

BY-LAWS
Of the
CORDWOOD POINT ASSOCIATION
Cheboygan County, Michigan
Effective January 1, 2008

Article I
MEMBERSHIP

Section 1. Membership Criteria

Every person or entity who owns or holds an equitable interest in any lot in Cordwood Point as a land contract vendee or fee holder, being subject to these covenants and to assessment by the Cordwood Point Association (hereinafter referred to as the "Association"), shall be a member of the Association and subject to the benefits and restrictions herein, provided that any person or entity who holds an interest as security for the performance of an obligation shall not be a member. For the purpose of these By-Laws, the Cordwood Point Association (a Michigan non-profit corporation is deemed to be a single entity comprising residents of both Cordwood Point Subdivisions Number 1 and 2, as described in the Cordwood Point Declaration of Restrictions, Section 2(a).

Section 2. Member Assessments

(a) Annual Assessments:

Annual Assessment for each property owner in the subdivision will be based on the Annual Operations Budget, and adopted at the member Annual Meeting (including proxy votes), for the next fiscal year, beginning January 01. As an owner of property in Cordwood Point, membership in the Association is mandatory and rights of membership are subject to the payment of annual assessments and any special assessments duly voted by the membership, which may be in force. The annual assessment is for the maintenance or construction of common properties and for payment of real estate taxes, utilities, and normal business expenses as determined by the Board of Directors. The annual assessment for each property owner within the subdivision is currently \$40.00 regardless of the number of lots owned, except that co-owners of a single property shall pay only one assessment between them.

(b) Late payment of the Annual Assessment:

Association's fiscal year shall be the calendar year, and annual assessments are due January 01 of each calendar year and payable no later than July 31 of that year. A late payment fee of \$25 will be added to any Annual Assessment, delinquent after the July 31 due date." A property owner's membership rights will be suspended by the Board of Directors during the period when such assessments or liens remain unpaid. Upon payment of said assessments or liens, all rights and privileges shall be immediately restored.

(c) Other Assessments:

The Association, on behalf of all subdivision property owners, will exercise its obligation to enforce Association By-Laws and Restrictions. Failure to comply with any of the terms or provisions of the Association documents shall be grounds for levying fines to remedy the violation or recover monetary sums due for damages, financial relief, or restitution for costs arising from correcting the violations. No owner may exempt themselves from liability for their contribution toward these expenses, by abandonment of their lot(s).

(d) Assessment Remedies:

The Association will enforce collection of delinquent annual assessments or any other assessments imposed on property owners for violations of the Association By-Laws or Restrictions. The Board is empowered to follow the steps outlined in the Association Restrictions, Section 3(i), to contact members and remedy any violations of the By-Laws or Declaration of Restrictions. Failure to correct said violations, or pay assessments in the notified period of time [ref. Restrictions Section 3(i)], will be considered a default. Any default shall entitle the Association (or any aggrieved property owner in good standing) to seek the following remedies:

1. Take legal action to recover sums due from defaulted assessments, damages, injunctive relief, foreclosure of a lien, or any combination thereof. Such relief may be sought by the Association, and if appropriate, by an aggrieved land owner.
2. If successful, the Association, or aggrieved land owner, shall be entitled to receive costs of the legal proceedings and any reasonable attorneys' fees determined by the court.

Any increase to the annual assessment amount must be recommended to the membership by the Board of Directors, either at the Annual Meeting of Members or a special meeting called for that purpose in accordance with the provisions of Article IV, Section 2, and Special Meetings. If this proposal is to be made at the Annual Meeting, intent of such must be separately identified as an agenda item in the Notice of Annual Meeting of Members. Reasons for needing additional revenue will be given and discussed at the meeting, with members and proxies in good standing voting, if so moved and seconded, in accordance with the voting procedures of Article IV,

Membership Meetings (Passage of the motion will be declared if a two-thirds (2/3) majority of member votes so cast are in support. These same voting procedures will be used if a special meeting is called to consider increasing the annual assessment.)

Section 3. Membership entitlements

Each member in good standing shall be entitled to the use and enjoyment of all Association common properties and facilities.

