



AMENDED AND RESTATED BYLAWS

APPROVED: SEPTEMBER 2024

CANADA CREEK RANCH BYLAWS

Table of Contents

	<u>Page No.</u>
ARTICLE I ENTITY, FACILITIES AND GOVERNING DOCUMENTS	1
Section 1. Name	1
Section 2. Purpose	1
Section 3. Facilities	1
Section 4. Governance and Governing Documents	1
Section 5. Defined Terms	1
ARTICLE II MEMBERSHIP	2
Section 1. Membership	2
Section 2. Privileges	2
Section 3. Family and Guests	2
ARTICLE III MEMBERSHIP CERTIFICATES	3
Section 1. Eligibility	3
Section 2. Form	3
Section 3. Title	3
Section 4. Consolidation of Lots	3
Section 5. Association Owned Lots	3
Section 6. Assignment and Transfer	4
Section 7. Delivery of Membership Certificates to the Association	4
Section 8. Membership Certificate Ledger	4
ARTICLE IV MEETINGS OF MEMBERS.....	5
Section 1. Annual Meeting	5
Section 2. Special Meetings	5
Section 3. Notice of Meetings	5
Section 4. Quorum	5
Section 5. Conduct of Meeting	5
Section 6. Record Date	6
Section 7. Voting	6
Section 8. Proxies and Ballots	6
Section 9. Action by Written Ballot	7

ARTICLE V BOARD OF DIRECTORS	8
Section 1. Number and Term of Office	8
Section 2. Nominations	8
Section 3. Elections	8
Section 4. Vacancies	8
Section 5. Recall of Director	8
Section 6. Powers	8
ARTICLE VI BOARD MEETINGS	11
Section 1. Board Meetings	11
Section 2. Quorum and Voting	11
Section 3. Notice	11
Section 4. Action Without a Meeting or by Electronic Mail	11
Section 5. Conflict of Interest	11
ARTICLE VII OFFICERS	12
Section 1. Election of Officers	12
Section 2. President	12
Section 3. Vice President	12
Section 4. Secretary	12
Section 5. Treasurer	12
Section 6. General Manager	12
Section 7. Compensation	13
ARTICLE VIII COMMITTEES.....	14
Section 1. General	14
Section 2. Nominating Committee	14
Section 3. Election Committee	14
ARTICLE IX DISCIPLINE.....	15
Section 1. General	15
Section 2. Board Action	15
Section 3. General Manager or President May Temporarily Suspend a Member	15
Section 4. Suspension	16
Section 5. Suspension for Delinquency	16
Section 6. Expulsion	16
Section 7. Appeal	16
Section 8. Voting Rights During Delinquency or Discipline	16

ARTICLE X FEES, ASSESSMENTS AND TAXES	17
Section 1. Financial Obligations	17
Section 2. Entrance Fee	17
Section 3. Transfer Fee	17
Section 4. Operating Assessment	17
Section 5. Capital Assessments	18
Section 6. Special Assessments	18
Section 7. Further Assessments	18
Section 8. Taxes	19
Section 9. Non-payment of Assessment	19
Section 10. Increase of Assessments and Entrance Fee	20
ARTICLE XI FUNDS	21
Section 1. Operating Fund	21
Section 2. Capital Fund	21
Section 3. Endowment Fund	22
Section 4. Resource Fund	24
ARTICLE XII INDEMNIFICATION OF DIRECTORS AND OFFICERS	26
Section 1. Third Party Suits	26
Section 2. Suits by or in Right of the Association	26
Section 3. Indemnification Against Expenses	27
Section 4. Determination that Indemnification is Proper	27
Section 5. Reimbursement of Expenses	27
Section 6. Bylaws Not Exclusive	27
Section 7. Insurance	27
Section 8. Reorganized Corporation	28
Section 9. Changes in Michigan Law	28
ARTICLE XIII AMENDMENT	29
ARTICLE XIV DISSOLUTION	30
Section 1. Plan of Dissolution	30
Section 2. Distribution	30
Section 3. Judicial Decree	30

ARTICLE XV MISCELLANEOUS.....	31
Section 1. Interpretation	31
Section 2. Severability	31
Section 3. Fiscal Year	31
Section 4. Corporate Seal	31
Section 5. Notices	31

CANADA CREEK RANCH

AMENDED AND RESTATED BYLAWS

ARTICLE I

ENTITY, FACILITIES AND GOVERNING DOCUMENTS

Section 1. **Name.** Canada Creek Ranch Association (the “**Association**”) is a Michigan nonprofit nonstock corporation.

Section 2. **Purpose.** The Association owns and operates certain recreational facilities within a master planned community of residential real property in the development known as Canada Creek Ranch located in Montmorency County, Michigan (the “**Ranch**”). Each residential lot in the Ranch is a “**Lot**” in these Bylaws.

Section 3. **Facilities.** Approximately 13,500 total acres, including roadways; 12,000 acres of wooded forest and managed wild grasslands for hunting, snowmobiling, hiking, biking, cross-country skiing and snowshoeing; five lakes and a Blue Ribbon Trout Stream for fishing, boating and tubing; the Shooting Complexes including archery, trap, skeet, five-stand, pistol and long-gun ranges; the Ranch House including overnight rooms, dining services and banquet rooms; the Beach; the Campground; the Rental Cabins; and other family-oriented recreational sports amenities and gathering places.

Section 4. **Governance and Governing Documents.** The Association’s Board of Directors (the “**Board**”) has full authority to manage the Association’s affairs, and may adopt and amend the Rules, the Policies, and the Building Code from time to time governing the use of the Association Facilities and the Members’ privileges and obligations. Collectively, the Rules, Policies, Building Code, any membership agreements, these Amended and Restated Bylaws (the “**Bylaws**”), and the Association’s Articles of Incorporation are the “**Association Documents**”.

Section 5. **Defined Terms.** Capitalized words are defined herein, and a list of defined terms is attached as **Exhibit A** hereto.

ARTICLE II

MEMBERSHIP

Section 1. **Membership.** Every natural person 18 years or older, or such person's revocable living trust, owning one or more Lots, shall be eligible for membership in the Association, and no other person or entity shall be eligible for membership. Notwithstanding the foregoing, only eligible individuals who have been issued a Membership Certificate in accordance with Article III shall be considered active members of the Association (each a "**Member**" and collectively the "**Members**") as such ownership is reflected on the Ledger. A Member must notify the Association of any proposed conveyance of the Member's Lot or Lots or any interest therein. The membership of a Member shall be revoked if the Lot or Lots he or she owns are transferred to a non-Member without qualification of the transferee as a Member by the Association. The Membership Certificate of such transferring former Member is forfeited and must be surrendered to the Association and such transferring former Member shall no longer have the rights of a Member.

Section 2. **Privileges.** The rights of Members provided by these Bylaws are a privilege and are conditioned upon being a Member in "Good Standing" which means that all their Financial Obligations or other indebtedness to the Association are paid current and they are not suspended or expelled as set forth in these Bylaws and adherence with all Association Documents.

