

**LAKE CHEMUNG OUTDOOR RESORT, INC.  
BY-LAWS**

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**PREAMBLE**

**POWERS AND PURPOSE**

The Corporation (hereinafter known and referred to as “Association”) shall exist for those purposes set forth in the Articles of Incorporation, and it shall have such powers as are incidental thereto as well as those which from time to time may be granted by law to it as a State of Michigan non-profit corporation. Its primary purpose shall be to acquire, own, maintain and operate, for the benefit of those persons who shall from time to time be its members, a campground and outdoor facility.

Offices –The principal office shall be at 320 South Hughes Road, Howell, Genoa Township, Livingston County, Michigan.

**ARTICLE I**

**SALE OF CAMPGROUND**

The Association shall have the power to dispose of real property or all or a substantial portion of its assets only in the following manner:

First - The Board of Directors (hereinafter referred to as the “Board”) shall adopt a resolution authorizing and recommending such transfer or disposition and specifying the terms and conditions thereof.

Section – The question shall then be put to a vote of all members entitled to vote at a special or regular meeting thereof. If ninety percent (90%) of the votes which could be cast at such meeting are in favor of such transfer or disposition, it shall be completed. Otherwise, such transfer or disposition shall not be made.

**ARTICLE II**

**MEMBERSHIP**

***Amended 1995***

**Section 1. Qualifications**

Memberships in the Association shall be available only to natural adult persons with a sincere interest in outdoor recreation. No adult person(s) may be excluded from membership in the Association by reason of age, sex, race, color, religion, marital status, or national origin.

## Section 2. Nature of Membership

A membership and the rights and privileges and duties attendant thereto shall be considered as personal property. No members shall acquire any interest in any real estate or other property owned by the Association other than as a member to use the same as is provided herein, or in the rules and regulations which may from time to time be established by the Board.

Each member shall have a right to use Association property upon such terms and conditions as the Board by appropriate rules and regulations may determine unless otherwise set forth in the By-Laws.

## Section 3. Memberships, Members, Associate Members and Guests

***Amended 1995***

Each membership shall include the use of a designated campsite and shall be issued in the name of one or two natural adult persons. The limit of two adult natural persons named on the membership certificate is effective as of October 1, 1995, and all previously issued membership certificates shall remain as issued. Any name changes made on a certificate after the date of October 1, 1995, other than because of a sale of membership, will incur a \$10 fee collected from the member requesting the change. Memberships so issued shall then be outstanding memberships; and such person(s) named on the membership certificate shall be members of the Association and shall have the privileges, rights, duties, obligations, and responsibilities of membership as set forth herein. The spouse and children of a member, who are not themselves members, shall be associates of the member(s) and may enjoy similar privileges as a member, but do not have the same rights nor obligations as a member. This means that an associate member is not obligated for the dues and fees as assessed by the organization but can enjoy the benefits of the association because of their relationship to the member. An associate member is not entitled to vote. Guests of members may also use the facility, subject to such rules and regulations as may be established from time to time by the Association and/or Board.

The total number of memberships which may be at any time or from time to time outstanding shall be limited to the number of designated campsites available for recreational vehicles. Memberships held by the Association shall not be considered to be outstanding.

## Section 4. Voting Rights of Memberships and Members

Each membership which is outstanding and in good standing shall be entitled to one vote on any matter requiring adoption or approval by the membership pursuant to these By-Laws. Such one vote may be cast on behalf of such membership by any member in person, or by proxy, in whose name said membership shall have been issued. The vote of any such member shall be deemed to represent the other member(s) in whose name(s) said membership shall have been issued whether or not a proxy shall have been granted to such representative member. Neither the Association nor any director, officer, and/or appointed inspector of election shall be held responsible for any act or omission by such representative member.

Except as otherwise set forth in these By-Laws, or as required by law, the vote of the majority of votes cast by members in attendance, in person or by proxy and otherwise eligible to vote as set forth herein at a regular annual or special meeting at which a quorum is present shall be necessary for adoption or approval of any matter requiring adoption or approval pursuant to the By-Laws. Whenever used in these By-Laws, the terms described herein below shall have the meanings assigned to them herein below:

