



# Lost Lake Woods Club

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## By-Laws

December 22, 2017



LLWA BY-LAWS December 22, 2017  
**LOST LAKE WOODS ASSOCIATION**  
**BY-LAWS, December 22, 2017**  
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## **ARTICLE 1. MEMBERSHIP**

### **SECTION 1. ELECTION**

Only persons possessing high moral character and high ethical standards may be elected to membership in Lost Lake Woods Association (Association, Club), previously expelled members are not eligible. Members are elected in the following manner, to wit:

A. 1. Such application shall be subscribed to by the applicant and his or her primary sponsor, co-sponsor, and a Director, the latter three of whom shall be members in good standing of the Association and none of whom may be a relative of the applicant. No one who will obtain financial gain from the sale of a lot(s) can be the sponsor of a membership applicant. The Director shall accept the application when all data required is completely supplied, and when the applicant and spouse, if applicable, have been interviewed by the Director. Telephone interviews are accepted in cases when personal interviews are impractical.

A. 2. Legacy memberships shall be available to children or grandchildren who have a sponsoring parent or grandparent that will act as co-signer to the Legacy Member's financial account until such time that the Legacy Membership is converted to full membership. Any Legacy membership shall be restricted in accordance with the terms and conditions set forth hereafter in the Lost Lake Woods Association By-Laws.

A. 3. Only one Legacy membership is granted to a Legacy membership applicant.

B. 1. The first listed name and corresponding signature on each application shall designate the person seeking to be a member in the Association. The spouse would sign below; all children need only to be listed. The first listed name with corresponding signature on each application or membership certificate shall be the official or recognized member for voting purposes. Spouses of official or recognized association members may seek nomination and be elected to the Board of Directors; however, no two (2) members of any one "immediate family" may serve concurrently as a Director.

B. 2. Every applicant shall have read these By-Laws and shall agree to abide by all provisions of present and future By-Laws and Rules and Regulations by placing his signature upon the application

C. A non-refundable processing fee in an amount determined from time to time by the Board of Directors shall accompany the completed membership application and shall be forwarded to the office of the Association. The office shall then verify all data thereon; obtain a credit history of the applicant; obtain character references from those people named by the applicant, and if necessary, arrange for a director interview.

- D. The office shall thereafter present the applications to the Board of Directors for action there on at the next ensuing Director's meeting, at which the Directors shall vote by secret ballot upon the approval or denial of the application. More than two (2) negative votes shall be a denial of application.
- E. If the applicant is approved for admission to membership in the Association, then he/she proceeds as hereinafter prescribed.
- F. 1. It is required that each member must also be an owner of one or more lots within the Lost Lake Woods subdivision. All approved applicants for membership shall be notified by the Association immediately upon the effective date of such approval, at which time each applicant shall be supplied with a list of available, purchasable memberships and a designation of the parcel of land associated with such membership (membership lot). Membership applicants may not purchase membership lots from their sponsors.
- F. 2. For purpose of this subsection, an owner is defined as any of the following:  
1 – individual owner; 2 – joint tenant with full right of survivorship; 3 – tenant in common; 4 – life tenant; 5 – land contract vendee (but for only so long as land contract is not in default); 6 – Settlor or Grantor of a Revocable Living Trust where property is held in said trust. Upon the death of the Grantor or Settlor, the membership will be transferred to the surviving spouse, so long as the surviving spouse is the sole primary beneficiary of the trust or once title to the property is transferred to said spouse. Provided, however, that no lot shall have attached thereto more than one membership. Membership certificates wherein the membership is in an individual name will be transferred to the living trust of the member upon request of the member. There will be no charge for this transfer.  
Definitions – Living Trust (inter vivos trust): A trust that is created and takes effect during the settlor's lifetime. Grantor Trust: A trust in which the settlor retains control over the trust property. Settlor: A person who makes a settlement of property or one who sets up a trust.
- G. 1. A membership shall be consummated, except as further restricted by Article I, Section 3, the moment the approved applicant has had transferred to him or her, a membership certificate and a membership lot. Failure of the approved applicant to fully acquire such membership lot within twelve (12) months of the effective date of his or her approval for membership shall thereupon cancel such approval.
- G. 2. An approved applicant for Legacy Membership shall have five (5) years from application approval, or until said applicant's 35<sup>th</sup> birthday, whichever is longer, to purchase a Membership Lot as described in Article 1, Section 1.
- H. An heir-in-law or a devisee of a deceased member EXCEPT THE MEMBER'S SURVIVING SPOUSE must likewise apply for membership in accordance with the foregoing steps, after first having paid, satisfied and discharged all obligations of the decedent to this Association and after having acquired a clear legal title to the membership lot of the decedent.

- I. A current member who sells his or her last remaining membership lot, and who desires to retain membership in Lost Lake Woods Association, shall be allowed twelve (12) months from the date of sale of his or her last membership lot to acquire a new membership lot without having to apply as a new member or pay a transfer fee for membership in the Association. The provisions of Section 3 shall apply to acquisition of such membership, except that Section 3, E shall not apply. The transfer of membership is treated in Section 3, F. During the period of time between sale of his or her membership lot and acquisition of a new membership lot, such person is not a member of Lost Lake Woods Association and may not enjoy the privileges of membership, except as the guest of a member in good standing.
- J. 1. Legacy Membership Program – The Legacy Membership Program shall be open to all children and grandchildren of existing members in good standing. Legacy Membership must be approved before the applicant attains the age of 35.
- J. 2. The Legacy member's spouse, and all children, will enjoy "immediate family" status as defined in Article 1, Section 4.
- J. 3. The sponsoring parent or grandparent of the Legacy Member must act as co-signer on the account of the Legacy Member and shall guarantee payment of any late or outstanding debts incurred by the member and not paid according to Article 1, Section 12, by the Legacy Member. If said account becomes delinquent, the balance owing on said Legacy member's account shall be billed on the sponsoring parent or grandparent account.
- J. 4. The Legacy Member must show proof of a minimum income upon application. That minimum income amount will be determined for that fiscal year by the Board of Directors and reviewed from time to time and adjusted as needed.
- J. 5. Legacy Members will have no right to vote and have no equity ownership in the club.
- J. 6. Legacy Members will not be obligated to pay any dining and lodge minimum and will not receive any credit towards the same.
- J. 7. If the sponsoring parent or grandparent is no longer a Lost Lake Woods Club Member for any reason, the Legacy Member shall have 3 months to become a full member or their Legacy Membership shall automatically be terminated.
- J. 8. The Board of Directors will set the application fee for a Legacy Member.
- J. 9. If the Legacy Member transfers to full membership status, said Legacy Member shall receive a Lot Purchase Credit as follows:
- a. If the Legacy Member purchases a lot in the first year that they are in the Legacy Membership program, a \$300.00 credit will be applied to their account to be used for any charges except dues.

b. If the Legacy Member purchases a lot in the second year that they are in the Legacy Membership program, a \$200.00 credit will be applied to their account to be used for any charges except dues.

c. If the Legacy Member purchases a lot in the third year that they are in the Legacy Membership program, a \$100.00 credit will be applied to their account to be used for any charges except dues.

J. 10. At the end of the Legacy Membership eligibility, a lot must be purchased and full membership obtained, otherwise, the Legacy Membership shall automatically terminate and all credits shall be forfeited.

## **SECTION 2. LIMITATIONS AND OBLIGATIONS**

- A. Membership in this Association shall be limited to 1,578 which is the total number of regular and multiple memberships as of January 1, 1991. A membership lot shall consist of at least 6,000 square feet. Should a deviation, indicating a membership lot has less than 6,000 square feet, be found in a current survey of an existing membership lot, this deviation must be approved by the Board of Directors.
- B. Any lot now owned or hereafter acquired by the Association up to the approved membership limit of 1,578 (includes regular and multiple memberships) may be sold, only with the approval of the Board of Directors, at the current market value to any existing or new member. However, any lot acquired by the Association in excess of the approved membership limit shall not be sold, except with the approval of the Board of Directors and then only to an existing member (as distinguished from a new member) and for the purpose of enlarging another lot.
- C. Upon and following acceptance of membership, each such member consents to and shall abide by Association Rules and Regulations and By-Laws and shall timely pay, satisfy and discharge all financial dues, assessments, charges for personal services and other financial obligations and responsibilities incurred by or imposed upon him/her.

## **SECTION 3. TRANSFER OF MEMBERSHIP**

No transfer of membership and membership lot may be consummated unless and until the following have been accomplished, to-wit:

- A. The subject member shall already have been approved for and elected to membership in accordance with Article I, Section 1 hereof.
- B. The payment in full of all delinquent and current dues, club assessments, house accounts and taxes and assessments on the membership lot.
- C. The request for transfer of membership and sale of membership and sale of membership lots shall be accompanied by the issued certificate of membership, the recorded deed and



all other indicia of ownership, and evidence of title (abstract of title or title insurance), if any, in the party or parties transferring said membership and lot.

- D. A transfer fee for the transfer of membership and the transfer-conveyance of a membership lot shall be paid to the Association in an amount established from time to time by the Board of Directors.
- E. Such transfers to a person who is not an existing Association member, or who is not a member of the “immediate family” of an existing member of the Association, in good standing, shall be accompanied by an initiation fee in an amount as shall be determined by the Board of Directors.
- F. Such transfer to a person who is an existing member, spouse, son, daughter, spouse of son or daughter, or parent of an existing member or spouse, in good standing, shall not require the payment of said initiation fee.

#### **SECTION 4. IMMEDIATE FAMILY**

- A. The phrase “immediate family” whenever used in these By-Laws or in the Association Rules and Regulations, shall refer to the husband and wife and their sons, daughters and parents.
- B. A person who is a son or daughter of a member in good standing of the Association, who has not attained the age of twenty-five (25) years, is unmarried, and is living with or is dependent upon such member, and the spouse, may enjoy all the privileges of a member in good standing except that of vote. All other persons of the immediate family of such a member in good standing shall be considered “guests” of such member, or shall procure his or her separate membership in this Association.

#### **SECTION 5. MEMBERS IN GOOD STANDING**

##### **Their benefits and privileges**

- A. Only those members of this Association whose dues, membership assessments and membership lot taxes and assessments and charges for personal goods and services and other financial obligations and responsibilities incurred by or imposed upon them are current and fully paid, and whose memberships are not under suspension for By-Laws and/or Rules and Regulations violation, are Members in Good Standing. Those members in arrears who have made arrangement for a payment plan with the Club office as described in Article I, Section 12d, are considered members in good standing.
- B. All Members in Good Standing are entitled to as many interest shares in the assets of this Association as the number of memberships owned. Each Member in Good Standing shall have only one vote, regardless of the number of memberships owned. Such member, spouse and unmarried children living at home, under twenty-five (25) years of age, are

entitled to the privilege of the use of all the facilities of the Association, which are not limited by, but are inclusive of Clubhouse, lands, lakes, recreational facilities, camping grounds and other physical attributes of the Association, subject however, to such Rules and Regulations as may be established by action of the Board of Directors.

## **SECTION 6. MEMBER DISCIPLINE**

- A. Suspension, expulsion, or lesser discipline of a member by the Board of Directors may result from one or more violations of these By-Laws or the Association Rules and Regulations as may be amended from time to time or conduct unbecoming a member, which includes, but is not limited to, any unlawful conduct that leads to conviction in a court of local jurisdiction or any felonious conduct, regardless of jurisdiction. An intention to suspend, expel, or discipline a member shall be manifested and commenced with a written notice stating the charges serving as the basis thereof forwarded to the alleged errant member to his last known address by regular mail, and at least fifteen (15) days prior to that meeting of the Board of Directors at which a discussion of and vote on such actions is scheduled to be taken. At this meeting the said member shall be given ample opportunity to present their defense, if any, of the charges serving as the basis of suspension, expulsion, or discipline of a member.
- B. Any member or member of immediate family who is convicted in a court of law of violating the Fish and Games Laws of the State of Michigan or of the United States while on Association property, shall, thereupon, be suspended from membership privileges in this Association. The suspended member is required to notify the Association in writing of said event and request a meeting with the Board of Directors (refer to Article IV, Section 2) to discuss any mitigating circumstances. At said meeting, the Board of Directors shall hear the details as necessary and determine the length of such suspension and/or expulsion (not less than one (1) year from the date of such conviction being used as a guideline for substantial violations). In addition thereto, the full identity of such member and full revelation of the crime shall be posted on the bulletin board or other conspicuous place in the Clubhouse all during the period of suspension.
- C. Suspension or lesser discipline may mean a withholding of any or all benefits, privileges and use of Association activities, facilities and voting.
- D. Suspension or disciplinary action, shall not excuse the said suspended member from his/her duty to pay all dues, lot fees, assessments and like as they may arise.
- E. Suspension or discipline of membership does not prohibit the suspended member from having access to his/her physical property, provided access is made by the most direct route after entering Association property via the main gate only at Fox Road and F-41.
- F. Any member may be suspended or expelled for sufficient cause by a two-thirds vote of the Board of Directors present and voting at such meeting where a quorum exists. Abstentions shall not be considered in determining the two-thirds majority. The

determination of the Board of Directors as to the sufficiency of the cause therefore shall be final.