Section 3. **Family and Guests.** A Member's legally recognized spouse and unmarried sons and daughters (having the same residence as the Member and who have not attained their twenty-first birthday) (the "**Member's Family**") shall have use privileges at the Ranch House and other Association Facilities. Members' guests and Family must comply with all Association Documents.

ARTICLE III

MEMBERSHIP CERTIFICATES

Section 1. **Eligibility.** No person shall receive a Membership Certificate until such person has applied and been approved for Lot ownership by the Board and has paid the Entrance Fee. Membership Certificates issued by the Association shall (i) consist of one class; (ii) be non-transferable; (iii) be determined in accordance with the Association's books and records; and (iv) be limited to a maximum of 2,006 outstanding at any one time. The number of Membership Certificates owned by any one Member shall be limited to ten (10).

Section 2. **Form.** If issued on paper, Membership Certificates shall be in such form as the Board may from time to time prescribe and shall indicate the number of the Lot or Lots to which they pertain. Membership Certificates shall be signed by the President, Secretary, or the General Manager. In lieu of delivering a paper certificate to each Member, the Association may include in the Ledger described in Section 8 of this Article the information otherwise contained in the Membership Certificates, and each holder of record on the Ledger shall be the holder of record for all purposes hereunder.

Section 3. **Title.** Membership Certificates will be issued in the name of only one person, except that when the Board approves the application of a legally married person, the Membership Certificate may be issued in the names of both persons named in such application if they jointly own the Lot or Lots assigned thereto, but they shall be deemed a single Member and shall have the rights of a single Member. If one or more Lots are to be sold on land contract, and the Association approves of a transfer of the Membership Certificates, the purchaser under the land contract shall be considered eligible for membership when the land contract is executed.

Section 4. **Consolidation of Lots.** Upon request of a Member, any two or more adjacent and contiguous Lots, which are not separated by a roadway ("**Contiguous Lots**"), owned by such Member may be consolidated and the Association may issue a single Membership Certificate covering all of the Contiguous Lots, and either hold the Membership Certificate for reissuance or upon action of the Board cancel the Membership Certificate. The Association shall issue such a consolidated Membership Certificate, provided the Member seeking consolidation (i) is a Member in Good Standing for each of the Contiguous Lots; and (ii) has surrendered to the Association Membership Certificates for each of the Contiguous Lots. When two or more Contiguous Lots are evidenced by a single Membership Certificate, all of such Lots shall thereafter be considered as a single Lot for purposes of these Bylaws and for which only one Membership Certificate may be outstanding. For reason of mortgage or tax foreclosure, any special circumstance such as a mortgage foreclosure not including all parcels which may result in a conveyance of less than all of such Lots must be reissued with a Membership Certificate.

Section 5. **Association Owned Lots.** If a Lot owned by the Association is sold to a Member without issuance of an additional Membership Certificate pursuant to this section, the Lot sold shall be assigned to any Membership Certificate designated by the Member. Not more than one Lot may be assigned to a single Membership Certificate unless such Lots are Contiguous Lots. When two or more Contiguous Lots are evidenced by a single Membership Certificate, all of such Lots shall thereafter be considered as a single Lot for purposes of these Bylaws and for which only one Membership Certificate may be outstanding.

Section 6. **Assignment and Transfer.** Membership Certificates are non-assignable and non-transferable. The intended purchaser or transferee of a Lot may apply for a new Membership Certificate in the name of the Lot purchaser or transferee to be issued upon surrender of the Membership Certificate held by the transferor. The Lot or Lots assigned to a Membership Certificate may only be transferred to a person who is approved for Lot ownership by the Board or to another Member, provided all assessments, taxes and other charges payable by either the transferor or the transferee, including the entrance fee or the transfer fees, have been paid, and provided the transferor and transferee have complied with all procedural requirements prescribed by the Board for the transfer of Membership Certificates and the Lot or Lots assigned thereto. Upon transfer of a Lot, the Membership Certificate of the transferor is forfeited and must be surrendered to the Association as a condition precedent to the issuance of a new Membership Certificate in the name of the transferee.

If more than one Lot has been assigned to a single Membership Certificate, such Membership Certificate shall not be issued to the purchaser or transferee of such Lots unless all Lots assigned to the single Membership Certificate are transferred and proof thereof as required by the Board is submitted to the Association.

Section 7. **Delivery of Membership Certificates to the Association.** Upon the death, resignation, or expulsion of any Member, or upon violation of the restrictions on transfer of Membership Certificates as described in these Bylaws, or any other occurrence resulting in a forfeiture of a Member's Membership Certificate, the Association shall demand the Member, or legal representative, deliver to the Association the Membership Certificate held by such Member properly endorsed for transfer. In the event the Member fails to deliver the Membership Certificate as demanded, or if no paper Membership Certificate was issued, such Membership Certificate shall become null and void and of no force and effect, and the Association may issue another Membership Certificate in its place.

Section 8. **Membership Certificate Ledger.** An alphabetical list containing the names and addresses of all Members and the number of certificates held by them respectively (the "**Ledger**"), shall be kept at the registered office of the Association. A complete list of Members entitled to vote at a Member's meeting, certified by the Secretary or other officer or agent of the Association shall be produced and shall be subject to inspection at the time and place where the meeting is to be held for the duration of such meeting. No person shall be furnished with such Member list or be permitted to use Association computers containing such list without the express written permission of the Board.

ARTICLE IV

MEETINGS OF MEMBERS

Section 1. **Annual Meeting.** An annual meeting of the Members shall be held on the date determined by the Board or, absent any contrary determination, on the third Saturday of September of each year, at such time and place as the Board may determine, for the purpose of electing directors and for the transaction of such other business as may properly be brought before the meeting (“**Annual Meeting**”).

Section 2. **Special Meetings.** Special meetings of the Members may be called by the President or the Board and shall be called by the Board upon the request in writing of at least one hundred fifty (150) Members in Good Standing (“**Special Meetings**”). Such request shall clearly state the purpose for the meeting and the purpose must be germane to the Association purposes and governance, otherwise the Board may refuse to call the meeting. When Special Meetings are called pursuant to a petition of Members, the Board may authorize a submission of additional matters for the consideration of the Members at such meeting.

Section 3. **Notice of Meetings.** Notice of the time, place and purpose of each meeting of the Members shall be sent to each Member of Record entitled to vote at such meeting not less than 10 nor more than 60 days before the meeting; provided that no notice of adjourned meetings need be given unless the Board fixes a new Record Date for the adjourned meeting. Such notice shall state the business to be brought before the meeting, and each meeting shall be limited to the items set out in the notice. If a written request of at least one hundred fifty (150) Members that a question be presented to the Members for a vote is received by the Secretary at least sixty (60) days prior to the next Annual or Special Meeting then the question shall be included in the notice of that meeting.

When the notice is mailed, it shall be directed to each Member at their address as it appears in the Association records. Such further notice shall be given as may be required by law. To the greatest extent allowed by law, all notices sent to Members by the Association will be sent by electronic transmission.

Section 4. **Quorum.** The holders of record of twenty-five (25%) of the Membership Certificates issued and outstanding and entitled to vote, represented in person, by ballot or by proxy, shall constitute a quorum at all meetings of the Members. The Members present in person or by proxy at a meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum. Whether or not a quorum is present, the holders of a majority of such Membership Certificates so present or represented may adjourn the meeting from time to time to a future date without further notice other than the announcement at such meeting.

