

Bylaws of the Omena Woods Association

Adopted as Amended July 12, 2009

ARTICLE 1. NAME

The name of the organization established by these Bylaws is the Omena Woods Association, Inc., hereafter referred to as the Association.

ARTICLE II. PURPOSE AND FUNCTIONS

Section A. Purpose

The purpose of the Association is as stated in the Articles of Association: “To preserve and enhance the natural beauty and rural and recreational character of the Omena Peninsula (Leelanau Township, Leelanau County, Michigan) and near-by areas situated in Leelanau and Suttons Bay Townships, said purpose(s) to be pursued without limitation, by the following: (1) the purchase of property: (2) the support of legislation and dialogue consistent with the aforesaid purposes: and (3) the taking of such other action provided by the laws of the State of Michigan, not inconsistent with the by-laws of the association, in order to carry out the aforesaid purposes.

Section B. Functions

The functions of the Association shall include, but not be limited to, the following:

1. to hold title to the properties owned by the Omena Woods Association and to maintain and conserve the properties in their natural states;
2. to acquire funds which may be made available for the purchase of additional land significantly related to the rural character and natural beauty of the Omena Peninsula and nearby areas, particularly land adjacent to Omena Point Road and Ingalls Bay Road;
3. to support zoning legislation which is consistent with the purpose of the Association;
4. to provide a forum for discussion of the shared interests of members concerning relationships with business and with governmental organizations including, but not limited to, taxing bodies, and other matters of common concern; and

5. to represent the views of the Association members to governmental agencies and to other organizations and individuals whose actions may affect the nature of land usage in the Omena Peninsula and nearby areas.

ARTICLE III. MEMBERSHIP

Section A. Basic Principle

Eligible property is enrolled in the Association by action of its owner(s) and approval by the Board, and thereafter will ordinarily continue as enrolled property regardless of the succession of subsequent owners. Thus, participation in the Association, and use of the land which it owns or holds, is attached to a particular property or properties, and membership in the Association cannot occur independently of such property ownership.

Section B. Definitions

1. Member. A member of the Association is an owner, in whole or part, of at least one enrolled property.

Individuals less than 18 years old, who meet the requirements of membership specified in this Article, may become members, but shall be represented in voting by one of their parents or legal guardian, as designated in a written statement to the Secretary of the Association.

Charter members are defined as those individuals whose agreements to purchase one or more units were received and accepted by the Steering Committee or by the Board for the Purchase of the Bedford Woods Subdivision.

2. Eligible Property. An eligible property is defined as a non-commercial, residential property located in Sections 25 or 36 in Leelanau Township, Leelanau County, Michigan; or such residential water view properties located in Sections 24 or 35 of said Township. Where a road forms a Section boundary, properties on both sides of that boundary road are enrollable properties.

“An eligible property” is limited to the property legally described in a single deed. The eligibility of properties held under separate deeds shall be considered separately, even though the properties be contiguous and owned by the same owner or owners.

3. Enrolled Property. Eligible property becomes enrolled property following approval by the Board and admission to membership of the property owner. An enrolled property shall be held under one deed only. Properties held under other deeds shall only be enrolled separately, even though the properties be contiguous and owned by the same owner or owners.

4. Membership Certificate. Once an eligible property has been enrolled, the member shall receive a copy of a Membership Certificate attesting to the fact of membership, identifying the enrolled property, and specifying the number of purchase units purchased for that property.

5. Purchase Unit. The cost of the purchase unit shall be determined by the Board. No member may purchase or hold, at any one time, more than four or less than one-quarter purchase units. Purchase units may not be sold by members. Purchase units may not be transferred or assigned by members except as expressly provided in these bylaws.

6. Friend of the Woods (Friend). A non-voting membership category, for individuals who reside or own property in the area described in Art. II. B.2 Eligible Property. A Friend need not be a property owner. To become a Friend an individual shall make a one-time contribution to the Leelanau Conservancy Omena Fund in an amount to be determined annually by the OWA Board. A Friend shall pay the same annual dues To the Omena Woods Association as does a voting member. A Friend of the Woods has the same privileges as a voting member to use the trails and help with preservation of the property, and may serve on certain committees as specified in Art. VIII A. All privileges cease upon non-payment of dues. Friend of the Woods status may not be transferred or sold. Membership Certificates shall not be issued to Friends of the Woods.