- G. Disciplinary actions that do not rise to the level of suspension or expulsion may include but are not limited to: written warning, reprimand, monetary fine, probation. Monetary fines shall graduate in scale and shall range from \$75 to \$300. Funds collected from any fines shall be appropriated to the general fund. These actions require a simple majority of those Board Members present and voting where a quorum exists. Abstentions shall not be considered in determining the simple majority.
- H. The Board retains the right to recover actual costs of damage from any disciplined, suspended, or expelled member.

## **SECTION 7. MULTIPLE MEMBERSHIPS**

Multiple memberships refer to those members owning more than one membership. For each multiple membership annual dues shall be **one-third of full annual dues (capital and operating portion)**. The multiple membership dues shall be apportioned for the operating budget. These multiple memberships carry no additional voting rights. All benefits emanating from ownership of lots within the Association subdivision accrue to the owners, subject to payment of dues, taxes and assessments.

## **SECTION 8. CONSTRUCTION AND STRUCTURES ON LOTS**

- A. There shall be no alteration or addition to existing structures, no assembling and placing upon or construction upon any membership lot within the confines of the Association subdivision until the written approval has been issued by action of the Board of Directors or the Subdivision and Grounds Committee. All such alteration, addition, assembling and construction shall conform to codes and standards of the state and local government pertaining to the housing of persons, as well as conforming to the regulations of the Board of Directors. Pertinent building and sanitary permits must first be obtained from the appropriate government agency, and written approval of all plans for alteration and additions of existing structures and for new construction, all on Association forms, must first be obtained from the Board of Directors or the Subdivision and Grounds Committee. All permits shall be prominently displayed on the building site.
- B. The following minimum specifications shall be complied with, to wit:
  - 1. Each residential building site shall consist of not less than 11,000 square feet.
  - 2. Only one single-family residential building shall be constructed on each building site with main square footage to be not less than 800 square feet. In addition, there may be assembled or constructed thereon such outbuilding(s) as may be approved by the Board of Directors, which may be used for storage only. No buildings may be used for other than single-family residential purposes.

3. The following setback requirements shall be observed at all times:
  - (a) No structure shall be placed closer than forty (40) feet from the front lot line, except that a front lot line setback of an existing residential structure on the same side of the street in that same block closer than forty (40) feet to the front lot line may be permitted: provided, however, that in no case shall such setback be closer than twenty-five (25) feet from the front lot line.
  - (b) No structure shall be placed closer than ten (10) feet from the side lot lines, except that, should the side lot line abut a side road, such setback shall be at least twenty (20) feet from such side road. A detached accessory building may be placed as close as ten (10) feet from the rear lot line, if the rear lot abuts another lot. However, if the rear lot line abuts a road, then it should be treated the same as a front lot line, with a forty (40) foot setback for all buildings.
  - (c) Applications for new construction, changes and/or additions are approved by the Subdivision and Grounds Committee when By-Law building specifications have been followed. If a deviation from By-Law specifications is desired, a variance must be requested for Board approval. The Board of Directors may give approval only with the signed consent of a majority of adjacent property owners, including those directly across the street.
4. Outbuildings shall not be higher than 16 feet, nor be larger than 800 square feet in area.
5. Grade levels of building sites may not be changed without written approval of the Board of Directors.
6. All construction shall be on a steadily continuing basis and within a reasonable start-to-finish period. All structures and stored building materials shall be maintained in a non-hazardous state.

## **SECTION 9. NON-PERMANENT DWELLINGS**

- A. No travel trailer, mobile home, camper truck, tent or other non-permanent dwelling structure is permitted to be used in the Association subdivision without written approval of the Board of Directors.
- B. The use of the campground is limited to members and their guests. The Board of Directors is authorized to establish rules and regulations relating to the campground.

## **SECTION 10. DUES AND TAXES**

A. 1. Commencing as of January 1, 2018, each member shall pay annual dues at the rate of one hundred and fifteen dollars (\$115.00) per month for one year; then effective January 1, 2019 at the rate of one hundred and twenty dollars (\$120.00) per month for one year; then effective January 1, 2020 at the rate of one hundred and twenty-five (\$125.00) per month. Annual dues are paid on one membership for which the member shall be entitled to one vote.

A. 2. Legacy Membership members will pay annual dues as follows:

- (a) Year 1 of membership (until December 31 of the initial year) fifty percent (50%) of annual dues less the dining room and lodge minimum.
- (b) Year 2 of membership beginning January 1 of the First full year in the Legacy Program – seventy-five percent (75%) of annual dues less the dining room and lodge minimum.
- (c) Year 3 and beyond which in the Legacy Membership program – one hundred percent (100%) of annual dues less the dining room and lodge minimum.

B. 1. With the exception of the Legacy Membership dues, the annual dues shall be apportioned as follows: One hundred and twenty-five dollars (\$125.00) for major maintenance, replacements, and capital assets, and one hundred twenty dollars (\$120.00) dining room and lodge minimum, and all remaining funds shall be apportioned for the operating budget.

B. 2. Legacy Membership dues will be apportioned as follows: Sixteen percent (16%) of the total dues paid in the program for major maintenance, replacements, and capital assets, eighty-four percent (84%) shall be apportioned for the operating budget.

C. Pro-rata share of taxes due on Association property shall be paid by each member. Those members owning more than one membership shall pay an equal number of pro-rata shares as the number of memberships owned. The pro-rata share shall be placed in a special bank account, and withdrawals from such account shall be made only to pay taxes on said property of the Association or for the purpose of diversified investment of said funds until such time as taxes are due. Taxes shall be billed to members, in accord with the taxing schedule of county/township authorities.

D. The Manager shall maintain a depreciation schedule for the Association's physical assets (structures, facilities, equipment, vehicles, etc.).

E. Mineral Fund – The use of this fund shall be directed only for capital improvements and their associated expenses and not be used as a financial source for paying operational expenses nor for funding any operational deficit through borrowing.

## **SECTION 11. ASSOCIATION AREAS – UNSUBDIVIDED LAND**

A. The entrance to the area known as Lost Lake Woods Association, or Club grounds and

subdivision, as established at Fox Road where it intersects with County Road F-41, is the only authorized entrance for members, guests, service, and supply personnel, and authorized members of the public. All other “ways” into this area are and shall continue to be equipped with suitable gates which shall be kept closed and locked, subject, however, to being unlocked and opened by authorized members and personnel. Fences may be cut and gates and “ways” may be relocated by order of the Board of Directors.

B. The Board of Directors shall present to the membership all matters pertaining to the nature, use, sale, rental or lease of Association land. Association land is defined as land within Association boundaries, which is not specifically designated as membership lot(s). Such presentation shall include all planning data, which shall first be published in the Lost Lake News and posted on the bulletin board in the Clubhouse, at least ninety (90) days before a vote of the membership thereon, and which date shall list:

1. Location and nature of change or action
2. Cost of project and proposed method of financing same
3. Proposed cost of operation and maintenance thereof
4. Proposed time of completion thereof
5. Environmental impact of project

C. Prior to the disposition of any Association acreage, the Board of Directors shall first obtain the written consent by ballot under the procedures set forth in Article II and the approval requirements outlined in Article V to do any of the following:

1. To rent or lease the property other than for oil and gas purposes
2. To sell any Association acreage
3. To exchange any Association acreage.

(Note: There are certain areas of Association acreage, which are restricted by a 1984 consent judgment. The rent, sale or exchange of those areas requires written consent of two-thirds (2/3) of the Association membership.)

D. The limitations and restrictions contained in this Section 11 shall not apply to those dispositions taken under eminent domain or any easements granted that would fall under the classification of rights of way, ingress and egress, public utilities, nor to any conveyance to a public authority which is required for the health, safety and welfare of the members.

## **SECTION 12. DELINQUENCIES AND PENALTIES**

By the tenth day of each month all dues and indebtedness of members for the preceding month shall be billed and payable. If the member shall not have paid the amount so billed on or before the last day of such month, such amounts shall be deemed delinquent and a late charge of 1.5% per month shall be added to amounts remaining unpaid. Notice of delinquency shall be sent to such member and if he/she fails to pay such amounts within 15 days from the mailing of such notice, such member shall be suspended from all privileges of the Club.

At any time following such suspension the Board may invoke additional sanctions with respect to such delinquent member. The Board may authorize the institution of legal action by the Club for the collection of dues, assessments, indebtedness or other financial obligation owing to the Club by a member.

## **ARTICLE II. MEMBERS' MEETINGS**

### **SECTION 1. ANNUAL MEMBERSHIP MEETING**

- A. Meetings of the membership of the Association shall be held annually at the Clubhouse, or such other place as shall be designated by the Board of Directors, on the third (3<sup>rd</sup>) Saturday of October at 1:00 p.m.
- B. This meeting shall be for the purpose of electing Directors as provided in Article III and for the transaction of such other business as may be brought before it. Notice of any proposed resolution must be submitted to the Board of Directors on or before August 1. Proposed resolutions shall be mailed to the members of the Association in good standing with their ballot for the Annual Election.
- C. The order of business of the Annual Meeting shall be as follows:
  - 1. Reading the minutes of previous annual meeting.
  - 2. Reports of Officers
  - 3. Reports of Committees
  - 4. Member delegations
  - 5. Unfinished Business
  - 6. New Business
  - 7. Announcement of the result of the election

This order of business may be changed by the Chairman or by a majority vote of members present.

## **SECTION 2. SPECIAL MEETINGS**

- A. Special meetings may be called by the Board of Directors and shall be called by it whenever requested to do so in writing by not less than twenty percent (20%) of members in good standing. Such request shall clearly state the purpose for which the meeting is called. Action taken at such meeting shall be limited to the matters therein stated; however, when special meetings are called pursuant to a petition of members, the Board of Directors may incorporate additional matters for consideration. The Board of Directors shall call a special meeting within 180 days after receiving a membership petition for a special meeting.

## **SECTION 3. NOTICES**

Written notice, including a ballot, if appropriate, of the time, place and purpose of meeting shall be given by mail to each member entitled to vote at the meeting, not less than fifteen (15) nor more than sixty (60) days before the date of the meeting. All such notices shall also be posted in a conspicuous place on the Clubhouse bulletin board.

## **SECTION 4. QUORUM**

One hundred (100) votes cast by members in good standing shall constitute a quorum. Such votes are those of members who cast votes by ballot. When there is less than a quorum of votes cast, the membership vote will be invalid.

## **SECTION 5. MAJORITY VOTE**

Refer to Article V, Majority Membership Vote Decides.

## **ARTICLE III. NOMINATION AND ELECTION OF DIRECTORS**

### **SECTION 1. NOMINATING COMMITTEE**

At its March meeting the Board of Directors shall appoint a Nominating Committee consisting of six (6) Association members in good standing. None of the appointees to the Nominating Committee shall be a director. The Nominating Committee shall nominate five or more members in good standing. The report of the committee shall be submitted to the Board of Directors at the June meeting for its approval, shall be published in the next ensuing issue of the Lost Lake News, and shall be posted in a prominent place on the bulletin board in the Clubhouse.



Nominees' resumes and photographs shall be published in the August issue of the Lost Lake News.

## **SECTION 2. NOMINATION BY MEMBERS**

Fifty or more Association members in good standing may nominate candidates, who must be Association members in good standing, for any and all offices to be filled at the annual election. Such nomination shall be in writing, signed by the nominators, and delivered to the Secretary not later than five (5) days before the regular August meeting of the Board of Directors or August 20<sup>th</sup>, whichever is later.

## **SECTION 3. PRINTING OF BALLOTS**

With Board of Director approval, the office shall have ballots printed, upon which shall appear the names of all nominees, as well as all propositions and/or amendments proposed. Instructions on voting and use of the ballot shall also be printed thereon, as described in Article III, Section 5 below. No candidate's name shall appear on the ballot more than once.