Section 5. **Conduct of Meeting.** Meetings of the Members shall be presided over by the chairperson of the meeting, who shall be the President or such other office chosen by the Board.

Section 6. **Record Date.** The Board may fix in advance a date (the “**Record Date**”), not less than ten (10) nor more than sixty (60) days before the date of the event in question, such as any Member meeting or allotment of rights, or change of membership ownership, for the determination of the Members entitled to notice of, and to vote at, any such meeting, or to any such allotment of rights, or to exercise the rights in respect to any such change of membership, or to benefit from any other action (“**Members of Record**”). Members of Record must be in Good Standing. When the Record Date is fixed, only Members of Record shall be entitled to such notice of and to vote at such meeting, or to receive such allotment or rights, or to exercise such rights, or to benefit from any other action, as the case may be, notwithstanding any change in the issuance of any Membership Certificates by the Association or otherwise after the Record Date. If a Record Date is not fixed by the Board, the Record Date for a Member meeting shall be the close of business on the day next preceding the day on which notice is given and the Record Date for determining Members for any other purpose shall be the close of business on the day on which the resolution of the Board relating to such other purpose is adopted. When a determination of Members of Record has been made as provided in this Section, the determination also applies to any adjournment of the meeting, unless the Board fixes a new Record Date under this Section for the adjourned meeting.

Section 7. **Voting.** Each holder in Good Standing of a Membership Certificate entitled to vote at any meeting of Members shall have the right to cast one vote in person or by proxy for each Membership Certificate standing in his or her name. Unless otherwise expressly provided herein or by law, every question submitted to a vote of the Members shall be decided by a majority of the votes cast, provided that a quorum is represented.

Section 8. **Proxies and Ballots.** The Board will determine from time to time the form, procedures and limitations for the use of proxies and ballots and the procedures for electronic voting, and Members’ rights to vote by proxy shall be subject to those procedures and limitations. Whenever any meeting of the Members is called, the Secretary shall provide with the notice of the meeting a ballot and/or proxy form (as determined by the Board), specifying the matters to be voted upon to allow the Member to direct the manner in which his or her Membership Certificates shall be voted. Ballots or proxies must be received at the office of the Association before commencement of the meeting in order to be counted. Electronic voting shall be permitted subject to applicable law.

Section 9. **Action by Written Ballot.** Any action that may be taken at a properly called and noticed Annual or Special Meeting may be taken by a written ballot of the holders of Membership Certificates entitled to vote in lieu of a meeting in compliance with state law. The fact that a matter is submitted for approval by written ballot shall not preclude the Association from calling a meeting to coincide with the final date established for the return of written ballots. The Board shall establish the procedures for conducting a vote by written ballot, provided the procedures comply with these Bylaws and state law, including but not limited to the use of electronic voting. Any action by written ballot shall: (1) set forth each proposed action; and (2) provide an opportunity to vote for or against each proposed action. Approval by written ballot shall require that the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action and that the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations for votes by written ballot shall: (a) indicate the number of responses needed to meet the quorum requirements; (b) state the percentage of approvals necessary to approve each matter other than election of directors; and (c) specify the time by which a ballot must be delivered to the corporation in order to be counted, which time shall not be fewer than twenty (20) days after the date that the Association delivers the ballot.

ARTICLE V

BOARD OF DIRECTORS

Section 1. **Number and Term of Office.** The direction, policies, and control of the Association shall be vested in the Board, consisting of nine (9) Members of the Association in Good Standing (each a “**Director**” and collectively the “**Directors**”). The Directors shall be divided into three (3) classes, each class consisting of three (3) Directors. At the Annual Meeting each year, the successors of the Directors whose term shall expire on December 31st in that year shall be elected and shall hold office commencing January 1st of the following year, for a term of three (3) years. A Member who has served two (2) terms, whether or not consecutive, is not eligible to be elected to any subsequent term that commences less than six (6) years after the expiration of the second such term served by that Member.

Section 2. **Nominations.** The Nominating Committee’s slate of candidates shall be published at least ninety (90) days before the Annual Meeting. A written petition signed by not less than seventy-five (75) Members may nominate a candidate for the office of Director other than the candidates placed in nomination by the Nominating Committee. Any such petition shall be placed in the hands of the Secretary at least sixty (60) days prior to the Annual Meeting.

Section 3. **Elections.** The names of all candidates nominated shall be printed on the ballot or proxy. One such ballot or proxy shall be sent by the Association to each Member along with the notice of Annual Meeting and with a personal statement submitted by each of the candidates for election as a Director. Members may vote by mail (using a mail ballot or proxy as determined by the Board) or by attending the Annual Meeting in person and voting by ballot. At any election of Directors, the entire number of Directors to be elected shall be balloted collectively on a single ballot. All elections shall be held and all questions decided by a plurality vote of the Membership Certificates present or represented at the meeting. The candidates receiving a plurality of votes shall be declared elected. Where unexpired terms are being filled, the candidate receiving the smallest number of votes of those elected shall fill the short term. In the event of a tie vote, such tie shall be broken pursuant to policies established by the Board.

Section 4. **Vacancies.** The Board shall fill any vacancies among the Officers or Directors by a majority vote of those Directors voting. The person so appointed shall hold office until the next Annual Meeting of the Association, and thereafter until a successor Director is elected and qualified. The resignation of a Director shall be effective upon its receipt by the Association or a subsequent time set forth in the notice of resignation.

Section 5. **Recall of Director.** A proposal to recall a Director may be brought to a vote at an Annual or Special Meeting of the Members upon the delivery of a petition to the Board signed by one hundred fifty (150) Members. Such petition shall be presented to the Board no later than sixty (60) days prior to the Annual or Special Meeting at which the recall proposal is to be brought before the Members. If a majority of the votes cast vote in favor of recalling such Director, the Director will be removed from the Board. A Director who is not in Good Standing will be deemed to have resigned immediately.

Section 6. **Powers.** Without limiting the authority and powers granted to boards of Michigan nonprofit corporations under law, the Board shall have the following specific authority:

- A. The Board shall control the Association's policies, funds, and property, authorizing all contracts, sales and purchases. The Board, except as otherwise provided herein, shall not have authority to convey, sell, lease or mortgage, any Association land.
- B. The Board shall not approve any project west of the Canada Creek that either (i) requires a permit, or (ii) changes the existing use of land, unless authorized to do so by the holders of a majority of the Membership Certificates voting in person or by proxy at an Annual or Special Meeting. This provision does not apply to implementation of gas and oil leases negotiated and granted as provided in these Bylaws; ongoing forestry and wildlife projects and practices; or the shooting sports complexes.
- C. The Board shall have authority to negotiate for and grant the lease of oil and gas rights pertaining to real property owned by the Association other than the subdivided areas.
- D. Subject to the limitation on the number of Membership Certificates that may be outstanding as set forth in these Bylaws, the Board shall have authority to sell Lots owned by the Association in the sub-divided area, with all existing and special building and use restrictions as the Board may see fit to impose, provided that no Lot owned by the Association shall be sold except to a person who is a Member. Furthermore, any Association-owned Lot that the Board votes to sell shall be offered for sale as follows. To the Members owning adjoining Lots improved by the construction of a dwelling thereon. Second, to the Members owning adjoining unimproved Lots. Third, to any other Member. All sales shall be made by sealed bids when two or more Members are interested in purchasing an Association-owned Lot, provided no sale shall be for less than the appraised value of the Association-owned Lot. The Association may accept a Lot owned by a Member at its appraised value in payment of all or part of the purchase price for an Association-owned Lot. When there are two or more bidders, the highest cash offer shall be accepted.