1. "Votes cast" shall mean the number of votes actually cast by members in attendance in person or by proxy.
2. "Votes entitled to be cast" shall mean the number of votes which would have been cast by members in attendance in person or by proxy (who are entitled to vote), whether or not all such votes actually were cast.
3. "Votes which could be cast" shall mean the number of votes which could have been cast by members on behalf of all outstanding memberships in good standing.
4. The "majority" of votes shall be that number of votes which is one vote in excess of one-half of the votes cast, or entitled to be cast, or which could be cast -- whichever of these terms is used herein to define said majority. In the event that the vote shall be to concurrently elect more than one director as set forth herein, then "votes cast" shall mean the number of written ballots voted by members in attendance, in person or by proxy.
5. Whenever a certain proportion of votes other than a "majority" of votes shall be specified by law or in these By-Laws, such proportion shall be determined by dividing the number of votes actually cast in favor of adoption or approval of the question by the votes cast, or entitled to be cast, or which could be cast -- whichever of these terms is used herein to define such a proportion.
6. A "quorum" at any regular annual or special meeting of the membership shall be the attendance of that number of members of record in person or by proxy who represent and are entitled to vote on behalf of thirty-three percent (33%) of the then outstanding memberships of record which are in good standing.

Only memberships which are outstanding shall be entitled to a vote; only persons who are members of record shall be entitled to cast a vote on behalf of a membership and votes may be cast only on behalf of a membership which is in good standing.

#### Section 5. Certificates of Membership

***Amended 1995***

Certificates of membership in the Association shall be issued in the name(s) of one or two natural adult persons - to whom a membership is issued. Such certificates shall be in such form as the Board shall from time to time designate and shall be issued over the signature of the President or other officer of the Association as the Board may designate. Such

certificates shall clearly state on their face that the Association is a State of Michigan non-profit corporation. Adequate records shall be maintained by the Association listing all outstanding memberships and the designated campsite number of each such membership, the name(s) of the member(s) to whom each said membership shall have been issued, an address of record and the date each said membership was issued.

A member is required to notify the Board in writing when and to whom said member's certificate is pledged as collateral for installment credit and the Board in turn is responsible thereafter for notifying both said member(s) and lender(s) if said member becomes default in the payment of dues or assessments or charges that may have accrued. The Association shall not be held responsible to notify the lender unless and until it is officially notified of the lien thereon.

A member is required to notify the Board in writing of intent to transfer said membership.

### **ARTICLE III** **FINANCIAL OBLIGATION OF MEMBERS**

#### **Section 1. Dues and Fees**

- a. Fiscal year of this organization shall be November 1 to October 31, beginning November 1, 1980.
- b. By acceptance of membership in the Association, each member has agreed to pay such dues, charges, and assessments as may from time to time be assessed and levied by the Board pursuant to these By-Laws or as may be assessed by the membership.
- c. Late fees may be assessed as determined by the Board from time to time.
- d. Transfer fees and other fees as may be levied from time to time by the Board shall be payable in full prior to transfer of membership.

#### **Section 2. Annual Dues**

In order to provide the funds with which to operate the Association and to maintain its property, the Association shall, as is hereinafter provided in these By-Laws, establish and levy annual dues against the member(s) in whose name(s) each outstanding membership is issued as is hereinafter provided, such levy to be the obligation of each and every member whose name appears on the Certificate of Membership. Non-payment of said dues within thirty (30) days after they become due shall be treated as in default as set forth in these By-Laws and shall be grounds for suspension of membership privileges and/or termination of membership in accordance with the determination of the Board as provided herein. The obligation of said members to pay such annual dues shall accrue from the first (1<sup>st</sup>) day of the month in which a membership is issued in the name(s) of said member(s) and shall be due and payable in a pro-rata amount of the annual dues for the remainder of the year and during following years.

Subject to financial consideration each member shall be entitled to the following:

- a. Use of the member's designated campsite year-round with electrical, water, and sewer connections.
- b. Use of electricity. The amount of electricity used at each campsite will be metered and the cost thereof borne by said member(s) in addition to annual dues, except as may be provided in the rules and regulations pursuant to the rental of campsites.
- c. Daily garbage pick-ups in season from Memorial Day to Labor Day, or as may otherwise be reasonably possible.
- d. Lawn mowing of campsite and common areas as required to maintain reasonable appearance together with fertilizing, weed and pest control as may be reasonably possible.
- e. Reasonable snow removal from roads within the campground. Driveways to be cleared only on request to the office from the member forty-eight (48) hours in advance and then only as conditions and equipment permit.
- f. Basic security at gate and regular patrols of the campground. Member to be notified of unusual or serious occurrences affecting said member(s) recreational vehicle or site.
- g. Reasonable use of common areas including beach, waterfront, pool, tennis courts, bathhouses, and other facilities subject to approved rules and regulations that may be published from time to time.
- h. Periodic reports from the Board concerning campground financial and operating conditions.