## **SECTION 4. BALLOTS – FORWARDING AND RE-FORWARDING**

The Board of Directors shall authorize the office to keep a Poll Book or similar record in which shall be inscribed names and addresses of all association members. Ballots shall be mailed to all members in good standing, as defined in Article I, Section 5 of these By-Laws, at least fifteen (15) days prior to any meeting of the Association membership each year. There shall be enclosed in such mailing with each ballot a separate envelope entitled "Election Tellers – Ballot Enclosed" into which the ballot cast shall be inserted, after which this envelope shall be sealed. A second envelope shall also be enclosed in said mailing, into which the first-described sealed envelope shall be inserted. This second envelope shall be signed by the member, whose ballot is enclosed, and re-forwarded to the Election Tellers.

No member may be entitled to cast more than one ballot at any single election, regardless of the number of memberships held, and regardless of the number of full or multiple dues paid.

A person must be registered as a member on the Association's books in order to receive notice of the meeting and to vote. Record date for voting eligibility is thirty (30) days prior to vote.

## **SECTION 5. METHOD OF VOTING**

Polls will be opened on the day ballots are mailed to the membership. Voting may be done either in person or by mailing the ballots directly to "Election Tellers" at the Clubhouse, or such other place as a meeting may be held. Ballots so mailed shall be opened by the Tellers after the Polls are closed on the day of election or meeting, and not before. No votes shall be counted except those votes cast personally by members entitled to vote, or votes received in the regular course of the United States mail in envelopes bearing the name and address of such voting

member in the place designated on such envelopes. All voting shall be accomplished only by the Association member in good standing authorized to vote.

## **SECTION 6. CONDUCT OF ELECTION**

- A. In advance of the election, the President of the Board of Directors shall appoint two or more members in good standing as Election Tellers. These Tellers shall have custody of all ballots mailed into the Clubhouse, as well as all ballots cast at the Clubhouse, and shall conduct all voting. These tellers shall ascertain to their satisfaction that all ballots received by mail, as authorized by Article III, Section 5, and all ballots cast in person are authorized ballots and are deposited in the ballot box.
- B. The Poll Book or similar record shall have inscribed therein the names of those members voting. The polls shall be closed at 8:00 a.m. on election day.
- C. The Election Tellers shall commence at 8:00 a.m. to tally all ballots on election day, shall segregate those considered invalid, and shall submit a written report of their tabulation, subscribed to by each of them, to the chairman of that meeting, who shall announce the contents of said report to those there assembled, and shall post said report in a conspicuous place on the Clubhouse bulleting board. Said report shall also be published in the very next issue of the Lost Lake News.
- D. Ballots shall be secured for a period of 15 days unless there is a recount request, and then they shall be secured until issue is resolved.
- E. Any candidate can request a recount by filing with the manager a written request not later than 14 days after an election. Any request is to be performed under the supervision of the accounting firm designated to perform the club's annual audit. The full cost of any such recount is to be born by an unsuccessful challenger. For purposes of this Section, an unsuccessful challenger is a candidate who, after the recount, does not prevail in the election.

## **ARTICLE IV.**

### **DIRECTORS: MEETINGS-APPOINTMENTS-POWERS**

## **SECTION 1. NUMBER AND TERM OF OFFICE**

- A. The business and property of the Association and all of its publications shall be managed and controlled by the Board of Directors, except as these By-Laws may authorize, delegate and/or require action by one or more officers and/or Association members. The authority of all officers and directors may be exercised only at meetings of the Board of Directors, except as herein otherwise provided.
- B. The number of directors shall be nine (9) and their election shall be as follows: at each

Annual meeting there shall be three (3) candidates elected for a three (3) year term.

- C. The terms of all directors so elected shall commence following the December Board of Director's meeting and they shall attend closed meetings until seated.
- D. All directors shall serve until their successors have been elected, qualified and installed.
- E. No director shall serve more than two (2) consecutive elected terms, and he or she shall be ineligible for nomination for, election to, or appointment to the Board of Directors for a period of two (2) years following his or her second successive elected term.
- F. Recall proceedings against Directors may be instituted by the filing of a request, stating reasons and/or charges and signed by one-hundred (100) members of the Association in good standing, with the Secretary or President of the Association. Upon receipt of such a request, the Board of Directors shall arrange a hearing with any and all petitioners within 30 days of receipt of the request to discuss the grievances. If the petitioners do not then withdraw the recall request, the Board of Directors shall arrange for a special election, which shall be held within 60 days of the hearing.
- G. Compensated employees of the Club are not eligible to serve on the Board of Directors.

## **SECTION 2. MEETINGS**

Meetings of the Board of Directors may be called at any time by the President and shall be called upon the request of a majority of said Board. Directors shall be notified in writing of the time and place, in person or by mail. When given by mail, such notice shall be posted at least

three days prior to the meeting, with the exception of the annual meeting of the Board of Directors, for which no notice need be provided. Attendance of a director at a meeting shall constitute a waiver of notice of said meeting, except where the director attends the meeting for the express purpose of objecting to the transaction of any business for the stated reason that the meeting is not lawfully called or convened.

Subject to notification to the club manager and approval of the Board President, each Director may request, by writing at least one week in advance, permission to attend any LLW Director's meeting via electronic conference. No Director shall attend electronically more than three times per year and requests for permission shall be treated on a first come, first served basis. A minimum of 6 directors must be physically present for the meeting. At any such meeting, a Director attending electronically shall have the same rights as those attending in person including voting, making of motions, and access to the floor. However, the presence of any Director attending electronically shall not be counted toward a quorum. Electronic attendance shall be considered a privilege and not a right, and Director's shall bear the cost of any personal hardware or equipment necessary to accomplish their electronic attendance. Electronic attendance cannot be guaranteed to be available to the directors. The board shall establish a written policy addressing the manner, cost, and mechanics of electronic attendance.

Board of Director meetings are open to members of the Association. Closed meetings are held only for resolution of sensitive issues dealing with employee or member problems or preliminary budget review. No other matters shall be discussed at closed meetings.

The Board of Directors may hold study sessions to discuss and gain knowledge on issues that may need resolutions. Members may attend with no participation.

### **SECTION 3. QUORUM**

A majority of the members of the Board then in office constitutes a quorum for the transaction of business. The vote of the majority of the persons present at a meeting at which a quorum is present constitutes the action of the Board, except that a Board proposal to the Association membership to amend or change the By-Laws requires the affirmative vote of not less than two-thirds (2/3) of the members of the Board then in office. Should less than a quorum be present at any meeting, the same shall be adjourned until such time as a quorum can be gathered. No director may vote by proxy.

### **SECTION 4. VACANCIES**

When a vacancy occurs on the Board of Directors after the annual election set forth in Article IV, Section 1 (B), and the vacancy shall be filled by the nominee who received the next highest number of votes in the previous annual election. Such nominee will serve until the next annual election at which time any remaining portion of the term will be filled. The Board of Directors will not make appointments under the provisions of this section unless no nominees from the previous annual election accept the vacant position. Should no nominee from the previous annual election accept the vacant positions, the Board of Directors, through majority vote, will appoint directors to serve until the next annual election? In those instances where the Board of Directors is required to make such appointments, the appointee will serve until the next annual election at which time any remaining portion of the term will be filled.

Should a Director fail to attend two (2) successive meetings of the Board of Directors, without just cause as determined by said Board, it may declare vacant the office of that non-attending Director, and his or her successor shall be elected as provided herein.

### **SECTION 5. APPOINTMENTS**

The Board of Directors may appoint such agents as they may deem necessary for the transaction of the business of the Association. All such appointments shall be reviewed annually by the Board of Directors and the Manager.

### **SECTION 6. BUSINESS OFFICE**

The Association shall maintain an office for the transaction of business, receiving and collecting dues, sending statements of indebtedness, and keeping all books and records of the Association. Such office shall be located at the Clubhouse and will be under the control of the Manager of the Association, who shall be responsible directly to the Board of Directors. The Manager of the Association shall employ such clerical help as is necessary to operate this office in an efficient manner.

### **SECTION 7. APPOINTMENT AND DUTIES OF THE MANAGER**

- A. The Board of Directors shall appoint a Manager. The Manager's term shall be initially for one (1) year with subsequent terms up to a maximum of three (3) years, renewable at contract end, at the discretion of the Board of Directors.
- B. The duties shall include the operation and maintenance of the Clubhouse and all of the amenities of Lost Lake Woods Association. Further, the manager shall maintain a system

of accounting of the financial affairs of the Association, as shall conform to generally accepted practices and procedures of public accountants, and he shall perform such other duties as may be required of this office by the Board of Directors.

- C. The Manager shall have the authority to hire and discharge non-salaried employees whose positions are approved by the Board of Directors. The decision to hire or discharge contract and salaried employees shall be at the request of the Manager with the approval of the Board of Directors.

## **SECTION 8. COMMITTEES**

The Board of Directors as a body appoints members to standing committees, as described in sub-sections A through F below. The President of the Board of Directors designates directors to serve as liaison to all committees established by the Board. Liaison directors of non-standing committees select the committee chairmen, who in turn select their own committee members. Committee chairmen of the standing committees are elected by their members annually at the first meeting of the committee.

The Board of Directors shall appoint members to the standing committees during the Board of Director's meeting in December.

Committee terms will run from January 1<sup>st</sup> to December 31<sup>st</sup> and if a vacancy occurs on a standing committee, the Board of Directors may appoint a new committee member to fill the balance of the unexpired term.

Applications for positions on all committees are required by November 15<sup>th</sup> and the applications for non-standing committees will be forwarded to each chairman.

No standing committee member may serve more than two (2) consecutive terms, and shall be ineligible for appointment to that standing committee for a period of two (2) years following the second successive appointed term.

No two (2) members of any one "immediate family" may serve concurrently on the same permanent committee.

Two (2) un-excused absences by any committee member in the calendar year will result in dismissal from the committee with a replacement appointed by the Board of Directors or non-standing committee chairman for the balance of the term. An un-excused absence is the failure to attend a scheduled committee meeting without just cause, as determined by the committee and/or without notifying the committee chairman in advance.

A member who is not in good standing or who is on probation or suspended may not be appointed to or remain on any committee. The vacated position will be filled for the remainder of the term by the Board of Directors or the chairman depending on the committee.

#### **A. FUTURE PLANNING COMMITTEE**

The Future Planning Committee shall consist of a member from each of the other standing committees for a one year term, and three (3) appointed members. After the first appointments thereto, the terms for which shall run from one (1) to three (3) years, one (1) member shall be appointed each year to serve a three (3) year term.

The duties shall be to study the future needs and proper development of the Association, its facilities and resources, and to submit written recommendations thereon from time to time, but not less frequently than annually. The Committee shall also consult with chairmen of other committees when subjects for discussion/recommendation warrant this action.

#### **B. FINANCE AND AUDIT COMMITTEE**

The Finance and Audit Committee shall consist of six (6) members. After the first appointments thereto, the terms for which shall run from one (1) year to three (3) years, two (2) members shall be appointed each year to serve a three (3) year term.

The duties shall be to advise the Board of Directors on all matters affecting the financial well-being of the Association; to plan, recommend and supervise the financial policies; to study and report on trends that could affect Lost Lake Woods Association, its members, or their use thereof, and to exercise responsible control over any other matters involving the Association's overall financial interest. The committee shall prepare an operational budget of all Club operations and capital spending in cooperation with the various committees and the Manager. The budget shall be submitted to the Board of Directors for its consideration no later than the November board meeting each year.

#### **C. GOLF COMMITTEE**

The Golf Committee shall consist of nine (9) members. After the first appointments thereto, the terms for which shall run from one (1) year to three (3) years, three (3) members shall be appointed each year to serve a three (3) year term. The golf professional and golf course superintendent shall be ex-officio members.

The duties shall be to set the yearly calendar for all golf events, and to review and update, as needed, all rules and regulations governing conduct and play on and around the golf course, and shall also make recommendations to the Board of Directors to improve course playability and maintainability.

#### **D. CONSERVATION COMMITTEE**

The Conservation Committee shall consist of nine (9) members. After the first appointments thereto, the terms for which shall run from one (1) year to three (3) years, three (3) members shall be appointed each year to serve for three (3) years.

The duties of this committee shall be: recommend to the Board of Directors expenditures regarding improvement of wildlife habitat, road, trail, boat, dock maintenance; and a program for commercial and membership wood cutting for the purpose of improving wildlife habitat. This committee shall promote a continuing program, staffed and/or contracted, to preserve the natural resources of the Club. Further, this Conservation Committee shall supervise the following: cultivation and planting of farm fields, winter wildlife feeding, maintenance of lakes and streams, and any other assignment pertaining to forest and wildlife management that the Board of Directors deems necessary.