- E. The Board shall have authority to adopt, amend and implement (i) rules and regulations of conduct pertaining to the use of Association owned property and Facilities, activities at the Ranch House, and sanitation (the “**Rules**”); (ii) reasonable building code and use restrictions deemed to be for the better enjoyment and appearance of the property of the Association (the “**Building Code**”); and (iii) policies and resolutions pertaining to the administration and operation of the Association in furtherance of these Bylaws (the “**Policies**”). The Board shall require the Manager to enforce the Rules, the Building Code and the Policies, as appropriate.
- F. The Board shall ensure the Manager reviews and approves the plans of Members for building on Lots owned by Members for compliance with the Building Code. No such building permit shall be issued by the Association for the construction of any building or addition to an existing building unless (i) the Lot involved, as may be the result of a combination, consists of at least a common lot line of sixty-five (65) feet or more, or is equal in size to any two adjoining Lots in the same subdivision having such a common lot line and which after such construction will have only one building thereon that is to be used as a dwelling, provided that the Board shall have authority to permit construction of a building or addition to an existing building on one (1) Lot when the Member cannot acquire one adjoining Lot, or when two Contiguous Lots are not available or when a majority of the Board finds that enforcement of the provision would result in extreme hardship to the Member; and (ii) all applicable governmental permits and authorities have been granted and copies of which have been presented to the Manager. When two Lots are described in a building permit, neither Lot may thereafter be used with another Lot to meet the conditions of this section to obtain a building permit.

ARTICLE VI

BOARD MEETINGS

Section 1. **Board Meetings.** The Board shall meet at such time and place as it may fix for Board meetings, provided that the President may fix the place of special meetings. Special meetings may be called by the President and shall be called upon request of a majority of the Directors.

Section 2. **Quorum and Voting.** A majority of the Directors then in office shall constitute a quorum for the transaction of business. The action of a majority of the Directors present at a meeting at which a quorum is present shall be the action of the Board, except as specifically required by other sections of these Bylaws. A Director may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence at the meeting.

Section 3. **Notice.** Notice of any meetings of the Board may be conveyed by any manner including, without limitation, written or telephonic notice, at least three (3) days prior to the meeting for a regular meeting or special meeting.

Section 4. **Action Without a Meeting or by Electronic Mail.** Any action required or permitted to be taken by the Board at a meeting may be taken without a meeting if all the Directors consent to the action in writing. Action is taken by consents no earlier than at the time the last Director signs a writing describing the action taken. Any action that may be taken by unanimous written consent of the Board of Directors may be taken by email provided that: (a) the proposed action (“**Action Request**”) sent by email to the Directors is approved by each Director by sending a return email from the email account in which the Director received the Action Request; and (b) the Action Request is approved “as written” by each Director without any suggested change; and (c) the Directors’ return email each expressly state they approve the Action Request. The General Manager shall print the Directors’ responses and, when every Director has responded to approve the action, the printed email shall be placed in the Association’s corporate records.

Section 5. **Conflict of Interest.** In the event a Director has a personal interest or a conflict of interest in any matter that comes before the Board, such Director shall disclose his or her interest and abstain from voting on any matter.

ARTICLE VII

OFFICERS

Section 1. **Election of Officers.** The Association's officers shall consist of a President, Vice-President, Secretary and Treasurer, who shall be Directors elected to such offices by the Board. Such elections shall take place at the last Board meeting of the calendar year and all Directors qualified to vote as of January 1st of the following year shall vote for the election of officers. Retiring Directors are not eligible to vote. Officers shall hold office for a term of one (1) year or until their successors have been elected and qualified. Any two offices, except the offices of President and Vice President, may be held by one person. Officers may be bonded at the Board's discretion and Association's expense.

Section 2. **President.** The President shall be the Chairman of the Board. The President shall preside at all meetings of the Members and Directors. The President shall sign all legal documents authorized by the Board. The President shall be an ex-officio member of all committees.

Section 3. **Vice President.** The Vice President shall act in the place of the President in his or her absence, resignation, or inability of the President to discharge the duties of the office. The Vice President shall also perform such other duties as may be delegated by the President or the Board.

Section 4. **Secretary.** The Secretary shall supervise the Association's correspondence and records, including minutes of all meetings of the Members and of the Directors. The Secretary shall give all notices and keep a record of the names and addresses of all Members and maintain the Ledger. The Secretary shall perform such other duties as are incident to the office and as may be required by the Board.

Section 5. **Treasurer.** The Treasurer shall monitor the Association's accounts and securities and render statements to the Board. The Treasurer shall furnish financial monthly reports to each Director and cause the Association to furnish each Member an annual statement of the Association's finances prepared by a certified public accountant. The Treasurer shall also perform such other duties as are incident to the office and as may be required by the Board.

Section 6. **General Manager.** The General Manager shall be the Chief Operating Officer of the Association and shall manage the Association's affairs, direct the Association's work and employees, all subject to and in accordance with the Board's direction. The General Manager shall supervise the preparation of budgets of income, expenses and capital expenditures for consideration by the Board, and shall be authorized to incur expenses and capital expenditures in accordance with the approved budgets, or as directed by the Board. The General Manager may attend all Board meetings and shall be a nonvoting member of all Committees. The General Manager shall report on the Association's operations and state of affairs to the President, Board and at Membership meetings, as requested by the President. The General Manager shall have such additional authority and responsibility as directed by the Board, in these Bylaws and in any Association Documents.

Section 7. **Compensation.** The Board is authorized to pay officers such remuneration as it believes necessary and desirable.

ARTICLE VIII **COMMITTEES**

Section 1. **General.** For the better execution of the powers and duties of the Board, the President, with the approval of the Board, may appoint Members to committees as occasion may require and the President may deem necessary, and shall have only such powers as are expressly granted to it by the Board.

Section 2. **Nominating Committee.** At the first Board meeting each year, the Directors shall appoint a Nominating Committee of nine (9) Members, none of whom shall be a Director. The Nominating Committee shall place in nomination at least as many names of qualified nominees as there are Director positions to be filled at the Annual Meeting.

Section 3. **Election Committee.** The Directors shall appoint an Election Committee of three (3) Members, none of whom shall be a Director or member of the Nominating Committee. The Election Committee shall certify the results of elections and proxy proposals, and the Chairperson, or his/her designee, shall announce the results to the Association.