### Section 3. Special Assessments

The Board may levy a special assessment (a) for the purpose of additions, repairs or improvements to physical properties or in the event of financial or operating emergencies, deemed necessary by the Board to protect the interests of the Association and its members, the amount is divided equally among all outstanding memberships; or (b) against a particular member or member(s) for the recovery of damages suffered by the Association as a result of such member(s) act or omission. No special assessment for additions to the physical properties or for financial emergencies of the Association pursuant to clause (a), or hereinabove, in an amount in excess of ten percent (10%) of the total membership dues per year is permitted without the approval of two-thirds (2/3) of the votes entitled to be cast at a membership meeting, provided further that no assessment for the purchase of real property is permitted without said approval by the membership as set forth hereinabove. Said assessment shall be due and payable as set forth in the levy and upon notification in writing to members. Nonpayment of the special assessment for thirty (30) days after it or any installment thereof becomes due shall be treated as in default as set forth in these By-Laws.

### Section 4. Limitations on Use of Association Funds

The funds of the Association shall be utilized solely for the benefit of the Association. In no event shall any Association funds ever be used in any way which should inure to the benefit of any member solely by virtue of such member's membership. Funds associated

with each special assessment shall be maintained in a separate account to be used only for that purpose for which each said special assessment was intended as described in the levy and notice to members. Amounts deposited in and dispersed from special assessment accounts shall be reported in financial statements.

No real property shall be acquired or purchased by the Association, whether or not a special assessment is levied, without approval by two-thirds of the votes cast by members voting, in person or by proxy, at a membership meeting.

## **ARTICLE IV** **MAINTENANCE AND USE OF ASSOCIATION PROPERTY**

### **Section 1. Standard of Care**

Each member shall treat and deal with Association property with a degree of care consistent with the stated purpose of the Association, to-wit:

The establishment and preservation of an environment conducive to realization of the maximum benefit to be derived from camping and its attendant benefits. Accordingly, from time to time the Board and/or Association may adopt rules and regulations relating to Association property other than those specified herein, all of which is more fully set forth in the Rules and Regulations now in force or which may be amended or altered from time to time hereafter.

### **Section 2. Responsibility of Members for Associates and Guests**

Each member is responsible for the acts and omissions of said member's associates and guests, and any violation of the By-Laws or Rules and Regulations by an associate or guest of a member shall be deemed to be a violation by the member. Associates and guests of members may use the facilities of the campground, subject to such rules and regulations as may be adopted by the Board.

### **Section 3. General Rules**

The rules for the maintenance and use of Association property and facilities shall include the following:

- a. **Placement of Equipment.** A member may place upon a designated campsite one of the following: a tent-type folding trailer, truck camper, travel trailer (including park model), and/or motor home; provided, however, that any such trailer, camper or motor home shall be a recreational vehicle as the term "recreational vehicle" shall be defined in Federal or State of Michigan laws and regulations. In no event shall any campsite be used or occupied as a permanent residence. No improvements of any kind shall be erected on a campsite, nor changes made to a campsite, without written approval of the Board with the exception of occasional plants such as flowers.



- b. Removal of Vegetation. No trees, brush, or vegetation shall be cut down or damaged in any way except with the written approval of the Board. If such approval is given, it may contain such conditions as the Board may deem appropriate.
- c. Offensive Activities. No noxious or offensive activities or nuisances shall be permitted at any time on Association property.
- d. Signs. No signs shall be erected on Association property except with written permission of the Board, except name signs.
- e. Animals. No animals shall be kept or maintained on Association property except the usual household pets, and then only if they are kept reasonable confined by proper leash so as not to become a nuisance.
- f. Campsite Occupancy Limitations. No more than one recreational vehicle shall be placed on a campsite unless the Board shall determine to its satisfaction (and grant written approval therefor) that any such additional recreational vehicle is not being used or occupied in a manner coincident to a recreational vehicle.
- g. Waste Disposal. No burning of trash, leaves, garbage, or like refuse shall be permitted. All such materials shall be stored in approved containers. No accumulation of litter or refuse shall be permitted, nor shall dumping of sewage or other similar refuse or waste water be permitted on any campsite or anywhere else within or upon Association property, except in those places designated by the Board for such purposes.
- h. Parking. No vehicle shall be parked on any roadway, nor shall any vehicle be parked or maintained in any place other than in those approved by the Board.
- i. Fires. No fires shall be permitted except within approved containers and then only upon such terms and conditions as may be established by the Board.
- j. Speed limits. No motor vehicle shall be operated within the park in a reckless manner or in violation of posted speed limits. No boat shall be operated on the lake except within speed limits posted and established by the various governmental authorities.