Section C. Application

In order to be eligible for consideration for membership, an individual shall meet the following requirements:

1. present to the Board proof of ownership, in whole or part, of an eligible property, the enrollment of which is proposed;
2. submit to the Board a deposit, in an amount to be determined by the Board, with a signed agreement to purchase a minimum of one-quarter purchase unit at a price determined by the Board

Section D. Transfer of Membership to New Owner(s) of Previously Enrolled Property

When a member(s) transfers title of an enrolled property to another person(s), whether a member or non-member, the new owner(s) shall be entitled to have transferred to him the Membership Certificate for that property, provided that he:

1. makes a written request to the Board for such transfer, and
2. signs a contract with the Association under the terms of which he agrees to continue payment of all financial obligations associated with that enrolled property from the date which he assumed title, and
3. provides a copy of the warranty deed that shows the property has been duly transferred.

The Board shall approve any request for transfer of membership which is in compliance with the Provisions of this section. The Board may not authorize transfer of a Membership Certificate to a new owner of a previously enrolled property if that owner is a member whose account with the Association is not current. The Board may charge fees for the processing of transfers of membership in order to cover the management and legal costs involved.

Section E. Termination of Membership

1. Relinquishment of Title to Enrolled Property. Membership shall be terminated immediately at such time as a member shall no longer hold title to an enrolled property, unless transfer of the Membership Certificate to another eligible property owned by the member has been requested by the member and approved by the Board in accordance with Article VI, Section B, Paragraph 4.

2. Financial Delinquency. Membership may be terminated automatically in the event that a member remains delinquent with respect to any financial obligation to the Association for a period of six months following the date upon which the payment was due. Between two months and one month prior to the date of termination for financial delinquency, the member shall be notified by certified mail with return receipt, of the date upon which membership shall be terminated unless payment is received. Individuals whose memberships are terminated under the provision of this paragraph shall receive no return of any funds paid into the Association nor any form of compensation for loss of membership. The Board, in its sole discretion, may delay termination if it finds that in its opinion there are legitimate extenuating circumstances.

3. Voluntary Termination of Membership. Membership may be terminated at the written request of the member. The member shall receive no return of funds paid into the Association.

ARTICLE IV. FINANCIAL OBLIGATIONS OF MEMBERS AND FRIENDS OF THE WOODS

Section A. Dues

Annual dues as determined by the Board and approved by the membership shall be paid by each member regardless of the number of purchase units he holds. The annual dues shall also be paid by each Friend of the Woods. The Board may at its discretion increase the amount of dues in any year by not more than ten percent. All revenue from annual dues shall be placed in the Association operating account in an accumulated amount not exceeding 12 months of projected annual expenses. All excess monies beyond that amount from annual dues shall be placed in the Reserve Fund (see Article VII, Section F, Paragraph 3). The Board shall determine the date or dates upon which annual dues shall become due.

Section B. Taxes

Real property tax imposed upon property owned by the Association shall be assessed to the members per capita and not based upon the number of purchase units held by a member.

Section C. Insurance

Insurance costs incurred by the Association shall be assessed to the members per capita and not based upon the number of purchase units held by a member.

Section D. Management Costs

Management costs include, but are not limited to, administrative, legal, bookkeeping and property management costs. Management costs incurred by the Association shall be assessed to the members per capita and not based upon the number of purchase units held by a member.

Section E. Assessments

Neither the Board nor the membership shall have the authority to levy special assessments upon the members for purposes of capital improvements or land acquisition. The Board may, if it deems necessary, authorize special assessments in order to increase revenue in accordance with unexpected increases in taxes, insurance, or management costs. Notice of special assessments must be made at least sixty days before they become due.

Section F. Late Payments

The Board shall have the authority to charge late payment fees on any amount due when payments are received later than sixty days after the due date.

ARTICLE V. RELATIONSHIP OF VOTING RIGHTS TO NUMBER OF PURCHASE UNITS HELD

Each member shall have as many votes in meetings of the Association as equal four times the exact number of purchase units he holds. (See Article XI.C)

ARTICLE VI. TRANSACTIONS IN MEMBERSHIPS AND IN PURCHASE UNITS

Section A. Membership

Membership in the Association can be acquired only in accordance with the provisions of Article III. Membership cannot be sold to other members; it also cannot be transferred to other individuals except as expressly provided for in these bylaws.