ARTICLE IX

DISCIPLINE

Section 1. **General.** Any Member, or any Member's family or guest, whose conduct is deemed by the Board to be improper or likely to endanger the welfare, safety, or good order of the Association or its Members, may be reprimanded, fined, suspended or expelled from the Association by Board action. The Board shall be the sole judge of what constitutes improper conduct or conduct likely to endanger the welfare, safety, or good order of the Association or its Members, which will include, without limitation, violation of the Rules or Policies. Where the action of the Board suspends or expels any Member, or any Member's family or guest, he or she will not be entitled to use Association Facilities, during the pendency of his or her suspension, or in the case of expulsion, thereafter.

Section 2. **Board Action.** Except for automatic suspensions related to delinquent Financial Obligations, a Member shall be notified of any proposed disciplinary action, and be provided the reasons for the proposed disciplinary action, at least fifteen (15) days before the effective date of such action and shall be given an opportunity to be heard by the Board to show cause why such Member should not be disciplined in accordance with this Article. If the Member desires to be heard, the Member must provide a written request for a hearing to the Board within ten (10) days after the Association's written notice to the Member of its proposed action. Upon the Board's receipt of the written request for a hearing, the Board shall set a time and date not less than ten (10) days thereafter for such hearing. Notwithstanding the foregoing, the Board may set in advance a hearing date and communicate that information with the notice to the Member. While such disciplinary action is being considered by the Board, the Member shall enjoy all privileges of the Association to which the Member was entitled prior to the notice of such proposed disciplinary action, unless the Board determines, in its sole discretion, that the use of such privileges would be improper or likely to endanger the welfare, safety, or good order of the Association or its Members. All notices required hereunder shall be in writing and shall be delivered to the Member via certified mail with a return receipt requested, by hand delivery or by email with confirmation of receipt to the Member's address shown on the Association's records. The Board, by a majority vote, may rescind any such disciplinary action and reinstate the Member, with or without conditions, at its discretion.

Section 3. **General Manager or President May Temporarily Suspend a Member.** The General Manager, his/her designee or the President may immediately suspend a Member, a Member's family or guest temporarily when he determines, in his sole discretion, that such person's conduct, if repeated or continued, would pose a threat to the welfare and safety of the Association or its Members, or that the time period involved in complying with the hearing procedure set forth above would render such hearing procedure ineffective to address or prevent a recurrence of such person's conduct within such time period. In such event, this temporary suspension shall be reviewed no later than the next regularly scheduled Board meeting to determine if the temporary suspension should remain in place pending completion of the hearing procedure set forth above. The sanctioned person shall have the immediate right to appeal the suspension to the Board or its designee.

Section 4. **Suspension.** The Board may suspend a Member or any Member's Family or guest, upon an affirmative vote of two-thirds (2/3) of those Members of the Board present, from some or all the privileges of the Association.

Section 5. **Suspension for Delinquency.** Notwithstanding the foregoing, Members who are delinquent in their Financial Obligations to the Association may be summarily and immediately suspended by the Board without a hearing. The Member's billing statement and these Bylaws are deemed notice of the Member's obligations and notice of a proposed disciplinary action if the Member fails to fulfill the Member's Financial Obligations to the Association.

Section 6. **Expulsion.** The Board may expel a Member, upon an affirmative vote of two-thirds (2/3) of those Members of the Board present, and the Board may further order that such expelled Member not be admitted to the Association's property thereafter. The Board may further order, in its discretion, that the expelled Member forfeit any and all rights to the membership or the Association, including but not limited to the right to a refund of any deposit, entrance fees, assessment, dues or other fees previously paid to the Association. Upon expulsion, all Financial Obligations shall be immediately due and payable.

When a Member is expelled, their membership privileges are cancelled immediately. Such a Member shall have a period of six (6) months following the date of expulsion in which to sell their Lot to a person approved for Membership by the Board. If such Member fails to complete the sale of their Lot(s) within the six-month period, the Member's Membership Certificate is automatically forfeited to the Association, the Member will have no further privileges as a Member, and an injunction may be requested on the Member.

Section 7. **Appeal.** A Member may appeal a sanction, suspension or expulsion, except for a suspension or expulsion for nonpayment of dues, fees, charges and/or assessments for which no appeal hearing is allowed, by providing written notice to the Board within ten (10) days of the disciplinary action by the Board. Upon receipt of an appeal request, the Board will conduct a subsequent hearing. If a fine has been imposed, payment thereof shall constitute a condition precedent to the right of appeal. Upon appeal, the Board will review the action taken and will conduct a second vote to uphold or rescind the initial sanction, suspension or expulsion by a majority vote of the Board.

Section 8. **Voting Rights During Delinquency or Discipline.** Any Member not in Good Standing shall not be entitled to vote.

ARTICLE X
FEES, ASSESSMENTS AND TAXES

Section 1. **Financial Obligations.** The financial obligations set forth in this Article (“**Financial Obligations**”) must be paid in a timely manner by every Member. Any Member delinquent in paying their Financial Obligations shall not be in Good Standing.

Section 2. **Entrance Fee.** Each new Member shall pay the following entrance fee to be contributed to the Capital Fund:

- A. Six Hundred and Fifty Dollars (\$650.00) for each new Member who is a son, daughter, parent, sibling or grandchild of a current Member or who had been a previous member.
- B. One Thousand Eight Hundred Dollars (\$1,800.00) for any other new Member.

Section 3. **Transfer Fee.** A transfer fee, based upon the costs incurred by the Association in connection with the transfer, the amount of which shall be determined annually by the Board, shall be paid when (i) an eligible individual applies for a Membership Certificate; (ii) a Lot or Lots are transferred by one Member to another Member; or (iii) a Lot or Lots are transferred by a Member to the spouse or children of such Member. When Members exchange Lots, each member shall pay a transfer fee.

Section 4. **Operating Assessment.** The Board is authorized to assess an annual general assessment (the “**Operating Dues**”) upon each holder of a Membership Certificate in an amount not to exceed the last amount approved by the Members allocated to the Operating Fund. The Operating Dues shall be due and payable annually, in advance on January 1 of each year but may be paid on or before February 15, without penalty. No Operating Dues for any subsequent year shall be payable for a Membership Certificate that is transferred to the Association for cancellation prior to December 1 of the current year. The Operating Dues shall be increased pro rata by an amount equal to the dues revenue lost as a result of the surrender of Membership Certificates for which such adjustment has not previously been made. For the avoidance of doubt, the purpose of the pro rata annual increase to the Operating Dues is to cover (on a cumulative basis) the cumulative loss of revenue that would otherwise result from certificates that are surrendered.

Section 5. **Capital Assessments.** The Board is authorized to assess an annual capital assessment (the “**Capital Dues**”) upon each holder of a Membership Certificate in an amount not to exceed the last amount approved by the Members, which shall be allocated to the Capital Fund. The Capital Dues shall be due and payable annually, in advance, on January 1 of each year but may be paid on or before February 15, without penalty. No Capital Dues for any subsequent year shall be payable for a Membership Certificate that is transferred to the Association for cancellation prior to December 1 of the current year. The Capital Dues shall be increased pro rata by an amount equal to the dues revenue lost as a result of the surrender of Membership Certificates for which such adjustment has not previously been made. For the avoidance of doubt, the purpose of the pro rata annual increase to the Capital Dues is to cover (on a cumulative basis) the cumulative loss of revenue that would otherwise result from certificates that are surrendered.

