

BY-LAWS

OF

LAKE VICTORIA PROPERTY OWNERS' ASSOCIATION

ARTICLE I

Name and Purpose

Section 1. The name of this Association shall be Lake Victoria Property Owners' Association.

Section 2. The purpose is: To promote the health, safety and welfare of the residents within Lake Victoria's Subdivisions in Victor Township, County of Clinton, State of Michigan and future additions thereto and for this purpose to: own, acquire, build, operate and maintain parks and recreational facilities in said subdivision or additions thereto; to establish, alter and enforce building and use restrictions for Lake Victoria Subdivisions and additions thereto; to administer and supervise the collection and expenditure of assessments against properties in the subdivision and to do all things necessary and incidental to promote the common benefit and enjoyment of the residents of the subdivision and additions thereto. The above powers establish obligations which may upon affirmative action of the Board of Directors, be undertaken by the Association. These powers do not in any way diminish any obligations of American Central Corporation at Lake Victoria.

ARTICLE II

Membership

Section 1. Every person or entity who holds any equitable interest in any lot, whether as land contract vendee or fee holder being subject to the recorded restrictions, these covenants and to assessment by the Association, shall be a member of the Association provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member.

Section 2. The rights of membership are subject to the payment of annual and special assessments.

Section 3. The membership rights of any person, whose interest in the property is subject to assessments under the Declaration of Restrictions may be suspended by action of the Directors during the period when these assessments remain unpaid. Upon payment of said assessment, these rights and privileges shall be automatically restored. Membership rights and privileges are subject to conduct of each member in accord with those reasonable standards determined from time to time by the Board of Directors.

Section 4. Each member shall be entitled to the use and enjoyment of the common properties and facilities.

ARTICLE

III

Voting Rights

The Association shall have one class of voting membership. Voting members shall be all those members who hold the interest required for membership under Article II, of these By-Laws. Each person or entity holding a part of such interest or interests in one or more lots shall be entitled to cast one vote, but in no event shall more than two (2) votes be cast per lot(s).

ARTICLE IV

Powers and Duties

The Association shall have the following supervisory powers and duties which shall be exercised for the mutual benefit of all members.

Section 1. To keep and maintain common properties in a clean and orderly condition, to cut and remove weeds and grass therefrom, to pick up any loose or undesirable materials or refuse, and to do any other things necessary or desirable to keep the common properties neat in appearance and in good order.

Section 2. To exercise such control and maintenance over roads and pedestrian ways as it may deem necessary or desirable.

Section 3. To do all things necessary or incidental to the protection of plant and wild life in the common properties and in and about the subdivision.

Section 4. To provide for the erection or maintenance of gateways, entrances, or other ornamental features as now existing or hereafter to be erected or created, provided no such erection or maintenance shall be undertaken except upon action of the Board of Directors.

Section 5. To maintain recreational facilities either as these are presently established, or as these are subsequently established, provided that such maintenance shall be undertaken only upon the affirmative action of the Board of Directors.

Section 6. To enforce, either in its own name, or in the name of any real estate owner or owners, as may be necessary, all building and other restrictions which have been, are now, or may hereafter be imposed upon any of the real estate in said Lake Victoria Subdivisions, or any additions thereto. This Association shall have full power and authority to bring proceedings in the names of any of the owners to enforce the restrictions. The expenses and costs of these proceedings shall be paid out of the general funds of the Association.

Section 7. To establish through the Board of Directors reasonable rules and regulations concerning the use of the properties and facilities of the Association.

Section 8. To provide such other services as may be deemed desirable to the Board of Directors, said services to be rendered to the residents of members at the expense of those receiving the service where the services are of such a character so as not to be of mutual benefit to all owners.

Section 9. The Association shall not sponsor or engage in any social, athletic or sporting activities. This prohibition shall not preclude private individuals or groups from undertaking the above activities.

ARTICLE V

Length of Existence

The term of the corporate existence is perpetual.

ARTICLE VI

Membership Meetings

Section 1. Annual Meetings. The regular annual meeting of the Association shall be held on the second Sunday of March in the State of Michigan at such time and place as the Board of Directors shall determine.

Section 2. Thirty days notice of the annual meeting of the members shall be given to each member by mail, addressed to his last known address as recorded by the Association.