#### **E. HOUSE AND BEACH COMMITTEE**

The House and Beach Committee shall consist of six (6) members. After the first appointments hereto, the terms for which shall run from one (1) to three (3) years, two (2) members shall be appointed each year to serve a three (3) year term.

The duties shall be to recommend and advise the Board of Directors on all matters pertaining to the Clubhouse, dining room, kitchen, swimming beach, pavilion, etc. The committee shall adopt and promulgate, subject to Board and management approval, all rules and regulations governing the use of these facilities.

#### **F. PROMOTIONS COMMITTEE**

The Promotions Committee shall consist of six (6) members. After the first appointments thereto, the terms for which shall run from one (2) to three (3) years, two (2) members shall be appointed each year to serve a three (3) year term.

The duties shall be to develop plans and submit recommendations to promote the Association to attract new members and increase facility usage.

#### **G. COMMITTEE DUTIES AND RESPONSIBILITIES**

1. The duty of any committee appointed by the Board of Directors is and shall be as an advisory group to the Board of Directors and to the Association Management. No committee, committee chairman or committee member, without the prior consent of the Board, has the authorization to purchase, collect funds, to open bank accounts, to implement policy, or to bind or obligate the Association in any way, manner or by any means.
2. Committees established by the Board of Directors or other organizational entities recognized by the Board of Directors are prohibited from engaging in political activities

pertaining to any Association election or any issue requiring a vote of the Association membership. Activities prohibited include the endorsement or proposed rejection of a candidate or candidates for election to the Board of Directors and any suggestions as to how Association members should vote on proposals for By-Laws changes, dues proposals, proposed assessments or any issue proposed for membership vote. Individual members or a group of members wishing to engage in political activity may not use Association or committee stationery or letterheads; may not execute or sign letters or petitions over a Committee or Association designation; nor may such members or group(s) of members engage in any activity which, in the sole and exclusive judgment of the Board of Directors, expressly or by the way of implication, gives the voting membership the impression that said persons or group(s) of persons have the apparent authority of the Association. Said persons or group(s) of persons are further prohibited from using Association member mailing lists from Association offices other than for personal use.

3. All committees are required to work with the Finance and Audit Committee and the Manager in preparation of the Association's Annual Budget and submit their requests by August 31<sup>st</sup> of each year.
4. Committee reports and recommendations as necessary shall be made to the Board of Directors with a copy to the Manager. All committee recommendations to the Board of Directors must be voted on and approved by the committee and must be submitted to the Board in writing. For the purpose of voting on committee recommendations for submission to the Board; a majority of the committee then in office must approve the recommendations.
5. All committees, except the Ad Hoc Committees, shall submit to the Board of Directors and the Manager no later than February 1<sup>st</sup> of each year, a current list of all committee members and schedule of dates, times, and places for the committee's meetings for the upcoming year.
6. Standing Committees, except Future Planning, shall select a member from their committee to serve on the Future Planning Committee along with the three (3) Board appointed members.

## **SECTION 9. RULES AND REGULATIONS**

- A. The Board of Directors shall have the authority to make such reasonable rules and regulations as it may deem necessary pertaining to the care of the Clubhouse, grounds, and conduct of members, members' immediate families and guests on Association property.
- B. No one other than members and members of their immediate families, all in good standing, shall be permitted to hunt on Association property.



1. Guests sponsored by members may be allowed to participate in live bird shoots on a preserve area designated by the Board of Directors.
  2. Live bird shoots, not to exceed three consecutive days, may be scheduled with approval of the Board of Directors. Only planted, banded birds of a non-native variety may be used for shoots.
- C. Members shall be held responsible for the acts of members of their immediate families and of their guests.
- D. Any rules and regulations passed or changes made by the Board of Directors covering the actions of the members, members' immediate families or their guests, shall be posted on the bulletin board in the lobby of the Clubhouse and published in the next issue of the Lost Lake News and become effective 30 days after mailing of the Lost Lake News.
- E. Upon obtaining a State of Michigan approved Liquor License, the Lost Lake Woods Association may supervise the sale, purchase and serving of alcoholic beverages to adult members and their adult guest, in selected Association facilities as follows:
- In the dining room and snack bar (lower adult lounge).
  - In the gift/concession shop – beer and wine as offered from supply.
  - In the adult lounge(s), auditorium(s) or other manager-designated meeting rooms, at adult organized functions – only the function organizers' choice of alcoholic beverages ordered through the Lost Lake Woods Association will be allowed. A Lost Lake Woods Association employed bartender will serve the functions' choice of alcoholic beverages.
  - On the deck attached to the lobby
  - At the golf course and related facilities
  - At any of our pavilions or at any manager-designated locations

At no other location shall alcoholic beverages of any kind be sold or purchased on the property of the Association.

## **SECTION 10. INTERPRETATION OF BY-LAWS**

The Board of Directors shall have the power and authority to interpret the meaning of any section or provision of these By-Laws and also to rule thereon at any meeting. Such

interpretation must be reasonable and not in conflict with any provision of the By-Laws, and must be approved by a two-thirds vote of Directors present.

## **SECTION 11. BORROWING POWER**

The Board of Directors consistent with Article V, hereof, is expressly empowered to borrow such sums of money, not to exceed 50% of aggregate, collectible annual dues per Article I, Section 10, as are required to carry on the orderly operation of the Association, and upon such terms as are then prevailing for like organizations.

## **ARTICLE V. MAJORITY MEMBERSHIP VOTE DECIDES**

### **SECTION 1.**

The majority of the member votes cast shall decide all matters coming up before the membership except as set forth in Article IV, Section 1, and the three following cases which shall require two-thirds of the vote cast.

- A. Any current expenditure which cannot be paid from the current year's membership dues or which exceeds the amount of cash in the treasury. Any expenditure which can be paid from either one of these funds or the two combined is excluded from this exception.
- B. An increase in annual membership dues.
- C. Any amendment of these By-Laws which shall directly or indirectly amend, revise, or delete Article V.
- D. The rental, lease, sale or exchange of Association acreage (refer to Article I, Section 11, C). There are certain areas of Association acreage, which are restricted by a 1984 consent judgment (refer to Appendix A – 1984 Consent Judgment). The rent, lease, sale or exchange of those areas specifically referenced in Appendix A requires written consent of two-thirds (2/3) of the Association membership. The rent, lease sale or exchange of any other Association acreage not specified in Appendix A requires written consent of two-thirds (2/3) of the vote cast.

## **ARTICLE VI. OFFICERS**

### **SECTION 1. ELECTION**

At the organizational meeting following the December Board of Director's meeting, the newly-constituted Board of Directors shall elect the officers of this Association, not more than

four (4) in number and from among their number. Any two offices may be combined and held by one person, except that the offices of the President and Vice-President may not be combined.

## **SECTION 2. OFFICERS**

The officers of this Association shall consist of a President, Vice-President, Secretary and a Treasurer, all of whom will hold office for a term of one (1) year, effective on the date of the Organizational Board meeting held after the Board of Directors meeting in December.

Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed from office, either with or without cause.

## **SECTION 3. EXECUTION OF DOCUMENTS**

All legal documents, including, but not limited to, contracts, deeds, mortgages and notes, shall be executed in the name of the Association and by its President and Secretary. No officer shall execute, acknowledge or verify an instrument in more than one capacity, if said instrument is required to be verified by two or more officers.

## **SECTION 4. INDEMNIFICATION**

The Association shall indemnify, at reasonable cost, each member of the Board of Directors and each officer of the Association at any time in office, whether prior or subsequent to the adoption of this By-Law, who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a Director or Officer of the Association, against expenses (including legal fees), judgment, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the Association; and, with respect to any criminal action or proceedings, shall not have had reasonable cause to believe that his conduct was unlawful. The foregoing right of indemnification shall not preclude any indemnification of any such director or officer, or any employee or other person acting for or in the interest of the Association, to which such director, officer, employee, or other person may be entitled by law or by virtue of any document or agreement, or which may be legally provided or afforded by or under any action by the members

and/or directors of this Association. All rights of indemnification shall inure to the benefits of the heirs, executors and administrators of the person involved.

## **ARTICLE VII DUTIES OF OFFICERS**

### **SECTION 1. PRESIDENT**

The President shall be the chief executive officer of the Association and shall have the general control and management of its business and affairs, subject, however, to the orders of the Board of Directors. The President shall preside at all meetings of the Association members and at all meetings of the Board of Directors and may vote on all issues brought before the Board. The President may appoint such committees as President deems appropriate, subject to the approval of the Board of Directors.

The President may phone poll the Board of Directors between meetings for very urgent and emergency issues/matters subject to the following conditions: (a) a written consent signed by all members of the Board; or (b) a conference telephone call by means of which all Board Members participating in the meeting can hear each other. The issue/matter and board vote will be explained at the next Board of Director's meeting.

### **SECTION 2. VICE PRESIDENT**

In case the office of President shall become vacant by death, resignation or for other reasons, or in the case of the absence of the President, or in the event of the President's inability to discharge the duties of this office, such duties shall, for the time being, revolve upon the Vice President.

### **SECTION 3. SECRETARY**

The Secretary shall keep the minutes of all issues brought before meetings of the Association and of the Board of Directors in books provided for that purpose. The Secretary shall attend to the giving and receiving of all notices of the Association. The Secretary shall keep a record of the names and addresses of all members of the Association.

The Secretary shall be custodian of the seal, and the Secretary shall make such reports and perform such other duties as are incident to this office and as may be required by the Board of Directors.

## **SECTION 4. TREASURER**

The Treasurer shall be responsible for the custody and accounting of all money and other assets (not fixed assets) of the Association, and shall render such statements as may be required by the Board of Directors. The Treasurer shall be responsible for the deposit of all funds of the Association which may come into the Association in such bank or banks and accounts as may be designated by the Board of Directors. The Treasurer shall assure that Association accounts and

records shall be kept in conformity with the standards of practice and procedure of public accounts generally, and they shall be available for examination and inspection pursuant to reasonable advance notice, by persons authorized by the Board of Directors.

The Treasurer shall be responsible for reimbursements as shall be authorized by the Board of Directors and shall perform such other duties as are incident to this office and as may be required by the Board of Directors. The Treasurer may delegate responsibilities to the Manager with Board of Director approval.

## **ARTICLE VIII FISCAL YEAR**

The fiscal year of this Association shall be the calendar year, January 1 to December 31, and its books of accounts shall be closed as to the close of business on December 31.

## **ARTICLE IX PUBLICATIONS**

### **SECTION 1. NEWSPAPER**

There shall be published periodically, as established by the Board of Directors, a newspaper called "Lost Lake News". Members may elect to receive the "Lost Lake News" either Electronically or by Mail by notifying the LLWC Office of their preference.

### **SECTION 2. ROSTER**

There shall be available a roster of all members, which shall be compiled alphabetically by name and shall include address and provide to members in good standing upon request. The office shall update this roster annually.

### **SECTION 3. BY-LAWS, RULES AND REGULATIONS**

A separate publication shall be made, when approved by the Board of Directors, of the current By-Laws and Rules and Regulations of the Association.

## **ARTICLE X CHANGES IN BY-LAWS**

### **SECTION 1. SPECIAL ELECTIONS**

Special Elections for the purpose of revision of these By-Laws, as well as increase or decrease of annual dues together with other business matters that may require a special election of members, may be called by a two-thirds affirmative vote of the Board of Directors, then in office, provided that two weeks notice be given to all members of the Association in writing, which notice will clearly state:

- A. Date, time and place of special election;
- B. Time of closing polls;
- C. Method of absentee voting; and
- D. The propositions to be voted upon.

The provisions of Article 3, Sections 4 (Ballots Forwarding and Re-Forwarding) and 5 (Method of Voting) and 6 (Conduct of Elections) will be applied to all special elections.

### **SECTION 2. PROCEDURE**

- A. The Board of Directors may propose changes in these By-Laws. Any one hundred (100) members of the Association in good standing may propose changes in these By-Laws which will be presented to the membership at the next ensuing Annual Association Meeting, provided such proposals are filed in writing with the Secretary on or before August 1<sup>st</sup>.
- B. Members in good standing may submit petitions requesting changes in Rules and Regulations. Signatures of fifty (50) members are required. However, the Board of Directors by the powers vested in Article IV, Section 9, shall have the final determination in adopting rules in accord with the best interest of the Association.

## **ARTICLE XI EFFECTIVE DATE**

Unless otherwise specified on the special election ballot, changes in the By-Laws are to take effect at the close of the Board of Directors meeting in which the results of a successful vote are announced.



**Appendix A – 1984 Consent Judgment – LLWC**  
**CONSENT JUDGMENT**

At a session of said Court held in  
the Alcona county Building, Harrisville,  
Michigan, on the 13<sup>th</sup> day of August, 1984.

