such other duties as the Bylaws or Board of Directors prescribes.

7.7 The Treasurer shall have custody of all corporate funds and securities and shall keep in books belonging to the Association, full and accurate accounts of all receipts and disbursements. The Treasurer shall deposit all monies and other valuable effects in the name of the Association and in such depository as may be designated by the Board of Directors. The Treasurer shall furnish a bond, if required, and as may be designated by the Board of Directors, the cost of such bond to be borne by the Association.

7.8 The Secretary, or designated staff, shall attend all meetings of the Association Members and of the Board of Directors and shall keep or cause to be kept in a book provided for that purpose, a true, complete and permanent record of the proceedings of such meetings. The Secretary, or designated staff, shall attend to the giving and serving of all notices of Association meetings pursuant to these Bylaws, shall have custody of the books, records and corporate seal of the Association, and shall perform such other duties as the Bylaws or Board of Directors prescribe.

7.9 Each Officer, upon retirement or removal from Office, shall deliver to the Secretary all records concerning Association matters, which are in the possession of the Officer.

## **ARTICLE VIII - Committees**

8.1 Candidates for election of Directors shall be identified by an Elections Committee, consisting of two (2) members of the Board of Directors and one (1) non-Director Member. The process for identifying interested parties shall be accomplished as provided in Section 5.8.

8.2 The Board of Directors, by a majority vote, may establish other committees, in addition to the committees already established under these Bylaws, and prescribe their powers and duties. The Board of Directors, by a majority vote, shall appoint a Board member as the committee chair of each such committee and shall appoint members to each such committee. Each such committee may consist of members of the Board of Directors and/or Members of the Association. Each member of a committee shall serve at the pleasure of the Board of Directors.

8.3 Each Standing Committee shall be made up of at least three (3) members of the Board of Directors.

8.4 Vacancies on any such Committee shall be filled by the Committee Chair "the Chair", or if the Chair is unable to do so, by the President, subject to the approval by the Board.

8.5 The President shall not be a regular member of any committee, except the Executive Committee. The President may be an ex officio member of all committees, except the Election Committee or any disciplinary committee that may be formed.

8.6 The Executive Committee shall annually review the functions and operations of the Committees of the Association and report on the same to the Board of Directors.

## **ARTICLE IX – Financial**

9.1 Funds for meeting the ordinary operating expense of the Association shall be raised by means of annual dues. A special assessment may be levied upon a majority vote of the Members at the Annual Meeting of the Association.

9.2 Contributions, bequests and endowments may be accepted upon approval by the Board of Directors. Such funds shall be kept separate and used for purposes specified by the donors.

9.3 Prior to the beginning of each fiscal year, a committee of the Board of Directors shall estimate the income and ordinary expenses for the coming year, determine the funds necessary to carry out Association activities for the same period, prepare a budget for the year and submit it for approval to the Board of Directors. At the end of each fiscal year, the Association's financial report will be prepared for the Members. The Board of Directors shall retain an independent accountant or accounting firm to conduct an annual review of its accounts and records and to prepare a report of such review. The Board of Directors, by majority vote, may at any time elect to have a limited scope or full audit performed instead of a review by the independent accountant or accounting firm. The Members may, by a majority vote, at the Annual Meeting or at a special meeting called

for such purpose, require a limited scope or full audit be performed instead of a review and to prepare a report of such audit. Reports of audits or reviews will be made available to the membership.

9.4 Compensation - The Directors and elected Officers shall serve without compensation except for the provisions in Article VI, Section 6.3c. Compensation for agents of the Association may be allowed by the Board of Directors.

9.5 No expense shall be incurred by a Director, Officer, Committee Chairperson, or other agent on behalf of the Association except as authorized by the Board of Directors.

#### **ARTICLE X - Fiscal Year**

10.1 The fiscal year shall start January 1 and end December 31 of each year.

#### **ARTICLE XI – Dissolution**

11.1 Upon dissolution of the Association, the Board of Directors shall:

- a. pay or make provisions for the payment of all of its liabilities; and
- b. dispose of all assets of the Association exclusively to one or more organizations selected by the Board of Directors which are qualified as exempt organizations under Section 501(c)(4) of the Internal Revenue Code or corresponding provision of any future United States Internal Revenue law.

#### **ARTICLE XII - Indemnification**

12.1 The Association shall adopt provisions in its Articles of Incorporation which limit liability of volunteer Directors, Officers, and employees to the extent permitted by applicable laws of the State of Michigan. In addition, the Association shall indemnify Directors, Officers, employees and agents against liabilities and expenses including, but not limited to, actual attorney fees in the manner provided by the Articles of Incorporation and the applicable laws of the State of Michigan.

#### **ARTICLE XIII – Amendments**

13.1 These Bylaws may only be amended by the Members at the Annual Meeting or, at any Special Meeting called for the purpose of amending the Bylaws, by a two-thirds vote (meaning two-thirds of the votes cast), provided that both written notice and copies of the proposed amendment are sent to each Member not less than thirty (30) nor more than sixty (60) days before the date of the meeting. Such notice shall be distributed in accordance with Section 5.3.

(Approved by vote of the Members at the July 18, 2015 Annual Meeting)

## HIGGINS LAKE PROPERTY OWNERS ASSOCIATION PROXY

I hereby appoint the person named below as my proxy to vote at the \_\_\_\_\_ (fill in date) Annual Meeting and to act in my stead, authorizing this person to do all things that I could or might do if personally present. Further, I hereby revoke any proxy previously given by me to any person or persons for use at the Annual Meeting.

Date \_\_\_\_\_

Your Name (print) \_\_\_\_\_

Your Signature \_\_\_\_\_

Your Phone # \_\_\_\_\_ Email \_\_\_\_\_

Your Address \_\_\_\_\_

Proxy's Name (print) \_\_\_\_\_  
(The person you are naming as your Proxy to vote in your stead)

Address of Proxy \_\_\_\_\_

Phone # of Proxy \_\_\_\_\_