Section B. Purchase Units

1. Minimum and Maximum Number of Purchase Units per Enrolled Property. All members shall purchase a minimum of one-quarter unit for each enrolled property. No parcel of enrolled property shall be associated with more than 4 purchase units, nor may any member own more than 4 purchase units (see Article III.B.5).

2. Sale of Purchase Units by the Association. The Board may authorize the sale of whole or fractional units for the purpose of enrolling eligible properties or for the anticipated acquisition of additional land.

3. Redemption of Purchase Units. The Association shall have no obligation to redeem any or all of any member's purchase units.

4. Reassignment of Purchase Units to Other Eligible or Enrolled Properties. A member shall be permitted to reassign his purchase units to properties in such a way as to increase or

decrease the number of enrolled properties he owns in whole or part. If the reassignment involves currently enrolled properties only, he may accomplish the reassignment by informing the Board of his wishes and supplying whatever documents the Board may require. If the reassignment involves assigning one or more units to an eligible, but not enrolled property, the member shall furnish the Board evidence of its eligibility. If the Board deems the evidence of eligibility satisfactory, it shall approve the reassignment. All reassignments must be made in one or more whole, half, or quarter units only. The Board may charge fees for the processing or reassignments in order to cover the management and legal costs involved.

ARTICLE VII. THE BOARD

Section A. Number and Responsibilities

The Board shall consist of nine members of the Association and shall be responsible for the implementation of the policies contained in these bylaws and shall act for, and on the behalf of, the Association. Friends of the Woods are not eligible to serve on the Board.

Section B. Terms

1. Board members shall be elected three each year, for staggered three-year terms, commencing with the first scheduled Board meeting following the Annual Meeting. A Board member may serve two consecutive three-year terms, but may not serve again until a year has elapsed. Any Board member who has been elected or appointed to fill an unexpired term of less than three years shall be eligible for election to a three-year term. No Board member may serve more than six consecutive years.
2. Incomplete Terms. All Boards shall have the authority to fill by appointment Board vacancies which occur prior to the end of a designated term.

Section C. Nomination and Election of Board Members.

1. Nominating Procedure. The Board shall appoint each year three members of the Nominating Committee, which shall be considered a Standing Committee of the Association. At least 90 days prior to the annual meeting, the Nominating Committee shall mail to all members a request for nominations. The deadline for receipt of nominations by the Committee shall be 30 days after the mailing of the request. A written report of the Nominating Committee, listing at least as many candidates as there are vacancies to be filled by election shall be mailed to each member at least 21 days prior to the date of the Annual Meeting. Nominations may be made from the floor. Such nominees must have agreed in writing to serve if elected.
2. Voting. Voting for Board positions shall be conducted by acclamation or by ballot at the Annual Meeting of the Association. Each member shall vote for not more than the number of candidates corresponding to the positions to be filled, but may vote for fewer. Votes may not be accumulated. Members entitled to more than one vote shall receive a separate ballot for each vote. A plurality shall be sufficient for election. Friends of the Woods may attend meetings, but shall have no vote.

3. Report of Balloting. The Secretary of the Meeting shall record the results of voting and a copy of that record shall be appended to the minutes of the meeting.

4. Effective Date of New Board. The Board elected at the Annual Meeting shall take office upon the adjournment of the Annual Meeting and shall meet within 30 days after the Annual Meeting.

Section D. Officers

1. Number and Terms. The Officers shall consist of President, Vice-President, Secretary, and Treasurer. The President shall serve a one-year term and may be elected for one additional term.

2. Election. Within 30 days following the Annual Meeting, the new Board shall meet to elect from among them a President, a Vice-President, a Secretary, and a Treasurer to serve as officers of the Association in the coming year. The newly elected officers will take office immediately following their election.

3. Duties of the President. The duties of the President shall be:

- (1) to convene and preside over meetings of the Board and of the Association;
- (2) to serve as the official spokesman of Board and Association policy except in those instances in which the Board might designate another of its members, or the chairman of a standing committee, to serve as spokesman;
- (3) to prepare and have mailed to all members an Annual Report of the affairs of the Association;
- (4) to prepare and have mailed an agenda for the Annual Meeting at least 21 days in advance of the meeting; and
- (5) to serve as chief executive officer of the Association. In meetings of the Board, the President may vote on any motion.