Present: HONORABLE ROBERT R. FERGUSON,  
Circuit Judge

This cause came on the regularly scheduled docket for final arguments on Thursday, May 24, 1984 at 9:30 a.m. after the prior submissions of proofs to this Court.

IT FURTHER APPEARING TO THE COURT that the parties by their respect attorneys of record reached an amicable settlement of the questions in controversy.

IT FURTHER APPEARING TO THE COURT that the Plaintiffs, all members-deed holders of Defendant association, sought a judicial construction of several deeds declaring that the Defendant association conveyed to its members-deed holders 8200 acres of land more or less as tenants in common.

IT FURTHER APPEARING TO THE COURT that such conveyances created certain ambiguities and had the common law and statutory operative effect of limiting the Defendant's ability to convey, lease or otherwise dispose of said properties and that the Plaintiffs sought a Judgment in the nature of declaration of rights or liability with respect to the ownership interest in the undivided 8200 acres of land know as Lost Lake Woods.

IT FURTHER APPEARING TO THE COURT that the respective attorneys of record having recognized the legal complexities of the type of conveyances involved herein and further recognizing that it is to the best interest of all of the members-deed holders of said Defendant association to resolve the litigation with the objective in mind of protecting the property rights of the Plaintiffs and all those similarly situated and in keeping with the intent of the original organizers of said organization, yet to further the legitimate purposes and goals of Defendant association in the present day economic-societal structures.

AND THIS COURT DOTH FIND that the settlement stipulated upon the record in open Court on Thursday, May 24, 1984, accomplishes the purposes recited herein and DOTH hereby approve said settlement, and the Court being fully advised in the premises;

NOW, THEREFORE, IT IS HEREBY ORDERED AND DECLARED as follows:



1. That the parties to be bound by this judgment are all those members of the Lost Lake Woods Association, Inc., a non-profit Michigan corporation, who were certified as constituting the members of the class for having elected not to be excluded therefrom, pursuant to Michigan General Court Rule 208; and Lost Lake Woods Association, Inc., a Michigan non-profit corporation, Defendant.

2. That the real property which is subject to this judgment is legally described as follows:

Entire Sections 22, 23, 25, 26, 27, 28, 32, 33, 34, 35 and 36, except Lost Lake Woods Subdivision, located in Town 28 North – Range 8 East, Alcona Township, Alcona County, Michigan, and

The East  $\frac{1}{2}$  and the East  $\frac{1}{2}$  of the West  $\frac{1}{2}$  and the Northwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  East of Mt. Maria Road and the Southwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  East of County Road and the Southwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 31, Town 28 North, Range 8 East, Alcona Township, Alcona County Michigan, and

The East  $\frac{1}{2}$  of the Northeast  $\frac{1}{4}$  and the Southeast  $\frac{1}{4}$  of Section 29, Town 28 North, \_\_\_\_\_

The East  $\frac{1}{2}$  and the East  $\frac{1}{2}$  of the West  $\frac{1}{2}$  and the Southwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 21, Town 28 North, Range 8 East, Alcona Township, Alcona County, Michigan, and

The Southwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  and the West  $\frac{1}{2}$  and Southeast  $\frac{1}{4}$  of Section 24, Town 28 North, Range 8 East, Alcona Township, Alcona County, Michigan, and

The South  $\frac{1}{2}$  except the Northeast  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  of Section 15, Town 28 North, Range 8 East, Calendonia Township, Alcona County, Michigan, and

The Southeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  and the Southeast  $\frac{1}{4}$  of Section 16, Town 28 North, Range 8 East, Calendonia Township, Alcona County, Michigan, and

The Northeast  $\frac{1}{4}$  and the Northwest  $\frac{1}{4}$  and the West  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$  of Section 3, Town 27, North Range 8 East, Hawes Township, Alcona County, Michigan, and

The East  $\frac{1}{2}$  of the Northeast  $\frac{1}{4}$  and the East  $\frac{1}{2}$  of the Southeast  $\frac{1}{4}$  of Section 4, Town 27 North, Range 8 East, Hawes Township, Alcona County, Michigan, and

Town 28 North, Range 7 East, Section 36, Government Lot 4, Alcona Township, Alcona County, Michigan.

3. That Defendant, Lost Lake Woods Association, Inc., a Michigan non-profit corporation, is the legal title owner in fee to the lands above described as against the claims of any individual members of Lost Lake Woods Association, Inc., constituting the class above described.

4. That the said Defendant corporation, prior to the disposition of any of said acreage, shall first acquire the written consent of at least two-thirds (2/3rds) of the actual membership then existing to do any of the following:

1. To rent or lease the property other than for oil and gas purposes.

11. To sell any of said property.

111. To exchange any of said property.

That said restrictions upon the disposition of said land shall run with the land.

5. That the above-described lands may be leased for oil and/or gas purposes upon the written consent of a simple majority of the entire membership existing at the time of such proposed leasing as provided in M. S. A. Section 13.140(1), et seq.

6. That the limitations and restrictions herein contained shall not apply to those dispositions taken under eminent domain or any easements granted that would fall under the classification of rights of way, ingress and egress, public utilities nor to any conveyance to a public authority which is required for the health, safety and welfare of the members.

7. That neither party shall be entitled to Court costs, interest, or attorney fees.

8. That pursuant to the Michigan General Court Rule 208.5, notice of this judgment shall be given to the members constituting the class by publication in the Association newspaper and shall be sent to each member thereof.

Dated: August 13, 1984

Robert R. Ferguson  
Circuit Judge

## **Appendix B**

### **BY-LAW CHANGE LOG**

**Oct 2003: Article IV, Section 9, Paragraph E**

Enable Club service of liquor at additional locations bringing Club operations in compliance with State of Michigan Liquor Control Commission statutes and regulations.

Rationale: The proposed By-Law change expands the Club's liquor service so that our operational practices conform to the obligations of a licensee according to both the state statutes and related regulations. It also provides a framework of operations practices that improves the Club's ability to protect our assets in the event of an alcohol-related accident.

**Article I, Section 11, Paragraph C**

**Article II, Section 5**

**Article V, Section 1**

Include Consent Decree for Land Disposal as a reference appendix and collect all member approval requirements.

Rationale: This proposed change adds the 1984 Consent Judgment directly into the By-Laws so that disposition of land requirements, as dictated by previous legal actions, are readily available for reference within the By-Laws. The proposal also consolidates all membership voting requirements into Article V – MAJORITY MEMBERSHIP VOTES DECIDE, making it easier for members to locate thresholds necessary for membership votes. It should be noted that this proposal does not change any existing voting requirements; it has been prepared to simplify the identification of voting requirements and add directly pertinent legal precedents that have been established for the disposition of association acreage. It should also be noted that this proposal, as an amendment to Article V, requires an approval of two-thirds of the votes cast.

**Article II, Section 2, Paragraph B**

**Article IV, Section 1, Paragraph F**

Relocate Recall Proceedings Paragraph from Article II, Section 2 paragraph B to article IV, Section 1, paragraph F.

Rationale: This paragraph deals with Director performance and related membership concerns that may arise. The Ad-Hoc By-Law Committee of 2001 recommended moving the paragraph in its existing form to Article IV, Section 1, of the By-Laws, where Director responsibilities are outlined.

**Article I, Section 6, Paragraph B**

Enable Board of Directors discretion in the administration of violations of the Fish and Game Laws.

Rationale: The current By-Law provides no latitude for discretion in level of punishment associated with Fish and Game law violations irrespective of the magnitude of the infraction. The Board of Directors is asking for the latitude to conduct fact finding activities and establish the length of a suspension based on the general magnitude of any Fish and Game Law infraction. Major infractions (for example, out of season actions, taking game which is protected under state or federal law, situations in which major safety risks have been conducted) should continue to be dealt with using the minimum one (1) year suspension or greater. However for cases of a much less significant nature (for example, a young member of guest taking a fish which is nominally undersized) the Board would have the discretion to apply a more appropriate level of sanction. In all cases, the individual member involved is obligated to bring forward the incident for review.

**April 2004: Article I, Section 9**

Remove the limit on the number of campground sites in the By-Laws and clarify Board of Director governance over campground rules and regulations.

Rationale: This amendment improves administration and oversight of the campground.

The Board already establishes the rules and regulations governing the campground and the proposed amendment accomplishes three important objectives for the membership:

- It affords the ability for minimal expansion of the number of sites within the present borders of the campground.
- It clarifies that the member's intention of the campground was for recreational vehicles (trailers, fifth wheels, motor homes, pop-up campers, etc.) use.
- It clarifies that the Board of Directors is empowered to establish rules and regulations to assure that mobile home and park trailers, modular units,

and other non-permanent and inappropriate dwellings are not permitted to be installed in the campground.

**Oct 2005: Article X, Section 1**

Article 3; Sections 4, 5 and 6 will be applied to all special elections.

Rationale: codifies past practice and assures all members that the necessary procedural protections and processes are the same for special and Director elections.

**Article 1, Section 1, Paragraph E**

Removes the requirement for a second reading of new member applicants, as all documents, credit checks and interviews are completed prior to the first reading.

Rationale: While the process of screening applicants is important, the process at present is too long. Currently, voting at two separate board meetings, posting on

the bulletin board and publication in the newsletter are required. This can take several months. The board does not meet every month. Sometimes newspaper publication timelines are missed. Also, newspapers are not always published each month.

Applicants should be rejected for reasonable cause (i.e. financial and other). This is and will continue to be an inherent part of the process. Currently and in the future, the applicant's financial records are examined by staff, references are checked and interviews are conducted by a Director.

Posting for members to object, whether as a consequence of seeing a name on the bulletin board or in the newsletter, does not provide the member access to essential information needed in making an assessment on an applicant nor can a club member veto the applicant.

Often times, real estate transactions can be unreasonably delayed pending completion of the current multi-month process. Such delays may also cause an applicant to experience changing interest rates on home purchases.

**Dec 2005: Article I, Section 10**

Effective January 1, 2006, increase dues from \$59.00 to \$75.00 per month.

Rationale:

1. The Board of Directors supports this proposal.
2. As provided by Article V of the By-Laws, this proposal requires 2/3 consent of the votes cast for approval.
3. The BOD and administration have been operating the club with the same level of dues since January 1, 2000. During that period of time budgets have been

- balanced by reducing controllable costs by cutting services and using operations cash reserves.
4. With an affirmative vote, the anticipated expenditure of the \$16.00 per month increase will be as follows:
    - Restore Promotions budget and Fireworks
    - Restore Security
    - Restore Club Services
      - **Maintenance schedule (grass, building, etc.)**
      - **Dining room hrs increased on open days**
      - **Increase Lodge reception desk hrs after 5pm**
  5. All \$16.00 of dues increase will be for operations, capital and dining room allocations will remain the same.
  6. Analysis of the operations cash balances since 2001 indicate a consistent operations cash flow yearly short fall of approximately \$104,000. This trend was present under current and prior 2 managers over that time period. However, we now no longer have enough cash in the operations fund to cover the on-going losses and must cut services further or raise dues to balance the budget.
  7. In 2005 even with service cuts, a reduction in operations cash reserves to an unacceptable level (\$70,000) has occurred. Without a dues increase above, are projected to go negative thus requiring the borrowing of funds from external sources (Banks) to sustain operations.
  8. For the 2006 budget there have been \$110,000 *(\$60,000 to cover operating loss plus \$50,000 to maintain 2005 cash reserve)* in cuts from the 2005 budget for controllable costs to balance the budget (cover increasing fixed costs i.e. utilities, insurance). *By way of example: Security hours have been reduced by 50%.*
  9. Starting in 2007 no further reductions in services are possible without eliminating departments (i.e. No Security, Lodge/Dining completely closed Labor Day to Memorial Day) to balance the budget.
  10. Based on current projections this proposal will only provide sufficient revenues for fiscal 2006 and 2007. In 2008 deficit spending for operations will return.

