

CONSTITUTION AND BY-LAWS
THE DIAMOND LAKE PROPERTY OWNERS ASSOCIATION
WHITE CLOUD, MICHIGAN

ARTICLE I - NAME

The legal name of this non-profit Association shall be known as Diamond Lake Property Owners Association, herein referred to as the "DLPOA".

ARTICLE II - PURPOSE

The general purpose of the DLPOA is as follows:

- To provide a forum for Members to address issues regarding the health, safety, or other issues regarding Diamond Lake and surrounding properties
- To provide various communications as needed/appropriate to Members regarding Association, Township and County business that may affect them
- To create and execute various activities that encourage social engagement for Members

ARTICLE III - MEMBERS

A member in good standing, herein referred to as "Member", of the DLPOA shall be defined as any property owner who pays taxes to the Diamond Lake Improvement Board and who has paid DLPOA dues in full to the Treasurer for the upcoming membership year. To be a member of good standing dues must be paid before or at the annual meeting. The DLPOA membership year shall run from the Annual Meeting date until the day prior to the following year's Annual Meeting date. Dues may be amended at an Annual Meeting by vote of the Membership.

Section 1 Eligibility to Vote

Upon payment of dues, **one vote is allowed per property address**. Those eligible to cast that one vote per property are the property owner(s) (no more than 2) or their Representative(s) (no more than two) named on the membership card. Where a property is held by a Trust, the Trustees of the Trust (no more than two) shall be eligible to vote for the Member property in question. If during the term of membership, a property owner marries, the name of the spouse may be added to the membership. In the event of divorce or a property owner's death, the individual retaining property ownership may add

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the name of one (1) adult to the membership. The name of that adult may not be changed until expiration of the term of membership.

Section 2 Proxy

- a. A proxy is defined as a written statement signed and dated by an absentee Member naming the person to whom authorization to vote in their place is given. A Member must provide a proxy if they are unable to attend a meeting and wish their vote to be counted. A proxy must be given to the presiding officer before the meeting is brought to order to determine authenticity.
- b. At all meetings, the presiding officer will count hand votes first and thereafter will count proxy votes to determine if a quorum is present or to determine the results of a motion.

Section 3 Termination of Membership

Any Member who wishes to terminate their membership must do so in a written, dated, and signed statement given to the President or Vice President of the Board of Directors to determine authenticity. Membership and voting privilege will terminate effective upon authentication. Dues will not be refunded.

ARTICLE IV - MEETINGS

Section 1 Annual Meeting

The Annual Meeting of the Members of the DLPOA shall be held at such time and place as is directed by the Board of Directors and shall be on a Saturday on or as near to the Memorial Day weekend as is determined appropriate by the Directors. The Annual Meeting shall be for the purpose of electing Directors and transacting such other business as may be brought before the Members. Notice of such Annual Meeting as herein provided shall be given by mail to current Members and any other property owners who pay taxes to the Diamond Lake Improvement Board whose addresses are available. Such notice shall specify that dues are payable any time prior to the Annual Meeting being called to order to be considered a Member in good standing, and that no

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one will be permitted to vote at the meeting unless they are a Member in good standing. Notice of the Annual Meeting shall also include information regarding any special business that will be brought before the Members by the Board of Directors. Past year memberships shall expire at such time as the Annual Meeting is brought to order.

Section 2 Special Meetings

Special Meetings of the Members may be held at such time and place as is designated by the Board of Directors whenever such meeting is called by either the President or by a majority of the Directors present at the Board meeting where a quorum is present. Notice of such meetings shall be given in the same manner and to the same persons as provided in Article IV Section I for Annual Meetings. Such notice shall also indicate the reason(s) for the meeting. Only Members may attend Special Meetings. Non-members may pay DLPOA dues in full to the Treasurer any time prior to the Special Meeting being called to order. All Association business may be conducted at a Special Meeting when there is a quorum.

Section 3 Quorum

At any meeting of the Members, a quorum shall consist of at least 10% of the total Members at such meeting in person and by proxy. If a quorum is not present at any meeting, those present may adjourn the meeting and call another meeting. This process shall be repeated until a quorum is present, at which time association business may be transacted.

ARTICLE V - THE BOARD OF DIRECTORS

Section 1 Number and Term of Office

The business and property of the association shall be managed and controlled by a Board of seven (7) Directors whose terms are staggered to ensure continuity of leadership. Each term shall run for a period of three (3) years. Any Director whose term expires may be re-elected or replaced by the Members at the next Annual Meeting. A Director who has three (3) absences in a year will be reviewed by the Board of Directors and may be removed by vote of the Board.

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Section 2 Election of Directors

At the Annual Meeting, the presiding officer will announce any openings on the Board of Directors and invite nominations to fill those positions. All nominees must be Members of the DLPOA. Once all nominations have been received from the floor, the presiding officer will close the nominations. If the number of nominations does not exceed the number of open positions, a voice vote can then be called to elect the nominee(s). If the number of nominations exceeds the number of openings, the presiding officer will call for a secret ballot/show of hands to determine which nominee(s) received the top number of votes to fill the position(s).

Section 3 Compensation

The Board of Directors is comprised of Members who volunteer to serve the DLPOA and are voted to the Board under Article 5 Section 3 Election of Directors. They will not receive any compensation for work done for the DLPOA.