Section 6. **Special Assessments.** The Board is authorized to assess each holder of a Membership Certificate outstanding as of January 1 of each year, a sum equal to a pro rata share of the cost of the Association’s personal and real property taxes and insurance protecting the Association and its property (the “**Special Assessment**”). Such pro rata share shall be computed on the total number of Membership Certificates held by each individual, including extra Membership Certificates, as of the Annual Meeting of the preceding year. The Special Assessment shall be payable annually, in advance, on January 1 of each year, but may be paid on or before February 15 without penalty. The funds received for the tax and insurance costs shall be separately accounted for and used for no other purpose than set forth in this section. No Special Assessment for any subsequent year shall be payable on a Membership Certificate that is transferred to the Association for cancellation prior to December 1 of the current year.

Members shall be liable for the real and personal property taxes on all Lots owned by such Members as provided in Article X, Section 8

Section 7. **Further Assessments.** The Board is further authorized to assess each holder of a Membership Certificate outstanding as of January 1 of each year, a sum equal to a pro rata share of any new federal, state or local taxes assessed against the Association or its property and activities (excluding any increase in existing taxes) and paid during the prior year, and/or the cost of any newly imposed mandatory regulatory compliance paid during the prior year. If the tax or compliance cost will recur in subsequent years, the Board is authorized to assess each holder of a Membership Certificate a sum equal to a pro rata share of that recurring cost incurred in each subsequent year. This provision shall apply to taxes or regulatory costs which become initially effective on or after January 1, 1996, and shall apply notwithstanding Article III, Section 6, provided any such additional compliance assessment may not be imposed unless the annual cost incurred by the Association for the tax or regulatory compliance shall exceed the lesser of \$1.00 per certificate outstanding or \$2,000 in the aggregate for such prior year. Such pro rata shares shall be computed on the total number of Membership certificates held by each individual, including extra Membership certificates, as of the Annual Meeting of the preceding year. The assessment, if required for any year, shall be payable annually, in advance, on January 1 of that year, but may be paid on or before February 15 without penalty. No assessment authorized under this subsection for any subsequent year shall be payable on a Membership Certificate that is transferred to the Association for cancellation prior to December 1 of the current year.

Section 8. **Taxes.** If any Member fails to pay any real or personal property tax, assessment, special or otherwise, or any installment of any such tax or assessment levied or assessed against such Member's Lot by any governmental authority within one year after any such tax, assessment, or installment first become due, the Association shall have the right, but not the obligation, to pay any such tax, assessment, or installment and all penalties and interest imposed in connection therewith (the amount so paid by the Association is hereinafter referred to as the "**Reimbursable Amount**"). The Reimbursable Amount, together with interest and the administrative fee as provided for below and all costs, including reasonable attorney's fees, incurred by the Association in connection with the Member's failure to timely pay or reimburse the Association for the Reimbursable Amount, interest thereon and/or the administrative charge as provided below, shall be a charge and continuing lien on such Member's Lot. The Reimbursable Amount, together with such interest, administrative charge and costs, shall also be the personal obligation of the Member who was the owner of the Lot at the time when the tax, assessment or installment which was paid by the Association first became due. Any successor in title to such Member's Lot shall become personally obligated to pay the Reimbursable Amount, together with such interest, administrative charge and costs; provided, however, that the Member who was originally liable for such sum shall remain personally liable therefor notwithstanding the conveyance of such Member's Lot. The Reimbursable Amount shall bear interest at a rate established in rules and regulations of the Association from the date the Association paid the tax, assessment, or installment to which the Reimbursable Amount relates. In addition, such Member shall pay the Association a minimum charge of \$1,000.00, which shall be determined annually by the Board, to defray administrative expenses incurred by the Association in paying such tax, assessment, or installment. If such member fails to fully reimburse the Association for the Reimbursable Amount, the interest thereon, and/or the administrative charge within sixty (60) days after the Association gives such member a written demand therefor, the Association may, in addition to any other remedies available to the Association under these Bylaws or at law or in equity, bring an action at law against the Member personally and/or foreclose the lien against the Member's Lot by judicial action, advertisement or any other method permitted by law or equity. Each Member shall be deemed to have authorized and empowered the Association to sell such Lot at public sale in the event of foreclosure. The Association may bid in at the foreclosure sale and hold, lease, mortgage, sell, or cause to be sold the Lot with respect to which the Reimbursable Amount, interest, administrative charge, and/or costs is or are delinquent and to receive, hold, and distribute the proceeds of any such lease, mortgage, or sale in accordance with the priorities established by applicable law.

Section 9. **Non-payment of Assessment.** In the event the owner of a Membership Certificate fails to pay any Financial Obligation on or before February 15, the unpaid amount shall accrue interest in the amount of 1 1/2% per month until such Financial Obligations are paid in full. Until such Financial Obligation and accrued interest have been paid in full, the Member privileges to use Association-owned property shall be suspended. With respect to the Dues, if such assessment and interest thereto are not paid in full on or before June 1 the Association shall provide sixty (60) days written notice of the delinquency to the Member and thereafter the Association may collect the amount due in the same manner as any other debt owing to the Association. In addition, any such delinquency, together with interest, shall be a charge and continuing lien on such Member's Lot and may be foreclosed by the Association in accordance with the procedures relating to unpaid property taxes provided herein.

Section 10. **Increase of Assessments and Entrance Fee.** The Board may assess each owner of a Membership Certificate outstanding as of January 1 of each year, an additional sum equal to the annual percentage change in the Consumer Price Index (CPI) for Michigan as published by the Bureau of Labor Statistics, United States Department of Labor as measured by the difference between the third and second preceding calendar years, (for example, 2024 dues are computed by comparing the percentage change in the CPI from 2021 to 2022) as applied to the Operating Assessments, upon the affirmative vote of two-thirds (2/3) of those members of the Board present. In no event may the CPI increase exceed five percent (5%) in any one year. No other increase or additional assessments or entrance fees shall be made without a Member vote.

ARTICLE XI

FUNDS

Section 1. Operating Fund.

- A. **Source:** The Board shall maintain an account to be known as the Canada Creek Ranch Operating Fund (the “**Operating Fund**” or “**General Fund**”) funded out of the Dues collected from Members, the income from operation of Association Facilities, fees from services provided by the Association, and allocations from the Endowment Fund as provided herein.
- B. **Use:** Funds in the Operating Fund shall be used at the discretion of the Board for the day-to-day operation of the Association, such as payment of Association expenses such as staff salaries not paid from other Funds, utilities, maintenance, and taxes.
- C. **Accounting:** The Board shall maintain clearly identifiable segregated accounts and records for accounting control of funds in the Operating Fund.
- D. **Investment Decisions:** The Board shall have final authority and discretion as to the investment and reinvestment of the assets of the Operating Fund, including the authority to delegate investment decisions to professional investment managers. Fees and expenses of professional management shall be paid out of the Operating Fund.
- E. **Expense:** Administrative expenses pertaining to the Operating Fund and all taxes applicable to income of the Operating Fund shall be paid out of the Operating Fund.

Section 2. Capital Fund.