**Jan 2008: Article I, Section 7**

Multiple memberships refer to those members owning more than one membership. For each multiple membership annual dues shall be **adjusted annually on a dues revenue neutral basis, based upon the net conversion of memberships. Multiple dues shall increase or decrease depending upon the gain or loss of dues revenue occurring during the previous calendar year, and shall be spread equally upon the remaining multiple membership certificate**

**holders. The multiple dues shall be computed on an annual basis. Under no circumstances shall Multiple Membership Dues fall below \$25 per multiple membership. The multiple membership dues shall be apportioned for the operating budget.** These multiple memberships carry no additional voting rights. All benefits emanating from ownership of lots within the Association subdivision accrue to the owners, subject to payment of dues, taxes and assessments. ~~Upon the sale of such multiple membership to an approved applicant for membership, or an existing member, that membership and that membership lot shall be liable for and subject to full membership dues and a full share of Association taxes and assessments as are due and pro-rated to date of purchase, as well as taxes and assessments imposed by political subdivisions of the State of Michigan.~~

**Rationale:**

The Board of Directors recommends the Membership support the proposed change to the Multiple membership By-Law Language for the following reasons:

- Relieves real estate concerns by allowing existing members to purchase additional property without the severe financial burden of having to pay additional full dues for each.
- Assists in restoring property values.
- Assists in restoring membership values.
- Contributes to the long term financial health of the Club.
- Members only pay one full dues. Eliminates “double-dues” scenarios.
- The financial burden of existing members purchasing additional lots and converting Full Memberships to Multiple Memberships, is born by those with multiple memberships, through adjustments to multiple membership annual dues.

**Nov 2008                      Article IV Section 8. D.**

**(Additions are bold and underlined; deletions are stricken.)**

**D. CONSERVATION COMMITTEE**

The Conservation Committee shall consist of **nine (9)** ~~twelve (12)~~ members. After the first appointments thereto, the terms for which shall run from one (1) year to three (3) years, **three (3)** ~~four (4)~~ members shall be appointed each year to serve for three (3) years.

**RATIONALE**

The Board of Directors recommends the Membership support the proposed change to the Conservation Committee By-Law Language for the following reasons:

- To support the request from the Conservation Committee.

- To better reflect actual attendance and to better the chances that only committed, interested and qualified members are appointed.

IF adopted, the committee size shall be reduced in the following fashion:

Only three members shall be routinely appointed annually, effective immediately. If the committee is reduced by resignation or removal for failure to attend, appointments shall only be made if necessary to keep the three member/three year term annual rotation in order. Reduction may occur earlier, but shall be completed no later than January 1, 2011.

Nov 2008

## Article I Section 6. A.

### **PROPOSED BY-LAW**

(Additions are bold and underlined; deletions are stricken.)

#### **SECTION 6. MEMBER DISCIPLINE**

- A. Suspension, expulsion, **or lesser discipline** of ~~a~~ member by the Board of Directors may result from one or more violations of these By-Laws or the Association Rules and Regulations **as may be amended from time to time** or conduct unbecoming a member, **which includes, but is not limited to, any unlawful conduct that leads to conviction in a court of local jurisdiction or any felonious conduct, regardless of jurisdiction.** An intention to suspend, ~~or~~ expel, **or discipline** a member shall be manifested and commenced with a written notice stating the charges serving as the basis thereof forwarded to the alleged errant member to his last known address by regular mail, and at least fifteen (15) days prior to that meeting of the Board of Directors at which a discussion of and vote on such ~~suspension~~ **actions** is scheduled to be taken. At this meeting the said member shall be given ample opportunity to present ~~his~~ **their** defense, if any, of the charges serving as the basis of suspension, ~~or~~ expulsion, **or discipline** of a member.
- B. Any member or member of immediate family who is convicted in a court of law of violating the Fish and Games Laws of the State of Michigan or of the United States while on Association property, shall, thereupon, be suspended from membership privileges in this Association. The suspended member is required to notify the Association in writing of said event and request a meeting with the Board of Directors (refer to Article IV, Section 2) to discuss any mitigating circumstances. At said meeting, the Board of Directors shall hear the details as necessary and determine the length of such suspension and/or expulsion (not less than one (1) year from the date of such conviction being used as a guideline for substantial violations). In addition thereto, the full identity of such member and full revelation of the crime shall be posted on the bulletin board or other conspicuous place in the Clubhouse all during the period of suspension.
- C. Suspension **or lesser discipline may** ~~shall~~ mean a withholding of **any or** all benefits, privileges and use of Association activities, facilities and voting.
- D. ~~Such~~ Suspension **or disciplinary action** ~~however~~, shall not excuse the said suspended member from his/her duty to pay all dues, lot fees, assessments and like as they may arise.
- E. Suspension **or discipline** of membership does not prohibit the suspended member from having access to his/her physical property, provided access is made by the most direct route after entering Association property via the main gate only at Fox Road and F-41.
- F. Any member may be suspended or expelled for sufficient cause by a two-thirds vote of the Board of Directors **present and voting at such meeting where a quorum exists. Abstentions shall not be considered in determining the two-thirds majority.** The determination of the Board of Directors as to the sufficiency of the cause therefore shall be final.
- G. **Disciplinary actions that do not rise to the level of suspension or expulsion may include but are not limited to: written warning, reprimand, monetary fine, probation. Monetary fines shall**



graduate in scale and shall range from \$75 to \$300. Funds collected from any fines shall be appropriated to the general fund. These actions require a simple majority of those Board Members present and voting where a quorum exists. Abstentions shall not be considered in determining the simple majority.

H. The Board retains the right to recover actual costs of damage from any disciplined, suspended, or expelled member.

#### RATIONALE

Based on a recent judicial interpretation of the Club's By-Laws, which restricts member discipline to either full suspension of privileges or expulsion, the Board of Directors are seeking a by-law change to afford them a wider range of disciplinary options.

**September 18, 2010**

#### **Proposal 1 – News Letter Distribution**

##### CURRENT BY-LAW

##### ARTICLE IX PUBLICATIONS

##### SECTION 1. NEWSPAPER

There shall be published periodically, as established by the Board of Directors, a newspaper called "Lost Lake News". This newspaper shall be mailed to all members.

##### PROPOSED BY-LAW (changes appear in bold and are underlined)

##### ARTICLE IX PUBLICATIONS

##### SECTION 1. NEWSPAPER

There shall be published periodically, as established by the Board of Directors, a newspaper called "Lost Lake News". Members may elect to receive the "Lost Lake News" either Electronically or by Mail by notifying the LLWC Office of their preference

##### **Rationale:**

Many members prefer to receive newspaper Electronically, by allowing Electronic delivery cost of mailing would be saved.

**September 18, 2010**

#### **Proposal 3 – Expelled Members not eligible for Membership**

##### CURRENT BY-LAW

##### ARTICLE 1.

## **MEMBERSHIP**

### **SECTION 1. ELECTION**

Only persons possessing high moral character and high ethical standards may be elected to membership in Lost Lake Woods Association (Association, Club) and only in the following manner, to-wit:

#### **PROPOSED BY-LAW (changes appear in bold and are underlined)**

### **ARTICLE 1. MEMBERSHIP**

#### **SECTION 1. ELECTION**

Only persons possessing high moral character and high ethical standards may be elected to membership in Lost Lake Woods Association (Association, Club), **previously expelled members are not eligible. Members are elected in the following manner, to wit:**

#### **Rationale:**

1. Expulsion is the highest punishment and reserved for the most sever By-law and/or Rules violations. Members who have been expelled should not be allowed to re-apply for membership. These persons are not the type of members the Association wants.
2. Currently, Expelled Members are not restricted from rejoining the Association. This change would close that loophole.

**September 18, 2010**

**Proposal 4 – Make compensated employees ineligible to serve on the Board.**

#### **CURRENT BY-LAW**

### **ARTICLE IV. DIRECTORS: MEETINGS-APPOINTMENTS-POWERS**

#### **SECTION 1. NUMBER AND TERM OF OFFICE**

#### **PROPOSED BY-LAW**

### **ARTICLE IV. DIRECTORS: MEETINGS-APPOINTMENTS-POWERS**

#### **SECTION 1. ELIGIBILITY, NUMBER AND TERM OF OFFICE**

Add: **G. Compensated employees of the Club are not eligible to serve on the Board of Directors.**

**October 15, 2011**

**Proposal 1 – Electronic Attendance of Board of Directors monthly meetings**

#### **CURRENT BY-LAW**

### **ARTICLE IV. DIRECTORS: MEETINGS-APPOINTMENTS-POWERS**

#### **SECTION 2. MEETINGS**

Meetings of the Board of Directors may be called at any time by the President and shall be called upon the request of a majority of said Board. Directors shall be notified in writing of the time and place, in person or by mail. When given by mail, such notice shall be posted at least three days prior to the meeting, with the exception of the annual meeting of the Board of Directors, for which no notice need be provided. Attendance of a director at a meeting shall constitute a waiver of notice of said

meeting, except where the director attends the meeting for the express purpose of objecting to the transaction of any business for the stated reason that the meeting is not lawfully called or convened.

Boards of Director meetings are open to members of the Association. Closed meetings are held only for resolution of sensitive issues dealing with employee or member problems or preliminary budget review. No other matters shall be discussed at closed meetings.

The Board of Directors may hold study sessions to discuss and gain knowledge on issues that may need resolutions. Members may attend with no participation.

## **PROPOSED BY-LAW (changes appear in bold and are underlined)**

### **ARTICLE IV.**

### **DIRECTORS: MEETINGS-APPOINTMENTS-POWERS**

#### **SECTION 2. MEETINGS**

Meetings of the Board of Directors may be called at any time by the President and shall be called upon the request of a majority of said Board. Directors shall be notified in writing of the time and place, in person or by mail. When given by mail, such notice shall be posted at least three days prior to the meeting, with the exception of the annual meeting of the Board of Directors, for which no notice need be provided. Attendance of a director at a meeting shall constitute a waiver of notice of said meeting, except where the director attends the meeting for the express purpose of objecting to the transaction of any business for the stated reason that the meeting is not lawfully called or convened.

**"Subject to notification to the club manager and approval of the Board President, each Director may request, by writing at least one week in advance, permission to attend any LLW Director's meeting via electronic conference. No Director shall attend electronically more than three times per year and requests for permission shall be treated on a first come, first served basis. A minimum of 6 directors must be physically present for the meeting."**

**At any such meeting, a Director attending electronically shall have the same rights as those attending in person including voting, making of motions, and access to the floor. However, the presence of any Director attending electronically shall not be counted toward a quorum."**

**Electronic attendance shall be considered a privilege and not a right, and Director's shall bear the cost of any personal hardware or equipment necessary to accomplish their electronic attendance."**

**Electronic attendance cannot be guaranteed to be available to the directors.**

**The board shall establish a written policy addressing the manner, cost, and mechanics of electronic attendance "**

Board of Director meetings are open to members of the Association. Closed meetings are held only for resolution of sensitive issues dealing with employee or member problems or preliminary budget review. No other matters shall be discussed at closed meetings.

The Board of Directors may hold study sessions to discuss and gain knowledge on issues that may need resolutions. Members may attend with no participation.

#### **Rationale:**

This is a proposal to use internet / electronic technology to allow LLWC Board of Directors to electronically attend, participate, and vote, at Board of Directors meetings. Because not all members are residents of LLWC, often times B.O.D. members cannot attend a monthly meeting for reasons such as weather or work travel schedules.

Board members attending remotely will be able to hear and respond in the meeting and view what is displayed at the live meeting through the host computer.

**Requires the majority of the member votes cast for passage.**

**February 23, 2013**

### **Current By-Laws**

#### **SECTION 7. MULTIPLE MEMBERSHIPS**

Multiple memberships refer to those members owning more than one membership. For each multiple membership annual dues shall be adjusted annually on a dues revenue neutral basis, based upon the net conversion of memberships. Multiple dues shall increase or decrease depending upon the gain or loss of dues revenue occurring during the previous calendar year, and shall be spread equally upon the remaining multiple membership certificate holders. The multiple dues shall be computed on an annual basis. Under no circumstances shall Multiple Membership Dues fall below \$25 per multiple membership. The multiple membership dues shall be apportioned for the operating budget. These multiple memberships carry no additional voting rights. All benefits emanating from ownership of lots within the Association subdivision accrue to the owners, subject to payment of dues, taxes and assessments.

## SECTION 10. DUES AND TAXES

- F. Commencing as of January 1, 2006, each member shall pay annual dues at the rate of seventy-five (\$75.00) per month on one membership for which the member shall be entitled to one vote.

### **Proposed By-Laws (changes highlighted with Bold & Underline)**

#### **Proposal 1:**

#### **SECTION 7. MULTIPLE MEMBERSHIPS**

Multiple memberships refer to those members owning more than one membership. For each multiple membership annual dues shall be **one-third of full annual dues (capital and operating portion)**. The multiple membership dues shall be apportioned for the operating budget. These multiple memberships carry no additional voting rights. All benefits emanating from ownership of lots within the Association subdivision accrue to the owners, subject to payment of dues, taxes and assessments.

#### **Proposal 2:**

#### **SECTION 10. DUES AND TAXES**

- B. **Commencing as of April 1, 2013, each member shall pay annual dues at the rate of eighty (\$80.00) per month for one year, then effective April 1, 2014 eighty-five (\$85.00) per month for one year and then commencing April 1, 2015, ninety (\$90.00) per month.** Annual Dues are paid on one membership for which the member shall be entitled to one vote.