In the event of any conflict between these By-Laws and the Rules and Regulations, the former shall supersede.

## **ARTICLE V** **SUSPENSION, TERMINATION, AND TRANSFER OF MEMBERSHIPS**

### **Section 1. Grounds for Suspension or Termination of Membership**

The Board may suspend the rights and privileges of membership and/or terminate a membership for cause. Included within the meaning of those terms are the following:

- a. Non-payment of any dues or assessments or funds levied or due the Association within thirty (30) days after the same shall become due and payable.

- b. For a serious violation or repeated violation of these By-Laws or Rules and Regulations adopted pursuant to the By-Laws.
- c. Default in a member's loan agreement with a lending institution or a private party holding membership certificates as security or collateral for a loan, provided the Association receives written notice thereof.

## Section 2. Notice and Hearing Procedure for Termination for Violation of By-Laws or Rules and Regulations

In the event that the Board elects by a vote of two-thirds of the Board to suspend membership privileges of a membership or a particular member and/or terminate a membership for cause as set forth under Section 1 sub-paragraph b. hereinabove, it shall forthwith notify the member(s) whose membership is to be suspended or terminated at least thirty (30) days prior to the effective date of such suspension or termination. Such notice shall be in writing sent registered or certified mail, return receipt, signed and addressed to the member(s) at the address of record. Said notice shall specify the exact grounds for the suspension or termination and the terms and conditions, of the suspension or termination (including, if suspension, the period of time that such suspension shall be in effect) and the terms and conditions, if any, upon which said member(s) or membership may be reinstated in good standing.

In the event that the member(s) whose membership is subject to suspension or termination should so desire, said member(s) may, within said thirty (30) day period, apply in writing for a reconsideration of the decision of the Board. Upon receipt of such application for reconsideration, the Board shall set a date certain within thirty (30) days after said receipt for a hearing on such application.. At such hearing, evidence shall be taken both in support of and in opposition to such application. Within fourteen (14) days after the date of such hearing, the Board shall notify the member(s) in writing of its decision on the application. In the event that the Board shall in its sole discretion determine that suspension or termination of membership is not appropriate, it may rescind or modify the suspension or termination and may make continuation of membership subject to such conditions as it deems just, equitable and appropriate. Notwithstanding the above procedure the Board may, prior to written notification of suspension or termination, set a date for a hearing at which the member(s) shall be asked to show cause why said member's membership should not be suspended or terminated.

During the period which a member(s) or a membership is suspended as provided hereinabove, all rights and privileges of membership shall be suspended, unless the Board shall elect to exempt certain rights and privileges from suspension. The right to vote or be a director and/or officer of the Association shall not be exempted from suspension, and the obligation to pay dues, assessments, and charges as may accrue during the period of suspension, shall continue.

## Section 3. Resale of Terminated Memberships by the Association

After termination of membership as provided herein, all rights and privileges of the terminated member shall be terminated and such terminated member(s) shall have no right to recover from the Association any monies which may have therefor been paid by such

terminated member(s) to the Association or its assigns; provided, however, that in the event the Association shall thereafter resell such membership, the Association shall pay to the terminated member(s), or shall credit to the remaining debt due on such terminated member(s) obligation or debt, if such terminated member(s) shall be paying such fee in installments, an amount equal to the resale price reduce by any outstanding dues, charges, or assessments levied to date and further reduced by twenty percent (20%) to cover the costs of resale.

During the period of time following the termination of a membership and prior to resale of the membership, such membership shall be held by the Association and shall not be an outstanding membership.

#### Section 4. Transfer of Memberships

Any member(s) in good standing may transfer said member's membership to any person(s) who would be eligible for membership upon original application therefor; provided however, that prior to approving the transfer of a membership, the Association shall have the right to purchase said membership at a fair market price. Such right shall be exercised within ten (10) days after receipt by the Association of written notice of the intended transfer. In the event that the Association shall fail to exercise its right of repurchase, such transfer may be made upon such terms and conditions as the parties therein may find mutually agreeable; provided, however, that such terms and conditions of the transfer do not violate any provisions of these By-Laws or the Rules and Regulations adopted pursuant thereto. A transfer fee shall be paid to the Association to cover the administrative cost to the Association of such transfer; except that, in the event such transfer shall be to the Association as set forth herein, or to the spouse, son(s), daughter(s), parent(s) or grandparent(s) of the member(s) transferring the membership, or in the event such transfer shall be by will or the laws of descent and distribution following the death of the member(s), said transfer fee shall be waived. Payment of said transfer fee shall be the responsibility of the member(s) transferring the membership, subject to such terms and conditions as the parties thereto may find mutually agreeable. Said transfer fee shall be an amount which is the greater of one percent (1%) of the selling price or \$100, and such other fees or charges related to such transfer as may be levied by the Board from time to time. Such fees and charges shall be paid to the Association prior to completion of the transfer and reissuance of the membership certificate.