- A. **Source:** The Board shall maintain an account to be known as the Canada Creek Ranch Capital Fund (the “**Capital Fund**”) funded out of receipts from entrance fees, proceeds from sales of lots, proceeds from sales of assets, any portion of the Dues allocated to the Capital Fund, a percentage of the user and accommodation fees at the discretion of the Board, special project assessments that may be imposed upon approval by the holders of a majority of the Membership Certificates voting on the question in accordance with Article IV of these Bylaws and allocations from the Endowment Fund and the Resource Fund as provided herein.

B. **Use:** Funds in the Capital Fund shall be used at the discretion of the Board only for the following purposes:

- i. replacement/repair of capital assets,
- ii. replacement/repair of perimeter fencing,
- iii. major repairs or special project assessments,
- iv. purchase of Member lots,
- v. taxes.

For purposes of this Section 2, “**Replacement**” shall be defined as replacing an asset currently described in the Association’s Capital Asset Ledger as maintained by the Manager with a new asset of equal size and capacity along with (i) any improvements or alterations that are required to bring the new asset into compliance with any applicable governmental regulations; and/or (ii) any improvements that do not exceed twenty-five percent (25%) of the cost to replace the existing asset. Any expenditure that exceeds these limitations must be authorized by the holders of a majority of the Membership Certificates voting on the question in accordance with Article IV of these Bylaws. Major repairs may be made only to active assets contained in the Association’s Capital Asset Ledger.

C. **Accounting:** The Board shall maintain clearly identifiable segregated accounts and records for accounting control of funds in the Capital Fund.

D. **Investment Decisions:** The Board shall have final authority and discretion as to the investment and reinvestment of the assets of the Capital Fund, including the authority to delegate investment decisions to professional investment managers. Fees and expenses of professional management shall be paid out of the Capital Fund.

E. **Expense:** Administrative expenses pertaining to the Capital Fund and all taxes applicable to income of the Capital Fund shall be paid out of the Capital Fund.

Section 3. **Endowment Fund.**

A. **Source:** The Board shall maintain an account to be known as the Canada Creek Ranch Endowment Fund (the “**Endowment Fund**”) funded out of receipts from private donations.

B. **Use:** Funds in the Endowment Fund may be used for:

- i. Fifty percent (50%) of the annual net income of the Endowment Fund may be used each year for the benefit of either the Capital Fund or the Operating Fund, or proportioned between either Fund at the discretion of the Board. The balance of such annual income shall be added to the principal of the Endowment Fund.
- ii. As a temporary lending source to other Funds. Interest shall be added as an amount equal to the current percentage rate at the local financial institution in which the Association is engaged with per month until such loan is paid in full.
- iii. At the discretion of the Board, the acquisition of adjacent real property, including structures, (“Property”) to the Association may be authorized subject to the following restrictions:
 - a. The Property must share a common border or roadway with the Association.
 - b. The Property purchase price shall be established by fair market value.
 - c. Without approval of the Members, the Property purchase price shall not exceed a total of \$250,000.00 (commencing January 2024, such amount shall be adjusted annually to correspond with increases in the Consumer Price Index) hereby known as “max price.”
 - d. If a proposed Property purchase price exceeds the max price, the Board shall have the authority and may offer the seller a monetary, non-refundable deposit, not to exceed 2.5% of the purchase price offer, with the Association’s obligation to purchase contingent on approval of the Members within forty-five days of the offer.
 - e. An acquisition that exceeds these limitations shall only be authorized upon approval by the Members.
 - f. A meeting of the Members may be requested to dispose of purchased adjacent properties [within 6 months of the closing date] as provided in Article IV of these Bylaws. If approved by the Members, the sale price shall be established as the property’s purchase price and expenses, including but not limited to, realtor/brokerage fees and title work; unless the sale price is stated within the language to be voted on.

- C. **Accounting:** The Board shall maintain clearly identifiable segregated accounts and records for accounting control of funds in the Endowment Fund.
- D. **Invasion of Principal:** The principal of the Endowment Fund may be invaded and distributed for designated purposes as listed in Article XI, Section 3 or upon the affirmative vote of two-thirds (2/3) of the holders of Membership Certificates entitled to vote and present or represented at any Annual or Special Meeting of Members, if a notice or the proposed action is contained in the notice of the meeting.
- E. **Investment Decisions:** The Board shall have final authority and discretion as to the investment and reinvestment of the assets of the Endowment Fund, including the authority to delegate investment decisions to professional investment managers. Fees and expenses of professional management shall be paid out of the Endowment Fund.
- F. **Expenses:** Administrative expenses pertaining to the Endowment Fund and all taxes applicable to income of the Endowment Fund shall be paid out of the Endowment Fund.

Section 4. **Resource Fund.**

- A. **Source:** The Board shall maintain an account to be known as the Canada Creek Ranch Resource Fund (the “**Resource Fund**”) funded out of receipts from the lease of gas and oil rights, receipts from the sale of carbon credits, receipts from timber sales (stumpage), any portion of the Dues allocated to the Resource Fund, or any assessment that may be imposed upon the approval by the holders of a majority of the Membership Certificates voting on the question in accordance with these Bylaws.
- B. **Use:** Funds in the Resource Fund may be used, at the discretion of the Board in accordance with these Bylaws, for expenses including, but not limited to:
 - i. Environmental projects;
 - ii. Timber expenses such as tree planting, equipment, forester negotiations and plan maintenance;
 - iii. Carbon credit expenses such as contract negotiations and plan maintenance;
 - iv. Watershed expenses such as fish planting, lake/shoreline maintenance and stream structure maintenance;
 - v. Wildlife expenses such as field maintenance (seed, fertilizer, soil testing, equipment, etc.), biologist and plan maintenance;

- vi. Gas and oil expenses such as lease negotiations;
 - vii. Other new capital assets (not listed above) provided that the Board's authority to make expenditures from the Resource Fund for new capital assets shall not exceed a total of Thirty Thousand Dollars (\$30,000) in a single budgeted year (commencing January 2024, such amount shall be adjusted annually to correspond with increases in the Consumer Price Index). An amount equal to the current purchase price of said new asset shall be transferred to the Capital Fund for future replacement needs;
 - viii. Other Association purpose authorized by the holders of a majority of the Membership Certificates voting on the question in accordance with Article IV of these Bylaws.
- C. **Investment Decisions:** The Board shall have final authority and discretion as to the investment and reinvestment of the assets of the Resource Fund, including the authority to delegate investment decisions to professional investment managers. Fees and expenses of professional management shall be paid out of the Resource Fund.
- D. **Accounting:** The Board shall maintain clearly identifiable segregated accounts and records for accounting control of funds in the Resource Fund. The Board shall maintain within the Resource Fund a separate internal account ("**Carbon Account**") funded by the initial principal of four hundred and fifty thousand dollars (\$450,000.00) in carbon credit related receipts. Annual net income of the Carbon Account investments shall be added to the Carbon Account. The Carbon Account, including principal, shall only be used for carbon credit related expenses, including but not limited to taxes, administrative expenses and fees. The Carbon Account may be distributed for Board designated purposes upon completion of all present and future obligations of all carbon credit projects.
- E. **Expenses:** Administrative expenses pertaining to the Resource Fund and all taxes applicable to income of the Resource Fund shall be paid out of the Resource Fund.