4. Duties of the Vice-President. The duties of the Vice-President shall be:

- (1) to act in place of the President in the absence or disability of the President;
- (2) to carry out duties assigned by the President.

5. Duties of the Secretary. The duties of the Secretary shall be:

- (1) to take minutes and prepare written reports of same at all meetings of the Board and of the Association;
- (2) to maintain and preserve the continuous records of the Association;
- (3) have available to the members and Friends of the Woods and/or to post to the OWA web site written minutes of all Board and Association meetings within three weeks of the dates of the meetings;
- (4) to distribute to the members and Friends of the Woods and/or post to the OWA web site such other information as the Board may determine;
- (5) to file annually permanent copies of all Board and Association minutes and other official documents, the location of which shall be determined by the Board. Should the President and Vice-President be absent at a meeting of the Board, the Secretary shall convene the meeting and call for the election of a president *pro tempore* for that meeting.

6. Duties of the Treasurer. The duties of the Treasurer shall be:

- (1) to receive annual dues and revenue from other sources as may be determined by the Board;
- (2) to maintain checking and savings accounts as may be determined by the Board;
- (3) to maintain current records of revenue and disbursements for the information of the Board and the Association;
- (4) to provide written financial reports at the Annual Meeting of the Association and at such other times as the Board may direct;
- (5) to present to the Board in July of each year a proposed budget for the coming fiscal year, to be acted upon by the Board.

Section E. Board Meetings

1. Number and Schedule. Each year the Board shall meet:

- (1) at least once between June 1 and the Annual Meeting;
- (2) at least once in the 30 days following the Annual Meeting; and
- (3) at such additional times as may be determined by the President or upon the request of two or more Board members.

2. Quorum. Except as may be specified to the contrary by these bylaws or by Robert's Rules of Order Revised, the quorum for the conduct of all business shall not be less than five of the Board members.

3. Attendance of Association Members at Board Meetings. Any member or Friend of the Woods wishing to attend a Board meeting shall so inform an officer of the Association, whereupon such member shall be invited and informed of the time and place of the next Board meeting. Members may speak when the Board shall determine that time permits, but may not vote.

4. Teleconference Meetings of the Board. A meeting of the Board may be conducted by a pre-arranged telephone conference call if so agreed to by the Board as to each such meeting. All provisions of these bylaws concerning the conduct of Board meetings shall apply to meetings held by teleconference.

Section F. Fiscal Policy

1. Investment of Revenue. Funds to be invested by the Board shall be invested in some combination of savings accounts and/or certificates of deposit in federally insured institutions and in obligations of the United States government;

2. Acceptance of Gifts. The Board shall have the authority to accept gifts of money to the Association from members and Friends of the Woods, upon a majority vote. Acceptance of monetary gifts from non-members and of non-monetary assets from any source shall require the approval of two-thirds of the Board members. Gifts of money, unless stipulated by the donor for a special purpose and accepted by the Board on that basis, shall be deposited in the Reserve Fund described in the following paragraph.

3. Reserve Fund. The Board shall establish a Reserve Fund (referred to as the Fund hereafter) into which shall be deposited the excess annual dues as described in Section IV.A, revenue Bylaws of OWA, adopted July 2009

from the sale of purchase units, and gifts of money to the Association for which a special purpose has not been stipulated. The monies of the Fund shall be segregated from the operating account(s) of the Association.

4. Liability. Members of the Board, considered either collectively or individually, shall not be personally liable for any financial obligations of the Association. Should any area of personal liability to Board members be determined, the Board shall have the authority to purchase the appropriate liability insurance for the protection of its members.

5. Financial Requirement for Purchase or Sale of Real Estate. Purchase of additional real estate shall be subject to the requirement that the Board, prior to the closing, shall have secured funds, or signed commitments for funds, with deposits, equal to at least 100% of the purchase price. The Board shall not contract for the purchase or sale of real estate nor pledge the equity of any real estate owned or held by the Association as collateral for any loan except by a two-thirds vote of the Board members and concurrence of two-thirds of the total voting units of the Association's members. Any resolution to contract for the purchase of real estate, or to pledge the Association's equity in real estate as collateral, or to sell property shall be provided to each Board member in written form at least 30 days prior to the Board meeting at which the resolution is to be considered, and to each member of the Association in written form at least 30 days prior to the voting date at which the resolution to concur is to be considered.