Section 4 Vacancies

Vacancies that occur before a Director's term has expired shall be filled by appointment of the Board of Directors. The appointed Director shall serve until the next Annual Meeting, at which time the Members shall elect a Director to fill the remainder of the three (3) year term of their predecessor.

Section 5 Meetings

Meetings of the Board of Directors shall be held on the second Saturday of the month from May to October unless a majority of the Directors at any meeting should vote to skip a meeting. These meetings are open to the public. Board Meetings will be held periodically for the balance of the year as called by the President or by any two (2) Board Members. Meetings of the Board of Directors will be held at such places as is determined by the Board. Notice of all meetings of the Board of Directors will be at least

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five (5) days prior to such meeting. A quorum shall be defined as four (4) Directors. Proxies may not be used at a meeting of Board of the Directors.

Section 6 Officers

The executive officers shall be President, Vice President, Secretary and Treasurer. These officers come from and are elected by the Board of Directors. The Directors may appoint such other officers and agents as they deem necessary for the transaction of business, and such officers and agents shall have that authority delegated to them by the Board of Directors. Any two (2) of the above officers, except President and Vice President, may be held by one person, but no officer shall execute an agreement on behalf of the Association in more than one capacity.

Section 7 Powers and Duties of the President

On behalf of and/or in the name of the Association, the President shall:

- Preside at all meetings of the Members and Directors
- Have general charge of all business and keep the Directors fully informed in relation thereof
- Sign and execute all authorized bonds, contracts, leases, deeds mortgages, bills of sale, and options, along with executive officers

Section 8 Powers and Duties of the Vice President

On behalf of and/or in the name of the Association, the Vice President shall:

- Perform all duties assigned by the President
- Perform the duties of the President in the event of the President's absence or incapacity
- Perform and maintain all elections

Section 9 Powers and Duties of the Treasurer

On behalf of and/or in the name of the Association, the Treasurer shall:

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- Have custody of all funds, securities, deeds, easements, land contracts, mortgages and evidence of interest in any property or right in property, real or personal
- Manage checking and savings accounts in such bank as the Directors designate, and ensure correct signature accountability each year of their term
- Endorse and be made aware of all checks and all obligations
- Sign all receipts and vouchers for payments to the Association and disburse funds as instructed by the Directors
- Keep books and enter regularly therein a full and accurate account of all revenue and expense.
- At reasonable times, produce the books of account to the Directors
- Give a report of the state of the Association's treasury at least every month at the regular meeting of the Board of Directors and at any other reasonable time when requested by the Directors

Section 10 Powers and Duties of the Secretary

On behalf of and/or in the name of the Association, the Secretary shall:

- Keep minutes of all meetings, regular and special, of the Members and the Directors in books provided for that purpose
- Give notice of meetings as provided in Article IV (Section 1 and 2) and Article V (Section 4), and give and waive all notices
- Sign, with the President, all contracts, leases, deed, bond, mortgages, bill of sale, options and other instruments authorized by the Directors
- Have charge of the stock certificate books, transfer books, stock ledgers, and such other books as the Directors, from time to time, instruct, and upon request of the Directors, exhibit them at regular or special meetings
- Perform all duties incident to the office of Secretary, subject to the control of the Directors

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ARTICLE VI - OTHER

Section 1 Fiscal Year

The fiscal year shall end on May 31st of each year.

Section 2 Amendment of By-Laws

The Members shall have the power to make, amend or repeal By-Laws of the Association by a majority vote of all Members present at any regular or special meeting, providing there is a quorum present, by person or proxy, and if notice of intent to make amend or repeal such By-Laws was included in the notice of such meetings to the members as are outlined heretofore.

Section 3 Conflict of Interest Policy

The DLPOA will follow the IRS – Form 1023 to resolve Conflict of Interest.

ARTICLE VII - DISSOLUTION

Upon the dissolution of the DLPOA, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code or the corresponding section of any future federal tax code or shall be distributed to the federal government, or a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of Newaygo County, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

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ARTICLE VIII – INDEMNIFICATION

Section 1

Notwithstanding that a claim for monetary damages for a volunteer director, volunteer officer, or other volunteer's acts or omissions shall not be brought or maintained against a volunteer director, volunteer officer, or other volunteer, but against the association, each person who is or was a trustee, director, officer or member of a committee of the association and each person who serves or has served at the request of the association, as a trustee, director, officer, partner, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise shall be indemnified by the association to the fullest extent permitted by the laws of the State of Michigan as they may be in effect from time to time, 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, and with respect to a criminal action or proceeding, if the person had no reasonable cause to believe that the conduct was unlawful.

Indemnification shall not be permitted where the actions of such person have been found to be based on willful misconduct or recklessness, or where the person is found to be liable to the association itself.

Section 2: Insurance

The association may purchase and maintain insurance on behalf of any such person 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 power to indemnify such person against such liability under the preceding section.

Section 3: Changes in Michigan Law

If there are any changes in the Michigan statutory provisions applicable to the association and relating to the subject matter of this article, the indemnification to which any person shall be entitled shall be determined by the changed provisions, but only to the extent of the changed permits the association to provide broader indemnification rights than the provisions permitted the association to provide before the change.