#### Section 5. Lien for Non-payment of Dues, etc.

A membership as to which the membership fee, annual dues, late fees, or assessments are not fully paid may not be transferred and the Association shall have a lien thereon until the debt is paid to the Association. A membership with violations of the By-Laws or Rules and Regulations may not be transferred until the violations are corrected and eliminated.

#### Section 6. Disposition of Personal Property of Terminated Members

- a. Personal property of terminated members must be removed from the campground within ten (10) days of final termination of membership.

- b. If such personal property is not removed at the end of said ten (10) day period, the same will be stored in an appropriate way, at the owner's expense, and a reasonable charge for such storage will be established by the Board of Directors.
- c. Such storage charges and any expense incurred by the Association, including legal expense in establishing rights under this By-Law, shall constitute a lien on such personal property and the payment of such lien shall be the obligation of the terminated member and the same may be enforced in any Court of competent jurisdiction.
- d. If such personal property is not redeemed by payment of all charges against the same by terminated member(s) within six (6) months after final membership termination, such personal property will be deemed abandoned to the Association.
- e. Such personal property may be delivered to any lien-holder having a right thereto upon payment of the charges due against such personal property pursuant to this By-Law.
- f. The Association is authorized to secure legal title or title certificates to any such personal property if necessary by any appropriate means including legal action to enforce the rights of the Association under this By-Law.
- g. Any member whose membership is forfeited by the Association shall be informed of the provisions of this By-Law by certified mail, return receipt requested.

## **ARTICLE VI**

### **MEMBERSHIP MEETINGS**

#### **Section 1. Notice of Meetings of the Association**

Written notice of the time, place and specific detailed written agenda of the meeting and, in the case of a special meeting, the purposes for which the meeting is called, shall be delivered fourteen (14) days prior to date of the meeting by mail to each membership entitled to vote in such meeting. Such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at address of record as it appears on the records of the Association, with postage prepaid. No business shall be conducted except that stated in the notice of that meeting. No matter shall be voted upon at any meeting unless it appears on the written advance agenda.

On said fourteenth (14<sup>th</sup>) day prior to a membership meeting, as set forth in Article II, Section 5 herein, the Secretary shall verify the number of then outstanding memberships of record which shall be entitled to one vote (which number shall then determine whether a quorum is in attendance at such forthcoming meeting) and the names of the member(s) of record who shall be entitled to vote at such meeting on behalf of each said outstanding memberships.

#### **Section 2. Time and Place of Annual Meeting**

The annual meeting of the membership, for the purpose of electing directors and transacting such other business as need be brought before the meeting shall be held at 2:00 p.m. on the second Saturday in September each year, at such place as may be designated by

the Board having in mind the convenience of the members of the Association at its principal location. In the event it is necessary to either change the date, time, or place of the meeting of the membership, notice of such change shall be given at least ten (10) days before the regular day for holding such meeting, by resolution duly adopted by the Board and notice mailed to each member of record, at such address as appears upon the records of the Association.

### Section 3. Order of Business at Meeting of the Members

At any meeting of the members, the following order of business, unless otherwise ordered by the chairperson, shall be observed as far as practical and as may be consistent with the purposes of the meeting:

- a. Call to order – A statement of whether a quorum is present in accordance with the By-Laws.
- b. The President and Secretary shall be the chairperson and the secretary respectively at said meeting.
- c. Presentation of proofs of due calling of meeting and the certificate of the Secretary, or affidavit of other persons who mailed the notice, shall be conclusive of such service.
- d. Introduction of inspectors of election.
- e. Presentation and examination of proxies by the inspectors of the election.
- f. Reading and approval of the report of the inspectors as to voting membership present.
- g. Reading and settlement of the minutes of the previous meeting.
- h. Report of the President.
- i. Report of the Park Manager.
- j. Report of the Treasurer.
- k. Report of the Secretary.
- l. Reports of the committees.
- m. Election of directors, if the meeting is an annual meeting or a meeting called for that purpose. If not for the purpose of election of directors, then for the purpose which the meeting was called.
- n. Unfinished business
- o. New business.
- p. Adjournment.