Approval to purchase additional real estate, or to pledge the Association's equity to support such purchase, or to sell property shall be decided by a written ballot of the membership conducted by mail or at a meeting of the membership.

ARTICLE VIII. COMMITTEES

Section A. Standing Committees

The Board shall appoint the following standing committee chairmen. All standing committees shall consist of three members, of whom two shall not be Board members. Each standing committee shall carry out its functions under the supervision of the Board. Friends of the Woods may serve on the Conservation and Legislative committees, but may not serve on the Audit and Finance or the Nominating committees.

1. Conservation Committee. This committee shall be responsible for regular inspection of, and evaluation of the condition of, all land owned or held by the Association in order to determine whether the land is being maintained substantially in its natural state, with optimal conservation of both plant and animal life. The Committee shall be responsible for conducting such maintenance or conservation as authorized by the Board. The Committee shall make an annual written report to the Board prior to its first meeting each year after June 1, and shall present its report also to the membership at the Annual Meeting. The President shall be an ex-officio member of this committee.

2. Nominating Committee. This Committee shall be responsible for preparation of a slate of candidates for Board positions in accordance with the provisions of Article VII, Section C.

3. Legislative Committee. This committee shall be responsible for monitoring business and governmental agencies whose actions may affect Association interest more fully described in Article II. Section B. 3,4,5.
4. Audit and Finance Committee. This committee shall be responsible for overseeing the Treasurer's and Business manager's activities with a view to preserve the safety and integrity of OWA's assets. Meeting at least annually, this committee shall review all assets, confirm and verify all balances, and confirm land titling and zoning. Its scope shall include a review of the adequacy of insurances, and the adequacy of any financial plan to retire debt. The committee shall have (at least) three members, 2 of whom shall not be Board members.

Section B. Ad Hoc Committees

The Board shall have the authority to appoint ad hoc committees as it deems desirable. The President shall be an ex-officio member of all ad hoc committees.

ARTICLE IX. LAND USE

The Board shall manage the land owned and or held by the Association (referred to as "Association land" hereafter) in accordance with the Conservation Easement dated October 2004, held by The Leelanau Conservancy, and with the following rules:

1. Association land shall be maintained in its natural state except for maintenance or conservation as authorized by the vote of two-thirds majority of the voting units of the members of the Association present at the Annual Meeting.
2. The Board shall authorize no recreational or other use of Association land except for the provision, at its discretion, of one or more footpaths.
3. Bicycles and motor vehicles are prohibited on Association land except for the use of vehicles as part of authorized land maintenance or conservation activities.
4. Association land shall not be used for camping or picnicking.
5. Littering of any kind is prohibited on Association land.
6. No use of Association land by any commercial or governmental organization shall be permitted.
7. Members are responsible for the conduct on Association land of their families, guests, visitors, and, if applicable, tenants.

ARTICLE X. LAND ACQUISITION

The Board shall have the authority to purchase for the Association additional real estate when such a purchase is consistent with the purpose of the Association as stated in Article II, Section A, and subject to the following restrictions:

1. that the purchase be financed by money held in or committed to the Reserve Fund;
2. that the purchase not involve the assistance of any governmental institution;
3. that the purchase not result in foreseeable increased costs per purchase unit of insurance, taxes, or management services except where such costs are authorized by a two-thirds vote of the voting units at an assembled meeting of the members of the Association.

ARTICLE XI. MEMBERSHIP MEETINGS

A. Schedule

There shall be an Annual Meeting of the Association during the weekend following the first Sunday in July. In the event that the meeting is not held during that weekend in July, the Board shall specify a new meeting date at least 90 days in advance.

B. Business

Among the business which may be initiated and acted upon at an Annual Meeting are resolutions, ratification or censures of past Board actions, receipt of committee reports, actions upon the recommendations of committees or of the Board, and all other actions concerning the Association which are not in conflict with these bylaws or the provisions of Robert's Rules of Order Revised. An agenda for the Annual Meeting, listing all known items of business to be discussed, shall be sent out at least 21 days before the Meeting.