#### **Rationale:**

The Board of Directors has proposed this ballot issue to amend the club bylaws. This ballot proposal addresses two important issues:

##### **1. Multiple Dues Change**

Members who own more than one membership certificate (see examples below) pay a variable rate based on the number of memberships gained or lost in a given year. Since this policy was approved by the membership in 2008, the rate has increased from \$25 to \$417 in 2012, and will increase to nearly \$600 in 2013. This increase occurred more quickly than was initially anticipated due to the reduction in overall memberships attributed to the tough economic climate that has existed since its adoption. The Board of Directors believes this has placed a disproportionate share of the dues burden on owners of multiples. This, in addition to the uncertainty of the amount of multiple dues may inhibit members from supporting a dues increase. If passed, this proposal would create a multiple dues rate equal to 1/3 of the annual capital and operating dues (if passed: \$260-2014\*) that would not change unless regular dues were increased.

\* Could climb to \$280-2015, \$300-2016 and \$320-2017 and beyond if Proposal 1 is approved.

Examples of Multiple Memberships:

- ❖ Member purchased additional property in hopes of giving to their children/grandchildren in the future.
- ❖ Member originally purchased a membership lot, then upgraded and purchased a cabin or home.
- ❖ An existing member inherits a property/membership from a deceased family member.

The membership should understand that passage of the multiple dues issue will lead to a loss of future revenue. Despite this loss, the Board of Directors believes that a fixed dues level, that is known and can be budgeted for, is in the best interest of the Club and the membership as a whole.

##### **2. Dues Increase**

There has been one dues increase since 1999, the last being in 2006. Costs of operating the Club have increased significantly since then. As a result, the Board of Directors has cut some services, such as dust control, front desk staff, maintenance, security, and youth activities to help balance the budget. In addition, various user fees have been increased and operating efficiencies have also contributed to balancing the budget. Despite the approval of more than 60% of the membership, dues requests have failed to reach the necessary two-thirds majority for the past four

years and have now led to this modified proposal. If passed, this may restore some level of previously reduced services, depending on inflationary costs and the number of memberships gained or lost. The Board of Directors has been reluctant to adopt a negative budget in recent years, failure of this proposal will likely result in a combination of increased user fees and a further reduction in services.

**October 19, 2013**

**By-Law Proposals:**

**Proposal #1 – Extended Family Membership**

**Current By-Laws**

**ARTICLE 1. - MEMBERSHIP**

**SECTION 4. IMMEDIATE FAMILY**

A. The phrase “immediate family” whenever used in these By-Laws or in the Association

Rules and Regulations shall refer to the husband and wife and their sons, daughters and parents.

B. A person who is a son or daughter of a member in good standing of the Association, who has not attained the age of twenty-five (25) years, is unmarried, and is living with or is dependent upon such member, and the spouse, may enjoy all the privileges of a member in good standing except that of vote. All other persons of the immediate family of such a member in good standing shall be considered “guests” of such member, or shall procure his or her separate membership in this Association.

**SECTION 5. MEMBERS IN GOOD STANDING**

Their benefits and privileges

B. All Members in Good Standing are entitled to as many interest shares in the assets of this Association as the number of memberships owned. Each Member in Good Standing shall have only one vote, regardless of the number of memberships owned. Such member, spouse and unmarried children living at home, under twenty-five (25) years of age, are entitled to the privilege of the use of all the facilities of the Association, which are not limited by, but are inclusive of Clubhouse, lands, lakes, recreational facilities, camping grounds and other physical attributes of the Association, subject however, to such Rules and Regulations as may be established by action of the Board of Directors.

**Proposed By-Laws (changes highlighted with Bold & Underline)**

**ARTICLE 1. - MEMBERSHIP**

**SECTION 4. IMMEDIATE FAMILY**

A. The phrase “immediate family” whenever used in these By-Laws or in the Association

Rules and Regulations shall refer to the husband and wife and their sons, daughters and parents.

B. A person who is a son or daughter of a member in good standing of the Association, who has not attained the age of twenty-five (25) years, is unmarried, and is living with or is dependent upon such member, and the spouse, may enjoy all the privileges of a member in good standing except that of vote. All other persons of the immediate family of such a member in good standing shall be considered “guests” of such member, or shall procure his or her separate membership in this Association.

**C. “Extended Family Privileges” - A son or daughter as described in Section 4 B., who has attained the age of 25 but not yet attained the age of 30, or has become married but not yet attained the age of 30, is eligible to continue member privileges with “immediate family” status if the member parent in good standing pays an additional fee equal to 50% of operating and major maintenance, replacements, and capital assets dues, per child, per year, to continue the son or daughter’s member privileges until age 30. This child may enjoy all rights and privileges of a member in good standing except the vote.**

**D. Any spouse or child of an “Extended Family Privileges” participant will be considered a “guest” of the parent member.**

**E. The “Extended Family Privileges” Participant does not need to be living with or dependent on the sponsoring parent member.**

**SECTION 5. MEMBERS IN GOOD STANDING**

Their benefits and privileges

B. All Members in Good Standing are entitled to as many interest shares in the assets of this Association as the number of memberships owned. Each Member in Good Standing shall have only one vote, regardless of the number of memberships owned. Such member, spouse and unmarried children living at home, under twenty-five (25) years of age, **including “Extended Family Privileges” children as described in Article 1, Section 4 C through E,** are

entitled to the privilege of the use of all the facilities of the Association, which are not limited by, but are inclusive of Clubhouse, lands, lakes, recreational facilities, camping grounds and other physical attributes of the Association, subject however, to such Rules and Regulations as may be established by action of the Board of Directors.

**Rationale:**

The Board of Directors has proposed this ballot issue to amend the club bylaws. This ballot proposal addresses the issue of declining membership and introduces a method of retaining current young members in order to increase user fees and eventually to convert them to lifelong members.

Unfortunately, membership has been steadily declining since 2006. In six years we have lost 13% of our members. It is no secret that most of the current membership population, once the young “Working Man’s Family”, is now much older (65+). They have been strong, dedicated LLWC members for decades.

Today we desperately need to reintroduce a new generation of the “Working Class” into the LLWC population. This younger crowd will be the new group of long-term members. They offer both talent and resources, needed to carry on club traditions. This revitalization is necessary to ensure the stability of our club far into the future, for the enjoyment of generations to come.

For 25 years we allow children of members to enjoy the perks of membership. These young adults grow up with Lost Lake in their blood, as second, third, or even fourth generation LLWC members. To guarantee the legacy continues we need to target this group of young adults and secure them as the next generation of LLWC members.

The current bylaws state that a child is no longer a member once they turn 25, or when they get married, whichever occurs first. The first problem is that most young adults at age 25 cannot afford the full cost of a membership, which currently includes application fees, a lot purchase, and yearly dues. The second problem is that LLWC has failed to keep track of these junior members. LLWC has never reached out to these young adults, yet the club expects they will feel an obligation to become members once they turn 25 or will return to the club when they are financially stable.

By allowing these young adults, to delay their reintroduction back into membership, LLWC is missing out. These eager, young, potential members begin to go elsewhere with their recreation dollars. They find new interests and LLWC becomes only a childhood memory. When this happens the club loses out completely on ever making them a member. If these potential members do continue to come to LLWC as guests, they may not reinvest in a membership until they are older and more financially stable.

We need to capitalize on the opportunity to keep these young adults as members themselves while their interest for LLWC is still strong.

The Extended Family Privileges Plan is a simple solution to keep young members involved once they reach the age of 25, while generating revenue for the club. Current members can choose to extend their children’s membership from the age of 25-30, for an additional fee under their “membership certificate”. This cost would be 50% of the current operating and capital dues per adult child each year. With a proper marketing strategy in place, and a method to continue communicating with these young members, when they reach age 30, we hope to recruit them into the Legacy Membership plan and get them on their way to full club membership.

Age 25-30 (or younger if married before 25)

The same qualifications as currently stated in the bylaws (Section 4-B) would apply. Allowed same rights as they had up to the age of 25, under their parent’s membership. This would only include an individual adult child, not their spouse or children.

***\*Note – This proposal requires a simple majority of the vote cast for passage***

**Proposal #2 – Limited Legacy Membership.**

**Current By-Laws**

**ARTICLE 1. - MEMBERSHIP**

**SECTION 1. ELECTION**

Only persons possessing high moral character and high ethical standards may be elected to membership in Lost Lake Woods Association (Association, Club), previously expelled members are not eligible. Members are elected in the following manner, to wit:

A. 1. Such application shall be subscribed to by the applicant and his or her primary sponsor, co-sponsor, and a Director, the latter three of whom shall be members in good standing of the Association and none of whom may be a relative of the applicant. No one who will obtain financial gain from the sale of a lot(s) can be the sponsor of a membership applicant. The Director shall accept the application when all data required is completely supplied, and when the applicant and spouse, if applicable, have been interviewed by the Director. Telephone interviews are accepted in cases when personal interviews are impractical.

G. A membership shall be consummated, except as further restricted by Article I, Section 3, the moment the approved applicant has had transferred to him or her, a membership certificate and a membership lot. Failure of the

approved applicant to fully acquire such membership lot within twelve (12) months of the effective date of his or her approval for membership shall thereupon cancel such approval.

#### **SECTION 10. DUES AND TAXES**

C. Commencing as of April 1, 2013, each member shall pay annual dues at the rate of eighty (\$80.00) per month for one year,

then effective April 1, 2014 eighty-five (\$85.00) per month for one year and then commencing April 1, 2015, ninety (\$90.00) per month. Annual Dues are paid on one membership for which the member shall be entitled to one vote.

B. The annual dues shall be apportioned as follows: One hundred and twenty-five dollars (\$125.00) for major maintenance, replacements, and capital assets, and one hundred twenty dollars (\$120.00) dining from and lodge minimum, and all remaining funds shall be apportioned for the operating budget.

C. Pro-rata share of taxes due on Association property shall be paid by each member. Those members owning more than one membership shall pay an equal number of pro-rata shares as the number of memberships owned. The pro-rata share shall be placed in a special bank account, and withdrawals from such account shall be made only to pay taxes on said property of the Association or for the purpose of diversified investment of said funds until such time as taxes are due. Taxes shall be billed to members, in accord with the taxing schedule of county/township authorities.

#### **Proposed By-Laws (changes highlighted with Bold & Underline)**

##### **ARTICLE 1. - MEMBERSHIP**

#### **SECTION 1. ELECTION**

Only persons possessing high moral character and high ethical standards may be elected to membership in Lost Lake Woods Association (Association, Club), previously expelled members are not eligible. Members are elected in the following manner, to wit:

A. 1. Such application shall be subscribed to by the applicant and his or her primary sponsor, co-sponsor, and a Director, the latter three of whom shall be members in good standing of the Association and none of whom may be a relative of the applicant. No one who will obtain financial gain from the sale of a lot(s) can be the sponsor of a membership applicant. The Director shall accept the application when all data required is completely supplied, and when the applicant and spouse, if applicable, have been interviewed by the Director. Telephone interviews are accepted in cases when personal interviews are impractical.

A. **2. Legacy memberships shall be available to children or grandchildren who have a sponsoring parent or grandparent that will act as co-signer to the Legacy Member's financial account until such time that the Legacy Membership is converted to full membership. Any Legacy Membership shall be restricted in accordance with the terms and conditions set forth hereafter in the Lost Lake Woods Association By-Laws.**

A. **3. Only one Legacy Membership is granted to a Legacy Membership applicant.**

G. **1.** A membership shall be consummated, except as further restricted by Article I, Section 3, the moment the approved applicant has had transferred to him or her, a membership certificate and a membership lot. Failure of the approved applicant to fully acquire such membership lot within twelve (12) months of the effective date of his or her approval for membership shall thereupon cancel such approval.