Article II Voting Rights

Irrespective of the number of lots owned, the owner or co-owners thereof shall be entitled to a total of one vote only in any Association election or ballot, said vote to be cast as common owners agree.

Article III Association Powers and Duties

The association shall have the following powers and duties, which shall be exercised for the mutual benefit of all members: To build and/or maintain common properties and recreational facilities as now exist (e.g., parks, playgrounds, clubhouse, storage facilities, entryways, signs, boat launch ramp, etc.), or may be hereafter erected or created, including the protection of plant and wildlife. To enforce, either in its own name, or in the name of any *aggrieved* property owner or owners as may be necessary, all covenants and restrictions, which are now, or may hereafter be imposed upon any of the property in Cordwood Point. Further, providing that expenses of these proceedings shall be paid out of the general funds of the Association, with relevant Association costs, assessments, and late fees be recouped from the property owner(s) in violation, if so determined by court order.

Article IV Membership Meetings

Section 1. Annual Meeting

The Annual Meeting of Members shall be held no sooner than April 30, or later than June 30 of each year at such place and time as the Board of Directors may determine. The annual meeting shall be for the purpose of electing directors, presenting reports from Board officers, committee reports, adopting the Annual Operating Budget for the forthcoming year and for the transaction of such other general business as may be indicated in the agenda, or which may be brought up by the members during the meeting. Notice of the Annual Meeting of Members shall be given by mail to each member of record and mailed at least 30 days prior to the date of the meeting.

Section 2. Special Meetings

Special meetings may be called by the Board of Directors, or upon the written request of thirty (30) Association members to the Secretary, stating the purpose thereof, and shall be scheduled within 25 days of the member's request. The Board of Directors shall establish the date of such meeting(s), with notice given by mail to each member of record and mailed at least 30 days prior to the date of the meeting.

Section 3. Quorum

The presence of 50 members of the Association, in person or by proxy, shall constitute a quorum at all meetings. Proxies shall be in writing and must be mailed and received by the Secretary prior to the meeting.

Section 4. Nominating Committee

- (a) There shall be a Nominating Committee comprising five (5) members. Three (3) members shall be elected at each Annual Meeting of Members; the other two (2) shall be elected by the Board of Directors from among the directors. A vacancy occurring among the members chosen by the members shall be filled by the remaining members or member so chosen. A vacancy occurring in the members chosen by the Board of Directors shall be filled by the directors.
- (b) The nominating committee shall nominate candidates for the Board of Directors to be elected at next year's Annual Meeting of Members, as well as candidates for the next year's Nominating Committee, and shall report such nominations to the Board so that notice of the nominees and a biographical sketch of each may be included in the notice of the next annual meeting.
- (c) Additional nominations may be made from the floor at the Annual Meeting of Members.

Section 5. Order of Business

The order* of business at the Annual Meeting of Members shall be as follows:

1. Determination of quorum

2. Board and member introductions
3. Reading and approval of minutes (of last year's Annual Meeting)
4. Reports from Board officers
5. Reports from committees
6. Unfinished business
7. New business
8. Election of Directors and Nominating Committee

Roberts' Rules of Order shall be followed.

Section 6. Voting Procedures

Members may cast their votes either in person or by proxy when duly filed with the Secretary, providing the member's dues and other assessments are current. The form of the proxy shall be determined by the Board of Directors, and such form will be mailed with the notice of Annual Meeting of Members.

Section 7. Voting Eligibility

It shall be the duty of the Treasurer to prepare a list of the members entitled to vote at the Annual Meeting of Members against which list all members voting, whether by proxy or in person, shall be checked. Eligibility will be determined by a valid Association membership and payment of *all current assessments*, as well as the stipulation of Article II that co-owners of a single property and owners of multiple properties have only one vote.

Section 8. Vote results

Voting results shall be determined by a two-thirds (2/3) majority of the votes present as represented by eligible members and/or proxies.

Article V Board of Directors

Section 1. Number of Directors

The number of directors which shall constitute the board of Directors shall be nine (9). The directors shall be elected at the Annual Meeting of Members, except as provided in Section 2 of this Article, and each director shall hold office until their successor is elected. The Board of Directors shall be elected to terms of three (3) years; with terms staggered to ensure that only three vacancies shall come due in any one year except as noted in Section 2, Vacancies, or Section 9, Removal for Cause.