### Section 4. Who Presides at the Meeting

The President shall be the presiding officer at all meetings of the members. In a case of his/her absence or disability, the first Vice-President shall act in his/her stead, and so on in the following order: Second Vice-President, Secretary, Treasurer, unless some other person is so designated by the Board for that purpose.

#### Section 5. Members May Vote by Proxy

***Amended 2000***

Every member entitled to vote or execute consent on behalf of an outstanding membership as set forth herein shall have the right to do so either in person or by written proxy executed by such member and filed with the Inspectors of Election prior to the start of the meeting; provided, however, that such proxy shall be valid only for the meeting for which it was granted. All proxies must designate how the member entitled to vote wants his/her votes to be cast in order for the proxy to be considered valid. Approved forms of proxy shall be provided by the Board as a part of the notice of the meeting to the membership.

#### Section 6. Inspectors of Election

The President with the advice and consent of the Board shall appoint inspectors of election for each meeting of the membership. The President may fill any vacancies on or before the time of the meeting. The inspectors appointed to act at such meetings of the membership, before entering upon their duties, shall be sworn faithfully to execute the duties of inspectors at such meetings with strict impartiality and according to the best of their ability, and the same shall be noted upon the minutes of the meeting.

The Inspectors of Election shall verify the presence of a quorum as deemed herein, and shall establish such rules and procedures as they deem necessary for the proper registration of the memberships present and the members in attendance, in person or by proxy, who shall be entitled to vote on behalf of each such present membership; for the control of written ballots; and for the accurate tabulation of votes cast in person and by proxy.

In the event that the Inspectors and/or the Board shall be in doubt as to the right of a particular membership to vote, or as to the eligibility of a particular member or other person to cast such vote (whether in person or by proxy) or to grant a proxy on behalf of a membership, said Inspectors and/or the Board may require such evidence as they deem necessary to verify the validity of such right or eligibility. In all such cases a determination by the Board shall be final.

#### Section 7. Quorum

As set forth in Article II, Section 4 herein, a quorum at either a special meeting or the annual meeting shall be the attendance, in person or by proxy, of members representing thirty-three percent (33%) of the memberships entitled to vote at such meeting; and the vote of the majority of votes entitled to be cast at any meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by members unless a greater proportion is required by law or by these By-Laws; provided, however, that a vote to elect a director(s) of the Association shall proceed as set forth in Article VI, Section 9, hereinbelow. A quorum must be present at any meeting at such time that the meeting is called to order but a less number may adjourn a meeting from time to time.

## Section 8. Election and Classification of Directors

**Amended 2016**

There shall be seven (7) directors. The number may not be increased or reduced except by amendment of these By-Laws. Directors must be adult members who have maintained membership within the association for at least two (2) years, provided, however, that no member who has been suspended or whose membership has been suspended as set forth in Article V, Section 2, may become or continue to be a director during such period that said member or said member's membership is suspended. No membership shall be represented on the Board by more than one member.

Directors shall be elected at the annual membership meeting and shall take office at the close thereof. Voting shall be by written ballot.

The nominating committee shall submit in writing one or more candidates for each vacant director position to the Secretary by the second Saturday in July.

Members may propose candidates for vacant director positions by filing a nomination with the Secretary, no later than the second Saturday in August. Such nominations shall be submitted in writing and shall include the signatures representing twenty (20) memberships and the approval of the nominee. Additional nominations will not be accepted from the floor.

The directors shall be classified, with respect to the time for which they shall serve in office, by dividing them into three (3) classes; the first class to consist of two (2) directors, the second class to consist of two (2) directors, and the third class to consist of three (3) directors as follows:

- a. The two (2) directors of the first class shall be elected for the term of three (3) years beginning at the annual meeting July, 1980 and each three (3) years thereafter; in addition thereto one (1) director shall be elected for a one (1) year term at the July, 1980 annual meeting in order to bring the Board up to seven (7) directors to have them on rotating three (3) year terms thereafter.
- b. The two (2) directors of the second class shall be elected for the term of three (3) years at the September annual meeting in 1981 and each three (3) years thereafter.
- c. The three (3) directors of the third class shall be elected for the term of three (3) years at the September annual meeting in 1982 and each three (3) years thereafter.
- d. At each annual election of the aforementioned directors thereafter, the successors to the class of directors who terms shall expire in that year shall be elected directors for a term of three (3) years, so that the term of office of one (1) class of directors shall expire in each year, but each director, of whatever class, shall hold office until his/her successor shall have been elected and shall have been qualified, or until his/her death, or until he/she shall resign or shall have been removed in the manner hereinafter provided. Except with respect of their respective terms of office, all directors shall have equal powers.