G. **2. An approved applicant for Legacy Membership shall have five (5) years from application approval, or until said applicant's 35<sup>th</sup> birthday, whichever is longer, to purchase a Membership Lot as described in Article 1, Section 1.**

J. **1. Legacy Membership Program – The Legacy Membership Program shall be open to all children and grandchildren of existing members in good standing. Legacy Membership must be approved before the applicant attains the age of 35.**

J. **2. The Legacy member's spouse, and all children, will enjoy "immediate family" status as defined in Article 1, Section 4.**

J. **3. The sponsoring parent or grandparent of the Legacy Member must act as co-signer on the account of the Legacy Member and shall guaranty payment of any late or outstanding debts incurred by the member and not paid according to Article 1, Section 12, by the Legacy Member. If said account becomes delinquent, the balance owing on said Legacy Member's account shall be billed on the sponsoring parent or grandparent account.**

J. **4. The Legacy Member must show proof of a minimum income upon application. That minimum income amount will be determined for that fiscal year by the Board Of Directors and reviewed from time to time and adjusted as needed.**

J. **5. Legacy Members will have no right to vote and have no equity ownership in the club.**

J. **6. Legacy Members will not be obligated to pay any dining and lodge minimum and will not receive any credit towards the same.**

J. **7. If the sponsoring parent or grandparent is no longer a Lost Lake Woods Club Member for any reason, the Legacy Member shall have 3 months to become a full member or their Legacy Membership shall automatically be terminated.**

J. **8. The Board of Directors will set the application fee for a Legacy Member.**

**J. 9. If the Legacy Member transfers to full membership status, said Legacy Member shall receive a Lot Purchase Credit as follows:**

**a) If the Legacy Member purchases a lot in the first year that they are in the Legacy Membership program, a \$300.00 credit will be applied to their account to be used for any charges except dues.**

**b) If the Legacy Member purchases a lot in the second year that they are in the Legacy membership program, a \$200.00 credit will be applied to their account to be used for any charges except dues.**

**c) If the Legacy Member purchases a lot in the third year that they are in the Legacy Membership program, a \$100.00 credit will be applied to their account to be used for any charges except dues.**

**J. 10. At the end of the Legacy Membership eligibility, a lot must be purchased and full membership obtained, otherwise, the Legacy Membership shall automatically terminate and all credits shall be forfeited.**

#### **SECTION 10. DUES AND TAXES**

**A. 1.** A. Commencing as of April 1, 2013, each “Non-Legacy” member shall pay annual dues at the rate of eighty (\$80.00) per month for one year, then effective April 1, 2014 eighty-five (\$85.00) per month for one year and then commencing April 1, 2015, ninety (\$90.00) per month. Annual Dues are paid on one membership for which the member shall be entitled to one vote.

**A 2. Legacy Membership members will pay annual dues as follows:**

**a) Year 1 of membership (until December 31 of the initial year) fifty percent (50 %) of annual dues less the dining room and lodge minimum.**

**b) Year 2 of Membership beginning January 1 of the First full year in the Legacy Program - seventy-five percent (75%) of annual dues less the dining room and lodge minimum.**

**c) Year 3 and beyond which in the Legacy Membership program – one hundred percent (100%) of annual dues less the dining room and lodge minimum.**

**B. 1. With the exception of Legacy Membership dues,** the annual dues shall be apportioned as follows: One hundred twenty-five dollars (\$125.00) for major maintenance, replacements, and capital assets, and one hundred twenty dollars (\$120.00) dining room and lodge minimum, and all remaining funds shall be apportioned for the operating budget.

**B. 2. Legacy Membership dues will be apportioned as follows: Sixteen percent (16%) of the total dues paid in this program for major maintenance, replacements, and capital assets, eighty-four percent (84%) shall be apportioned for the operating budget.**

**C.** Pro-rata share of taxes due on Association property shall be paid by each member, **including Legacy Members.** Those members owning more than one membership shall pay an equal number of pro-rata shares as the number of memberships owned. The pro-rata share shall be placed in a special bank account, and withdrawals from such account shall be made only to pay taxes on said property of the Association or for the purpose of diversified investment of said funds until such time as taxes are due. Taxes shall be billed to members, in accord with the taxing schedule of county/township authorities.

#### **Rationale:**

The Board of Directors has proposed this ballot issue to amend the club bylaws. This ballot proposal addresses the issue of declining membership and creates a method of bringing children and grandchildren of existing members into full membership, over time.

#### **LLWC TODAY**

Unfortunately, membership has been steadily declining since 2006. In six years we have lost 13% of our members. It is no secret that most of the current membership population, once the young “Working Man’s Family”, is now much older (65+). They have been strong, dedicated LLWC members for decades.

#### **FUTURE OF LLWC**

Today we need to reintroduce a new generation of the “Working Class Family” into the LLWC population. This younger crowd will be the new group of long-term members. They offer both talent and resources needed to carry on club traditions. This revitalization is necessary to ensure the stability of our club far into the future, for the enjoyment of generations to come.

#### **LEGACY**

For 25 years we allow the children of members to enjoy the perks of membership. Many members would also enjoy having their grandchildren as members of LLWC in order to share in the traditions and activities of the club as only members can. These young adults grow up with Lost Lake in their blood. To guarantee the legacy continues, we need to target this group of young adults and secure them as the next generation of LLWC members. These potential members are not outsiders but loved family members of existing LLWC members. The “legacy” of LLWC.

#### **THE PROBLEM**

The current bylaws state that a child is no longer a member once they turn 25, or when they get married, whichever occurs first. The first problem is that most young adults at age 25 cannot afford the full cost of a membership, which currently includes application fees, a lot purchase, and yearly dues. The second problem is that LLWC has failed to keep track of these junior members. LLWC has never reached out to these young adults, yet the club expects they



will feel an obligation to become members once they turn 25 or will return to the club when they are financially stable.

#### **MISSED OPPORTUNITIES**

By allowing these young adults, to delay their reintroduction back into membership, LLWC is missing out. These eager, young, potential members begin to go elsewhere with their recreation dollars. They find new interests and LLWC becomes only a fond childhood memory. When this happens the club loses out completely on ever making them a member. If these potential members do continue to come to LLWC as guests, they may not reinvest in a membership until they are older and more financially stable.

#### **THE SOLUTION**

We need to capitalize on the opportunity to keep these young adults as members themselves while their interest for LLWC is still strong.

#### **THE PLAN**

The Legacy Membership Plan is a solution that will make club membership an affordable possibility to the children and grandchildren of existing members, while generating revenue for the club

#### **QUALIFICATIONS**

Approval of application before age 35

The same qualifications as currently stated in the bylaws (Section 4-B) would apply.

#### **PERMISSIONS**

Allow the same rights of full membership, until age 35, or for 5 years after approval into the program, whichever is longer.

#### **LIMITATIONS**

Legacy Members would not be able to vote until they become full certificate members

**October 18, 2014**

#### **Proposal #1\* – Nominations Report - Timing Change**

##### **Current By-Law**

#### **ARTICLE III. NOMINATION AND ELECTION OF DIRECTORS**

##### **SECTION 1. NOMINATING COMMITTEE**

At its April meeting the Board of Directors shall appoint a Nominating Committee consisting of six (6) Association members in good standing. None of the appointees to the Nominating Committee shall be a director. The Nominating Committee shall nominate five or more members in good standing. The report of the committee shall be submitted to the Board of Directors at the July meeting for its approval, shall be published in the next ensuing issue of the Lost Lake News, and shall be posted in a prominent place on the bulletin board in the Clubhouse. Nominees' resumes and photographs shall be published in the August issue of the Lost Lake News.

##### **Proposed By-Law (changes highlighted with Bold & Underline)**

At its **March** meeting the Board of Directors shall appoint a Nominating Committee consisting of six (6) Association members in good standing. None of the appointees to the Nominating Committee shall be a director. The Nominating Committee shall nominate five or more members in good standing. The report of the committee shall be submitted to the Board of Directors at the **June** meeting for its approval, shall be published in the next ensuing issue of the Lost Lake News, and shall be posted in a prominent place on the bulletin board in the Clubhouse. Nominees' resumes and photographs shall be published in the August issue of the Lost Lake News.

*Rationale:* To allow the Nominating Committee sufficient time to meet and contact the membership the Nominating Committee feels it is important to start the process earlier and have the Board of Directors appoint the members one month earlier. The reporting requirement of the July board meeting does not allow any time for the Nominating Committee to get the information into the August newsletter. The Nominating Committee feels the current By-law should be changed to allow adequate time to complete the process and inform the membership.

#### **Proposal #2\* – Subdivision & Grounds - Variance Change**

##### **Current By-Law**

Applications for new construction, changes and/or additions are approved by the Subdivision and Grounds Committee when By-Law building specifications have been followed. If a deviation from By-Law specifications is

desired, a variance must be requested for Board approval. The Board of Directors may give approval only with the signed consent of adjacent property owners, including those directly across the street.

**Proposed By-Laws (changes highlighted with Bold & Underline)**

Applications for new construction, changes and/or additions are approved by the Subdivision and Grounds Committee when By-Law building specifications have been followed. If a deviation from By-Law specifications is desired, a variance must be requested for Board approval. The Board of Directors may give approval only with the signed consent of **a majority of** adjacent property owners, including those directly across the street.

*Rationale:* Currently, any affected single owner has veto power on a proposed variance. Municipalities are typically required to provide notice to affected property owners and to hold a public hearing on such matters, but after hearing feedback, a board votes whether to allow the variance. If adopted this change would require a majority of affected property owners to approve of the variance, before the Board of Directors would ultimately decide, which would more closely follow local law.

**Proposal #4\* –**  
**ARTICLE 1. -- MEMBERSHIP**  
**SECTION 1. ELECTION**

**Current By-Law**

2. For purpose of this subsection, an owner is defined as any of the following:

- 1 – individual owner;
- 2 – joint tenant with full right of survivorship;
- 3 – tenant in common;
- 4 – life tenant;
- 5 – land contract vendee (but for only so long as land contract is not in default).

Provided, however, that no lot shall have attached thereto more than one membership.

ARTICLE 1. -- MEMBERSHIP

SECTION 1. ELECTION

**Proposed By-Laws (changes highlighted with Bold & Underline)**

2. For purpose of this subsection, an owner is defined as any of the following:

- 1 – individual owner;
- 2 – joint tenant with full right of survivorship;
- 3 – tenant in common;
- 4 – life tenant;
- 5 – land contract vendee (but for only so long as land contract is not in default);

**6. Settlor or Grantor of a Revocable Living Trust where property is held in said trust. Upon the death of the Grantor or Settlor, the membership will be transferred to the surviving spouse, so long as the surviving spouse is the sole primary beneficiary of the trust or once title to the property is transferred to said spouse. Provided, however, that no lot shall have attached thereto more than one membership. Membership certificates wherein the membership is in an individual name will be transferred to the living trust of the member upon request of the member. There will be no charge for this transfer.**

**Definitions: Living Trust (inter vivos trust): A trust that is created and takes effect during the settlor's lifetime. Grantor Trust: A trust in which the settlor retains control over the trust property. Settlor: A person who makes a settlement of property or one who sets up a trust.**

*Rationale:* There are many memberships in individual names wherein the membership property are titled in a living trust. This bylaw change will clear the record in these situations.

## **Section 10. Dues and Taxes**

- A. 1. Commencing as of January 1, 2018 each member shall pay annual dues at the rate of one hundred and fifteen dollars (\$115.00) per month for one year; then effective January 1, 2019 at the rate of one hundred and twenty dollars (\$120.00) per month for one year; then effective January 1, 2020 at the rate of one hundred and twenty-five dollars (\$125.00) per month.**

### **Rationale:**

The Board of Directors has proposed this ballot issue to amend the club bylaws. This ballot proposal addresses the following important issue:

### **Dues Increase**

There has been no dues increase since 2015. Costs of operating the Club have increased significantly since that time and in fact the Club has operated at a deficit for each of the past 4 years. While a ONE TIME assessment was passed just a short time ago, this was planned to be a short term fix to keep the Club functioning and to restore the depleted cash reserves to the required minimum at not less than 7% of the annual operating expenditures. An ongoing source of additional revenue is required, or the Club will likely return to a deficit situation again in 2018. The Board of Directors has cut or reduced some services, such as dust control, front desk staff, maintenance, and security, along with youth activities to help balance the budget. In addition, various user fees have been increased and many operating efficiencies have also contributed to balancing the budget. Unfortunately, these measures alone will not allow us to continue to provide our existing level of services and amenities. If passed, this may restore some level of previously reduced services, depending on inflationary costs and the number of memberships gained or lost.

The Board of Directors further advises that failure of this proposal will likely result in a closure of some amenities, significant increases in user fees and a further reduction in support services.

There is no proposed change to "SECTION 7.- Multiple Memberships" of the By-Laws. This section will remain unchanged as follows:

### **SECTION 7. MULTIPLE MEMBERSHIPS**

Multiple memberships refer to those members owning more than one membership. For each multiple membership annual dues shall be one-third of the full annual dues (capital and operating portion). The multiple membership dues shall be apportioned for the operating budget. These multiple memberships carry no additional voting rights. All benefits emanating from ownership of lots within the Association subdivision accrue to the owners, subject to payment of dues, taxes, and assessments.