Section 2. Vacancies

Vacancies on the Board of Directors will be filled by the appointment of interim board members by a majority of the directors then in office. An interim director so chosen shall hold office only until the next Annual Meeting of Members when they or their successor is duly elected to the Board. The term of any director so elected by the members will be for the remainder of the term of the director creating the original vacancy.

Section 3. Powers

The Board of Directors shall manage the business of the Association and exercise such powers of the Association and do all such lawful acts as are not by law or these By-Laws forbidden, and which may be directed or required to be exercised or done by the members. The powers of the Board of Directors shall include developing the Annual Operations Budget to be adopted by attendees at the Annual Meeting, and all proxy votes. The budget will project all expenses for the forthcoming year, which may be required for the proper operations, management, and maintenance of the subdivision. The proposed budget will be distributed in the spring news letter, to be reviewed and for member response, prior to the Annual Meeting. Further, powers of the Board include, but not by way of limitation, the power to authorize the making and execution on behalf of the Association any lawful contracts; to employ agents, factors, clerks, and workmen; to fix their compensation; to prescribe their duties; to dismiss any employee without previous notice; and generally to control all the affairs of the Association. The powers and duties of the Board of Directors include the interpretation and enforcement of the Association By-Laws and Restrictions, present or hereafter, imposed on any property in Cordwood Point. The Board may use its inherent legal right and responsibility to impose property assessments and late fees from any noncompliant property owner. Further, the Board may enforce collection of assessments or other delinquent amounts owed the Association or members of the Association, by a law suit, and pursue monetary judgment or foreclosure of the lien that secures payment of the assessment. Nothing in these By-Laws shall be construed to permit the Board of Directors to borrow or pledge the credit of the Association without the specific approval of two-thirds (2/3) of the members present and voting, in person or by proxy, at a meeting at which a quorum is present and which is held pursuant to a notice expressly stating the purpose of the meeting and that such a vote will be taken.

Section 4. Meetings

The Annual Meeting of the Board of Directors shall be held immediately following the Annual Meeting of the Members. Other meetings of the Board of Directors shall be held whenever called by the President or any two (2) directors, at such time and place as may be specified. Board members are expected to attend the Annual Meeting and any special meetings called by the Board President. The lack of satisfactory attendance will be cause for removal from the Board, under Section 9. Any property owner who notifies any board member in advance of the meeting may address the Board on specific issues or concerns.

Section 5. Notice of Meetings

Notice of the time and place of each annual, regular, or special meeting of the Board of Directors shall be given by mail, email, or telephone to each director at least seven days prior to the date thereof. If mailed, such notice shall be deemed to be given at the time that the same shall be mailed. The business to be transacted at any regular or special meeting of the Board will be given at the time of notice.

Section 6. Quorum

At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum (i.e., five Directors present) for the transaction of any business, and the act of the majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board, the directors present thereat may adjourn the meeting from time to time until a quorum shall be present.

Section 7. Action without Meeting

Unless otherwise restricted by these By-Laws, any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, if prior to such action a written consent thereto is signed by all members of the Board, and such written consent is filed with the minutes of the proceedings of the Board.

Section 8. Power to Elect Officers

The Board of Directors shall select from its members a President, one or more Vice-presidents, a Secretary, and a Treasurer, all of whom shall serve without compensation. Such officers shall be elected at the Annual Meeting of the Board of Directors which immediately follows the Annual Meeting of Members. Each officer shall hold their respective office until the next Annual Meeting of the Board of Directors and until their successor is elected, unless otherwise removed per Article V, Section 9, and Removal for Cause.

Section 9. Removal for Cause

Any member of the Board of Directors may be removed for cause by a two-thirds (2/3) vote of the full Board, with their vacancy filled in accordance with the procedures specified in these By-Laws, Article V, Section 2. A Board member may also be removed for cause by a two-thirds (2/3) vote of members and proxies at the Annual Meeting of members or a special meeting called expressly for that purpose. This recall will be done in accordance with the quorum rules and voting procedures specified in Article IV of these By-Laws. Nominations will be made and a successor elected at this same annual or special meeting, with the new Board member so elected serving out the remainder of the vacated term.