Section 3, If, for any reason, the annual meeting of the members shall not be held on the day hereinbefore designated, for lack of a quorum or otherwise, such meeting may be called and held as a special meeting and proceedings may be had thereat as at an annual meeting, provided, however, that the notice of such meeting shall be the same as required for the annual meeting, not less than thirty days notice.

Section 4. The notice shall set out in reasonable detail the business to be brought before the meeting and each meeting shall be limited to the items set out in the notice in order that those casting absentee ballots may be permitted to express their desires. Members present may make suggestions covering items which they feel should be brought before the membership. If any such suggestions are approved by proper resolution of those members present, it shall be the duty of the Secretary to present such resolution to the members for consideration at the next regular or special membership meeting. It shall further be the duty of the Secretary to include with the notice of any regular or special membership meeting such suggestions or requests as may be properly presented in writing and endorsed by fifteen (15) or more members in good standing, provided such requests are received at least forty-five (45) days prior to the meeting date.

Section 5. Special meetings of the Association may be called by the Board of Directors, and shall be called by the President whenever requested in writing by 10% of the members who are in good standing. Such request shall clearly state the purpose for which the meeting is to be called and such meeting shall be called by the Directors, providing said purpose is germane to the purpose for which this Association is organized and for improvement thereof, otherwise, the Directors may refuse to call said meeting. Provided, however, that when special meetings are called pursuant to a petition of members, the Board of Directors may authorize a submission of additional matters for the consideration of the members at such meeting.

Section 6. 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 with the Association.

Section 7. The order of business at the annual meeting of the members shall be as follows, provided, however, that this order of business may be changed by the Chairman or by a majority of the members present:

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

Section 8. Members may cast their votes either in person or by absentee ballot when duly filed with the Secretary.

Section 9. A member must be in good standing. His dues and other assessments must be current by January 1st of each year in order for him to participate in the annual membership voting.

Section 10. Voting at special meetings is permitted if a member's dues and assessments were current within thirty (30) days prior to the special meeting.

Section 11. It shall be the duty of the Secretary to prepare a list of the members entitled to vote at each meeting against which list all members voting, whether by absentee ballot or in person shall be checked, either by the Secretary, or by some individual designated by the Board of Directors.

Section 12. The presence of twenty (20) votes, either in person or by absentee ballot, shall constitute a quorum for the transaction of business.

Section 13. Voting shall be by majority vote of those members present in person or by absentee ballot.

Section 14. The President shall preside over annual and special meetings of membership.

ARTICLE VII

Section 1. The management, affairs and policies of the Association shall be vested in the Board of Directors.

Section 2. All directors shall serve until their successors are elected.

Section 3. The directors shall fill all vacancies created by death or resignation.

Section 4. Directors shall appoint a nominating committee which shall place in nomination for directors at least as many names as there are nominees to be elected at the annual meeting. The committee shall be composed of members of the Association in good standing. The nominating committee shall meet and submit a list of nominees to the Secretary in writing not later than forty-five (45) days prior to the annual meeting.

Section 5. Members of the Association may nominate other candidates for directors. Such nominations shall be in writing, signed by the members making them and shall be placed in the hands of the Secretary on or before forty-five (45) days prior to the date of the election.

Section 6. The Board of Directors shall have a general power to carry on the affairs of the Association. Upon majority vote at a special or annual meeting, the Board of Directors shall have authority to borrow funds, to mortgage, pledge or otherwise encumber the assets of the Association as security for the properties of the Association, together with the right to assign, as further security, dues and capital assessments due or to become due the Association.

Section 7. The Board of Directors shall, after the annual meeting, select a President, one or more Vice-Presidents, a Secretary and a Treasurer. All officers of the Association shall be members of the Board of Directors. In addition, all officers of the Association shall be members of the Association in good standing.

Section 8. The Board of Directors shall have the power to appoint such other officers and agents and to hire *such* employees as may be necessary for the carrying out of the purposes of this Association.

Section 9. Any officer or agent may be removed by the Board of Directors whenever in the judgment of the Board of Directors, the best interest of the Association will be served thereby.