ARTICLE XII
INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. **Third Party Suits.** To the extent permitted by Michigan law from time to time in effect and subject to the provisions of this Article XII, the Association shall indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he or she is or was a Director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association or its Members, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her 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 or she reasonably believed to be or not opposed to the best interests of the Association or its Members and, with respect to any criminal action or proceeding, had reasonable cause to believe his or her conduct was unlawful.

Section 2. **Suits by or in Right of the Association.** To the extent permitted by Michigan law from time to time in effect and subject to the provisions of this Article XII, the Association shall indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he or she is or was a Director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association or its Members, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudicated to be liable for negligence or misconduct in the performance of his or her duty to the Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnify for such expenses which such court shall deem proper.

Section 3. **Indemnification Against Expenses.** To the extent that a person who is or was a Director, officer, employee or agent of the Association, or a director, officer, employee or agent of any other Corporation, partnership, joint venture, trust or other enterprise with which he or she is or was serving at the request of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 and 2 of this Article XII, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

Section 4. **Determination that Indemnification is Proper.** Any indemnification under Sections 1 or 2 of this Article XII (unless ordered by a court) shall be made by the Association only upon determination that indemnification of the person is proper in the circumstances because he or she has met the applicable standard of conduct set forth in said Sections 1 and 2. Such determination shall be made (1) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or (3) by the Members.

Section 5. **Reimbursement of Expenses.** Expenses incurred by any person who may have a right of indemnification under this Article XII in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided by Section 4 of this Article XII upon receipt of an undertaking by or on behalf of such person to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Association pursuant to this Article XII.

Section 6. **Bylaws Not Exclusive.** The indemnification provided by this Article XII shall not be deemed exclusive of any other rights to which any person may be entitled under any by-laws, agreement, vote of Members or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding his or her office, except to the extent that such indemnification may be contrary to law. This indemnification provided by this Article XII shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 7. **Insurance.** The Association shall purchase and maintain insurance (and pay the entire premium therefore) on behalf of any person who is or was a Director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability under the provisions of this Article XII or under the applicable provisions of the Michigan Nonprofit Corporation Act.

Section 8. **Reorganized Corporation.** For the purposes of this Article XII, references to the Association include all constituent corporations absorbed by the Association in a restructuring, consolidation or merger, so that a person who is or was a director, officer, employee or agent of such constituent corporation or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise shall stand in the same position under the provisions of this Article XII with respect to the Association as he or she would if he or she had served the Association in the same capacity.

Section 9. **Changes in Michigan Law.** If there are any changes in the Michigan statutory provisions applicable to the Association and relating to the subject matter of this article, the indemnification to which any person shall be entitled shall be determined by the changed provisions, but only to the extent that the change permits the Association to provide broader indemnification rights than the provisions permitted the Association to provide before the change.

ARTICLE XIII **AMENDMENT**

These Bylaws may be altered or repealed, or new Bylaws may be adopted, by the affirmative vote of a majority of the votes cast at any Annual or Special Meeting of Members at which a quorum is present. Notice of the proposed Bylaw amendment must be contained in the notice of such meeting.

ARTICLE XIV

DISSOLUTION

Section 1. **Plan of Dissolution.** The Association may voluntarily cease its operations and dissolve the corporation, upon the required vote of the Board and upon the approval of at least two-thirds (2/3) of the Membership Certificates voting on the question in accordance with Article IV of these Bylaws, provided that a copy of the Plan of Dissolution is contained in the notice of the meeting, that shall be in compliance with these Bylaws and applicable law. The Plan of Dissolution shall provide for the Association's assets to be applied and distributed in accordance with Michigan law, as provided in this Article XIV. The Plan of Dissolution may provide for the Directors to continue the Association for a reasonable amount of time to maximize its value as a going concern for eventual sale, provided that operations shall be wound up and the assets liquidated with reasonable promptness, that shall not require liquidation sooner than 2 years after approval by the Members of the voluntary dissolution.

Section 2. **Distribution.** The assets shall be applied and distributed in the following order of priority.

- A. All liabilities and obligations of the Association shall be paid and discharged, or adequate provision made therefor;
- B. Assets held by the Association upon condition requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirements; and
- C. Other assets, if any, shall be sold and the proceeds distributed to the holders of Membership Certificates in Good Standing, in proportion to the number of Membership Certificates so held; provided however, that the terms of voluntary dissolution may provide for distribution of property in kind, allocated among the holders of Membership Certificates by its fair market value.

Section 3. **Judicial Decree.** Any dissolution shall take into account the interests of Members as may be reflected in the Montmorency County Register of Deeds, including but not limited to those arising by judicial decree.

ARTICLE XV
MISCELLANEOUS

Section 1. **Interpretation.** Interpretation, construction and application of these Bylaws shall be made by the Board whose decision shall be final.

Section 2. **Severability.** The invalidity or unenforceability of any provision of these Bylaws shall not affect the validity or enforceability of the remaining provisions of these Bylaws.

Section 3. **Fiscal Year.** The fiscal year of the Association begins on the 1st day of January of each year and ends on the 31st day of December following.

Section 4. **Corporate Seal.** The Board may provide a suitable corporate seal for use by the Association.

Section 5. **Notices.** Any notice required by statute or by these Bylaws to be given to the Members unless otherwise provided herein or by law may be given by United States mail or by electronic communication.

EXHIBIT A
Defined Terms

<u>Defined Term</u>	<u>Location</u>
“Action Request”	Article VI, Section 4
“Annual Meeting”	Article IV, Section 1
“Association”	Article I, Section 1
“Association Documents”	Article 1, Section 4
“Board”	Article I, Section 4
“Building Code”	Article V, Section 7.E.
“Bylaws”	Article I, Section 4
“Capital Dues”	Article X, Section 5
“Capital Fund”	Article XI, Section 2.A.
“Carbon Account”	Article XI, Section 4.D.
“Contiguous Lots”	Article III, Section 4
“Director” or “Directors”	Article V, Section 1
“Endowment Fund”	Article XI, Section 3.A.
“Entrance Fee”	Article X, Section 2
“Financial Obligations”	Article X, Section 1
“General Fund”	Article XI, Section 1.A.
“Good Standing”	Article II, Section 2
“Ledger”	Article III, Section 8
“Lot”	Article I, Section 2
“Member” or “Members”	Article II, Section 1
“Member’s Family”	Article II, Section 3
“Members of Record”	Article IV, Section 6

Defined Term**“Operating Dues”****“Operating Fund”****“Policies”****“Property”****“Ranch”****“Record Date”****“Reimbursable Amount”****“Replacement”****“Resource Fund”****“Rules”****“Special Assessment”****“Special Meetings”****Location**

Article X, Section 4

Article XI, Section 1.A.

Article V, Section 7.E.

Article XI, Section 3.B.(iii)

Article I, Section 2

Article IV, Section 6

Article X, Section 8

Article XI , Section 2.B.

Article XI, Section 4.A.

Article V, Section 7.E.

Article X, Section 6

Article IV, Section 2