C. Voting

Each member shall have one vote for each one-quarter share of ownership he or she owns or represents. If enrolled property is owned by more than one individual, the owner shall deliver to the board a statement signed by all current owners that designates a person who is authorized to vote with respect to the purchase unit. Notwithstanding the foregoing, the co-owners may allocate voting rights among purchase units owned by them so long as the denominator is 4 and numerator is an integer.

In order to be eligible to vote, a member's account with the Association must be current 14 days before the Annual Meeting, and his membership approved by the Board not later than 14 days before the Annual Meeting.

D. Quorum

A voting unit is equivalent to one-quarter purchase unit. As the number of voting units may vary among members, the quorum is defined in terms of a percent of the total number of voting units held by all Association members. The quorum for the conduct of business at a meeting of the Association shall be 40% of the total number of voting units in the Association

except as indicated in Articles XIV and XVI; proxies shall be included in the determination of a quorum.

ARTICLE XII. MAIL BALLOTING

The Board shall have the discretion to conduct a mail ballot of the membership for the purpose of determining membership opinion, or for the solicitation of endorsement of a resolution or for land acquisition or financing. This endorsement is advisory only and must be ratified at a membership meeting.

ARTICLE XIII. INCORPORATION AND ISSUANCE OF STOCK

The Board is authorized to issue shares of stock to Association members, after which time the following equivalences of terms shall be established throughout the bylaws:

1. The phrase “purchase unit” shall have the same meaning as “share of stock” and the two phrases may be used interchangeable in the conduct of Association business.
2. The phrase “membership certificate” shall have the same meaning as “stock certificate”, and the two phrases may be used interchangeably in the conduct of Association affairs.

ARTICLE XIV. PROVISION FOR THE DISSOLUTION OF THE ASSOCIATION

A. Prohibition of a Motion to Dissolve the Association

The members of the Association shall not consider a resolution to dissolve the Association. Amendment of this provision is subject to the special requirements given in Article XVI below.

B. Consideration of a Motion to Dissolve the Association Following Bylaws Amendment

Should amendment of the bylaws permit consideration of a resolution to dissolve the Association, the following requirements shall be met before the resolution may be voted on. A copy of the proposed resolution shall be mailed to each member at least sixty days prior to the meeting at which the resolution will take place (i.e., the meeting at which the resolution will first be considered), further debate and possible voting on the resolution to be deferred to a second meeting to be held between 10 and 20 days following the first meeting.

C. Quorum

The quorum for consideration of a resolution to dissolve the Association shall be 50% of the total number of voting units. Adoption of such a resolution shall require a two-thirds vote of the voting units represented at the meeting, in person or by proxy.

ARTICLE XV. PARLIAMENTARY AUTHORITY

The rules contained in the most recent edition of Robert's Rules of Order Revised shall govern the Association and its Board in all cases to which they are applicable, and in which they are not inconsistent with the bylaws of the Association.

ARTICLE XVI. AMENDMENT OF BYLAWS

Section A

These bylaws may be amended by a two-thirds vote of the voting units represented at an Annual Meeting, subject to the following requirements:

1. the quorum for amendment of bylaws shall be 50% of the total number of voting units in the Association;
2. the proposed amendment(s) shall be mailed to each member at least sixty days prior to the meeting at which the amendments are to be considered;
3. any proposed amendment of Article XIV shall be mailed to each member at least sixty days prior to the meeting at which the amendments will first be considered. At such meeting only debate shall take place, further debate and possible voting on the amendment to be deferred to a second meeting to be held between 10 and 20 days following the first meeting.
4. Any member wishing to propose a bylaw change must first submit a written copy of the proposal to the Board for consideration. The Board has 45 days to decide to support the Bylaw change or not. If the Board decides to support the bylaw proposal, it will be responsible for the notification process (i.e., the notification process described in Article XVI Paragraphs 2 and 3). If the Board decides not to support the bylaw proposal, it will notify the member in writing with a written explanation of its decision. If the member wishes to pursue the proposal, he/she must submit the written amendment with an attached petition signed by 20 members, representing 20 separate purchase units. The Board must receive the amendment with petition at least 90 days before the Annual Meeting. The Board will then be responsible for the notification process.