

CRYSTAL LAKE ASSOCIATION
Crystal, Michigan

ARTICLES OF ASSOCIATION

Whereas a number of citizens owning property used for summer resort purposes in connection with Crystal Lake, Crystal Township, Montcalm County, Michigan, assembled at the Golf Course at Crystal on June 5, 1932, for the purpose of joining together in order that they might protect the natural advantages of said lake and preserve for themselves and their families the natural beauty, health and welfare afforded by said lake; and

Whereas it was suggested that an association be formed for the purposes hereinafter expressed, we do hereby make, execute and adopt the following Articles of Association, to wit:

(The original Articles of Association were amended in part as of the Annual Meeting, July 13, 1980, and July 6, 1991, and now read as follows)

ARTICLE I – NAME

The name assumed by the Association is CRYSTAL LAKE ASSOCIATION.

ARTICLE II - FORM OF ASSOCIATION

The Association is a non-profit corporation organized under the laws of the State of Michigan.

ARTICLE III – PURPOSES

The purposes for which this association is formed are: to protect the interest of the members of this Association in the real property owned by them; to endeavor to maintain the natural level in said lake; to aid and assist in securing proper and equitable equalization of the taxation assessments among the members and other property owners in said township; to protect against water pollution and unhealthy conditions; to secure adequate protection against fire, theft and pilfering; to secure improved roads leading to and around the lake; to protect and promote good fishing conditions in said lake; and for such other purposes as shall be beneficial to the interests of said members and the community itself.

ARTICLE IV – MEMBERSHIP

Section 1 Any person that owns property or conducts business in Crystal Township is eligible for membership.

Section 2 The original membership shall consist of all eligible persons subscribing to these Articles of Association.

Section 3 Any eligible person may hereafter join this Association by paying the current membership dues and being approved by the Board of Directors and by subscribing to these Articles and any amendments thereto.

Section 4 The Board of Directors shall have the power by unanimous vote to reject for membership any applicant whose interests appear to be adverse or hostile to the purposes of the Association.

Section 5 Any member may be expelled by a three-fourths vote of all members present and voting at any regular or special meeting of this membership. Such expulsion shall only be for conduct that is repugnant, inimical, hostile or adverse to the purposes of this Association.

Section 6 Any member proposed for expulsion shall be notified by the Secretary-Treasurer by certified mail at least 30 days in advance of such meeting and shall be entitled to be heard thereat.

ARTICLE V – DUES

Section 1 There shall be an annual fee for membership in said Association payable to the Secretary-Treasurer at the time of applying for membership or any renewal thereof.

Section 2 The amount of these annual dues shall be established by the Board of Directors and shall be due and payable on or before July 1st.

Section 3 Annual dues must be paid before there is eligibility to vote in any annual or special meeting.

Section 4 No special assessments shall be levied except by vote of three-fourths of the membership present at any annual or special meeting.

Section 5 The fiscal year shall commence on July 1st and end on June 30th.

ARTICLE VI – VOTING

Section 1 The right to vote requires dues be paid prior to the call to order of the annual meeting.

Section 2 Voting rights are: 1 vote per paid membership; that membership shall be in someone's name; that person has to vote, or proxy may be designated.

ARTICLE VII – MEETINGS

Section 1 The annual meeting of said Association shall be held in July at a time and place designated by the Board of Directors.

ARTICLE VII – MEETINGS (continued)

Section 2 Special meetings may be called at any time by the President or Board of Directors. Notice thereof shall be given to all members by the Secretary at least 15 days prior to the time of holding said special meeting by mailing a notice thereof to each member at his post office address as the same shall appear on the Association's records.

ARTICLE VIII – OFFICERS

Section 1 Said Association shall be governed by a Board of Directors of ten members elected at the annual meeting for a term of three years each. In the event of the death or resignation of a Board member, the vacancy shall be filled by the membership at the next annual meeting, to complete the term of said Board member.

Section 2 Said Board of Directors shall meet as soon as practicable after said annual meeting and elect from its membership a President, Vice President and Secretary-Treasurer for the ensuing year. Their terms of office will continue until new officers are elected one year later, after the close of the next annual meeting.

Section 3 It shall be the duty of the President to preside at all meetings of the Association and at all meetings of the Board of Directors and to perform such other duties as may be incumbent upon the office of President of such an association.

Section 4 The Vice President shall perform all duties of the President in the absence of the President.

Section 5 The Secretary-Treasurer shall keep the minutes of all meetings of the Association, together with the accurate record of its membership; shall notify all members of the annual and special meetings of the Association; and shall keep all records of the meetings of the Board of Directors.

The Secretary-Treasurer shall have charge of all funds in the hands of the Association and shall pay out no moneys except on order of the President or the Board of Directors.

The Board shall approve any expenditures of over \$500.

The Secretary-Treasurer shall certify that only eligible votes are counted in the balloting. In the absence of both the President and Vice President at a meeting, the Secretary-Treasurer shall appoint one of the Directors to conduct said meeting.

ARTICLE IX – DUTY OF DIRECTORS

The Board of Directors shall have the power, and it shall be their duty, in their discretion, to take such action as they deem necessary in order to carry out the purposes for which this Association is formed.

ARTICLE X – LIMITATION OF POWERS

No officer or agent shall have or be given any authority to incur any indebtedness whatsoever that may exceed the amount of money on hand or assessed by lawful assessment under Section 2 of Article V. Should any indebtedness be incurred exceeding the authority given herein, such indebtedness shall be null and void as to the individual

ARTICLE X – LIMITATION OF POWERS (continued)

members hereof. Any officer or agent violating this article shall be personally liable for any indebtedness so incurred.

ARTICLE XI – LIMITING VOLUNTEER DIRECTORS' LIABILITY

A volunteer director shall not be personally liable to the corporation or its members for any monetary damages for breach of the director's fiduciary duty. However, this provision shall not eliminate the liability of a director for any of the following:

- 1) A breach of the director's duty of loyalty to the corporation or its members.
- 2) Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law.
- 3) Unauthorized dividend distributions in violation of Section 551(1) of the Michigan Nonprofit Corporation Act (MCLA 450.2551).
- 4) A transaction from which the director derived an improper personal benefit.
- 5) An act or omission occurring before January 1, 1988.
- 6) An act or omission that is grossly negligent.

ARTICLE XII – VOLUNTEER DIRECTOR

The term "volunteer director" shall have the meaning given in the Michigan Nonprofit Corporation Act, as amended.

ARTICLE XIII – EXTENT OF LIABILITY

The power of the Corporation to eliminate or limit the personal liability of the directors shall exist to the fullest extent permitted by the Michigan Nonprofit Corporation Act, and as amended, and any other applicable law.

ARTICLE XIV – ORDER OF BUSINESS

All meetings of the membership and of the Board of Directors shall be as follows:

- 1) Call to Order
- 2) Roll Call of Officers
- 3) Reading of Minutes
- 4) Report of Officers
- 5) Report of Standing Committees
- 6) Treasurer's Report
- 7) Report of Ad Hoc Committees
- 8) Unfinished Business
- 9) Election of Officers
- 10) New Business
- 11) Adjournment\

ARTICLE XV – PARLIAMENTARY AUTHORITY

The rules contained in the current edition of ROBERT’S RULES OF ORDER NEWLY REVISED shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with these By Laws and any special rules or order the Association may adopt.

ARTICLE XVI – AMENDMENTS

These articles may be amended at any annual or special meeting of the Association by a majority vote of the total membership voting in person or by proxy, with one vote per membership. Notice of the proposed amending shall be mailed to each member by the Secretary-Treasurer with at least a 15-day notice of the meeting.