Section 10. Power to Appoint Committees

The Board of Directors shall constitute and appoint all committees not otherwise elected by the membership and shall define the powers and duties of the same and ratify and confirm all actions by said committees. Included in the powers of appointment is the power of removal whenever, in the judgment of the Board, the interests of the Association will be served thereby. The chairpersons of such committees shall be responsible to the Board of Directors and shall report status or progress upon request. This power of appointment specifically includes the Association's Building Control Committee.

Section 11. Policies and Procedures

From time to time the Board may write general policies and procedures to guide their actions, or those of the membership, that are not considered binding Association By-Laws or Covenants. These are procedural guides for management of day-to-day functions to ensure continuity as Board officers or members change. Examples might be guidelines for sending flowers upon the death of a member; procedures for bi-weekly potluck dinners; park spring clean up; the annual Thanksgiving dinner, or any other procedural issue for which a permanent record is desired. These will be kept by the Secretary for handy reference.

Article VI Officers

Section 1. President

The president shall be the chief executive officer of the Association and shall preside at any meetings of the members of the Association and of the Board of Directors. He shall be an ex-officio member of all committees.

Section 2. Vice-president(s)

The Vice-president (in the order designated at the time of their election) shall, in the absence or disability of the President, perform all duties of the President, and shall perform such other duties and have such other powers as the President or the Board of Directors may from time to time prescribe. The Vice President shall have responsibility for maintenance and upkeep of parks, club house, road easements, and Association equipment, tools, and any other property belonging to the Association. The Grounds Maintenance Attendant(s) report directly to the Vice President.

Section 3. Secretary

The secretary shall keep a record of all meetings of the members and of the Board of Directors and, in general, shall perform all duties incident to the Office of Secretary and such other duties as may, from time to time, be assigned by the President or the Board of Directors. One continuing function of the Secretary is to keep an up-to-date historical file of all pertinent Association documents for reference.

Section 4. Treasurer

The Treasurer shall have charge of the funds of the Association, shall keep full and accurate accounts of the finances of the Association and shall present an annual report of the same, which report shall be mailed to the members with the notice of the Annual Meeting of Members. The Treasurer shall be responsible for maintaining an up-to-date list of the entire Cordwood Point Association membership and is authorized to place liens on property for which annual or duly voted special assessments are delinquent. The Treasurer shall be bonded in an amount determined by the Board of Directors and the Association shall pay the cost of procuring said bond.

Article VII Dissolution

The Association may be dissolved only with the assent, given in writing, of members entitled to cast two-thirds (2/3) of its total membership vote. Written notice of a proposal to dissolve, setting forth the reasons therefore and the disposition to be made of the assets (as specified in Article VIII) shall be mailed to every member at least 90 (ninety) days in advance of any such action taken.

Article VIII Disposition of Assets Upon Dissolution

Upon dissolution of the Association, the assets both real and personal of the Association shall be dedicated to an appropriate public agency to be devoted to purposes similar to those which they were required to be devoted by the Association. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes similar to those to which they were required to be devoted by the Association.

Article IX Amendments

These By-Laws may be amended by the majority vote of the Board of Directors, voting in session and a quorum being present, or by a two-thirds (2/3) majority vote of Association members and proxies at the Annual Meeting of Members or at a special meeting called for that purpose, where a quorum is present and balloting is done in accordance with voting procedures specified in Article IV, membership Meetings.

Article X Effective Date

The printed revisions of these By-Laws and Restrictions assimilate that all required notices were provided to Association Members and that the original and all amendments were approved by the Board of Directors, adopted by the Cordwood Point Association members by majority vote, and is considered current and effective as of January 01, 2008.

Drafted by: Ross Bell
President of the Board

Approved by: Cordwood Point Association Board of Directors
P.O. Box 201
Cheboygan, MI 49721

Ross Bell
Board President

Greg Hokans
Board Vice-President

Connie Newlin
Treasurer