Section 9. Balloting Procedure for Director Positions

***Amended 1997 and 2015***

Written ballots shall be provided listing the names of all members who have been nominated as set forth herein to be candidates to succeed those directors whose terms expire in that year, or to fill director positions which are otherwise then vacant. Each nominated candidate shall be a candidate for every such director position then to be filled. Each member entitled to vote as set forth herein shall be entitled to cast that number of votes equal to or less than the number of then vacant positions, but shall not be permitted to cast more than one vote for any candidate.

The candidate receiving the highest total votes in person and by proxies shall be elected to the Board; the candidate receiving the second highest total votes in person and by proxies shall be elected; etc. until the total number of vacancies on the Board are filled.

The Inspectors of Election shall give the number of votes cast for each candidate following any ballot to the Secretary of the Association, or such person designated to act as Secretary, and the President of the Association, or person designated to act as the presiding officer. The President/presiding officer shall announce the number of votes each candidate received to the membership.

The Board may establish such rules and procedures as it deems necessary for the proper election of directors pursuant to these By-Laws; provided, however, that in the event of a conflict between the By-Laws and any said rules and/or procedures, the former shall supersede.

Section 10. Call of Special Meeting of the Association

Special meetings of the Association may be called by the Board at any time in the manner herein provided or by the membership in the event of recall of directors herein set forth.

Section 11. Petition Procedure for By-Law Amendments to be Included on Annual Membership Meeting Agenda

***Amended 2014***

Members in good standing who wish to propose an amendment to the By-Laws to be voted upon by the membership shall, ten (10) days prior to the July Open Board Meeting, present to the Board of Directors a petition for that amendment signed by members representing a minimum of fifteen percent (15%) of the memberships entitled to vote at the annual meeting.

**ARTICLE VII**  
**DIRECTORS**

Section 1. Number of Directors

The Board of Directors shall consist of seven (7) members as herein before set forth.



## Section 2. Powers of the Board

The Board shall have power to:

- a. manage and control the property, affairs, and business of the Corporation of the Association.
- b. adopt a corporate seal as the seal of the Association.
- c. designate a banking institution or institutions as a depository for the Association's funds; and officer or officers or agents authorized to make withdrawals therefrom and to execute obligations on behalf of the Association.
- d. perform other acts the authority for which has been granted herein or by law, including the borrowing of money for Association purposes. A resolution by the Board that the interests of the Association require the borrowing of money shall be sufficient evidence to any person that the borrowing is for a proper corporate purpose. The Board may, if it determines the same to be reasonably necessary, assign, pledge, mortgage or encumber any Association property as security for such borrowings, including future revenue of the Association, except as limited by these By-Laws.
- e. adopt such rules and regulations relating to the use of Association property, together with sanctions for non-compliance therewith, as it may deem reasonably necessary for the best interests of the Association and its members.
- f. cause the employment of a sufficient number of persons to adequately maintain Association property and manage the business of the Association.
- g. adopt Roberts Rules of Order revised for the conduct of meetings of the Association and the Board with reference thereto, on procedural questions upon which no rules have been adopted. The ruling of the chairperson of the meeting upon such procedural question and interpretations of these By-Laws shall be final.
- h. prior to the annual meeting of the Association in each year, prepare a balanced operating budget to be presented to the membership, thirty (30) days prior to the annual meeting and quarterly financial reports (lined items) to be presented to the membership. Upon approval of the annual operating budget at the annual meeting by the Association, the Directors shall levy the annual dues for each member in such manner as to provide the sum of money required by the annual operating budget. The Board thereafter shall notify each member obligated to pay annual dues of the amount thereof and the manner and dates of payment. The quarterly financial report will be mailed to any member of the Lake Chemung Outdoor Resort, Inc. Association upon request.
- i. enter into such agreements and contractual relationships as it may deem appropriate for the construction of the improvements upon real estate owned or to be acquired by the Association; contract with persons or corporations for the performance of services for the Association, including the sale of memberships all upon such terms and conditions as it deems just and reasonable within financial restrictions of approved current operating budget and/or limitations outlined under Special Assessments. However, the existence of such agreements

and the provisions and terms thereof shall be made known to the members in such a manner as may be deemed appropriate by the Board, but in no event later than at the next annual meeting following the creation of such contracts or agreements.