Section 10. The Board shall have such other powers as are set forth in these By-Laws or as are necessary and incidental in carrying out the general affairs of the Association and the Declaration of Restrictions, except as herein prohibited. A quorum of five members of the Board of Directors is necessary for the transaction of any business.

Section 11. The Board of Directors shall appoint or authorize the President to appoint from their own member or from members of the Association such committees as the Board deems necessary to carry on the affairs of this Association, and it shall define the powers and duties of such committees. The committees so appointed shall hold office during the pleasure of the Board of Directors.

Section 12. At the annual meeting held on the second Sunday of March, 1967, three directors shall be elected to terms of three years, three directors shall be elected to terms of two years, and three directors shall be elected to terms of one year. Thereafter directors shall be elected to terms of three years.

ARTICLE VIII

Section 1 President. The President shall be elected by a majority of the Board of Directors, and shall be an elected member of the Board of Directors. He shall have general and active management of the business of the Association and shall see that all orders and resolutions of the Board are carried into effect. He shall sign all legal documents authorized for his signature by the Board of Directors and appoint a chairman for all standing committees. The President shall be an ex-officio member of all committees.

Section 2. Vice-President. The Vice-President shall be elected by the Board of Directors and shall be an elected member of the Board of Directors. The Vice-President shall act in the place of the President in his absence or in the event the office of the President shall become vacant by death, resignation or otherwise, or due to the inability of the President to discharge the duties of his office, and the Vice-President shall also perform such other duties as may be delegated by the President of the Board of Directors.

Section 3. Secretary. The Secretary shall be elected by and from the membership of the Board of Directors. He shall preside over all meetings of the Board and shall keep the minutes of all meetings of the Association and of the directors and executive committee, and shall preserve in the books of the Association true minutes of the proceedings of all of such meetings. He shall give all notices required by statute, by-law or resolution. He shall keep a record of the names and addresses of all members of the Association, the property owned by each, of all transfers of membership and shall be custodian of the Association's Seal. He shall send to the lot owners all notices as to amounts due the Association for dues and assessments. He shall advise the Board as to all delinquencies and shall keep the Board informed regarding the properties of the Association, the liability insurance thereon and shall perform such other duties as are delegated to him by the President or the Board of Directors.

Section 4. Treasurer. The Treasurer shall have custody and keep accounts of all money, corporate funds, and securities of the Association 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, taking proper vouchers for such disbursements, and shall render to the President and Directors, at regular meetings of the Board, and whenever requested by them, an account of all his transactions as Treasurer and of the financial condition of the Association. If required by the Board he shall deliver to the President of the Association, and shall keep in force a bond in form, amount and with surety or sureties satisfactory to the Board, conditioned for faithful performance of the duties of his office, and for the restoration of or removal from office, of all papers, books, vouchers, money and property of whatever kind in his possession or under his control belonging to the Association. He shall perform such other duties as are delegated to him by the President or the Board of Directors.

ARTICLE IX

Dissolution

The Association may be dissolved only with the assent given in writing and signed by the members entitled to cast two-thirds of its membership vote. Written notice of a proposal to dissolve, setting forth the reasons therefore and the disposition to be made of the assets (which shall be consonant with Article X hereof) shall be mailed to every member at least ninety (90) days in advance of any action taken.

ARTICLE X

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 or utility to be devoted to purposes as nearly as practicable the same as those to 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 as nearly as practicable the same as those to which they were required to be devoted by the Association. No such disposition of the Association properties shall be effective to divest or diminish any right or title of any member vested in him under the recorded covenants and deeds applicable to The Properties unless made in accordance with the provisions of such covenants and deeds.

ARTICLE XI

Dues and special assessments, other than those specified in the recorded restrictions, may only be assessed upon the affirmative vote of two-thirds of the votes of members at an annual or special meeting.

ARTICLE XII

Amendments

These By-Laws may be amended, altered, changed, added to or repealed either by the majority vote of the membership at an annual meeting or any special meeting called for that purpose, or said By-Laws may be amended, altered, changed, added to or repealed by the affirmative vote of two-thirds of the Board of Directors. These By-Laws, however, shall not be altered, amended or changed so as to increase the dues or assessments of any member without the affirmative vote of two-thirds of the membership at an annual meeting or special meeting called for that purpose.