- j. select the officers of the Association no later than seven (7) days following the date of the annual meeting.
- k. establish standing and/or special committees. In each case, except as may be otherwise provided in these By-Laws, the purpose of such committees shall be to provide advice and recommendations to the Board and the Board shall designate what committees shall be established and the powers, duties and responsibilities of each committee. The purposes of such committees may include, but are not limited to, annual budget preparation and financial planning, security, operations and maintenance, recreation, the campground environment and modifications or improvements to campsites and common areas, rules and regulations and long-range planning.

The Board shall establish a Nominating Committee, which committee's duties and responsibilities shall be as set forth in Article VI, Section 8; and it shall establish an Audit Committee, which committee's powers, duties and responsibilities shall be to review and audit the financial records of the Association annually and at any other time and from time to time, as said Audit Committee shall deem appropriate. The Audit Committee shall prepare such reports for the Board and/or the membership as it deems necessary and may consult with or secure the services of such qualified outside independent auditor(s) as it deems necessary or prudent.

Members of all committees and the chairperson of a committee shall be appointed or reappointed, or dismissed annually or at such other time as the chairperson of a committee shall recommend and the Board shall deem necessary.

- l. remove any officer and/or director for cause or without cause for more than three (3) unexcused absences in any calendar year from the regular and/or special Board and/or membership meetings; or remove any officer and/or director upon determination by two-thirds (2/3) vote of the Board that such officer and/or director, at any time while an officer and/or director, acted in a manner in conflict with the best interests of the Association and its members.
- m. in their discretion, from time to time, to dissolve the powers and duties of any officer or agent or employee and assign such powers and duties to person or persons as they deem advisable and expedient.
- n. appoint, remove or suspend such subordinate officers, agents, or factors as they deem necessary, to determine their duties, to fix, and from time to time change, the remuneration, and to require security, as and when they think advisable and expedient.
- o. Confer upon any officer the power to appoint, remove, and suspend subordinate officers, agents, and factors.

- p. determine and appoint who shall be authorized on behalf of the Association to make and sign any and all documents for and on its behalf.
- q. appoint and delegate powers of the ordinary course of business of the Association to any standing or special committee, or to any officer or agent, upon such as they deem fit.
- r. close the membership transfer records prior to the annual meeting or any special meeting of the membership as set forth herein for the purpose of determining the eligibility of who shall be eligible to vote at such meeting.
- s. manage the property and the business of the Association and do all such lawful acts and things as are permitted by statutes and by the Articles of Incorporation or by these By-Laws not prohibited.
- t. move member's equipment without liability in the event of a catastrophe, or at the request of member, however neither the management nor the Association shall have the duty to do so. The campground management shall attempt to contact any member whose unit must be moved for any reason.

### Section 3. Quorum

The majority of the Board shall constitute a quorum for the transaction of business, but a less number may adjourn a meeting from time to time. When a quorum is present at any meeting, the majority of the Board in attendance thereat shall decide any questions brought before said meeting unless otherwise provided by law or by these By-Laws.

### Section 4. Vacancies

In case of any vacancies on the Board through death, resignation, disqualification, removal or other cause, the remaining directors, if less than a quorum shall require unanimous vote thereof, or if a quorum, shall appoint a successor(s) within fourteen (14) days and a director(s) so chosen shall hold office until the next annual meeting and until their successor(s) shall be elected and qualified. Candidates not elected at the previous election shall be considered.

### Section 5. Recall of Directors

Any member may initiate a recall of any director by the following procedure:

- a. Petitions shall be circulated and must contain the following:
  - (1) Name of director to be recalled (only one name may be included on a petition).
  - (2) Specific reason(s) for the recall.
  - (3) Name and signature of the member(s) circulating the petition.
  - (4) The date of the first day such petition is circulated.
  - (5) The signatures of a minimum of seventy-five (75) members; provided however that no more than one member shall be entitled to sign on behalf of any outstanding membership. Each signature shall specify the campsite number of the signor and the date signed.

- b. Petitions must be completed and presented to the Secretary within thirty (30) days following the date first circulated. At the time that the petition is presented to the Secretary, or at such other time as may be mutually agreeable, the member(s) circulating the petition shall pay a filing fee equaling fifty percent (50%) of the cost of the preceding annual meeting place plus the cost of notices and other necessary expenses incurred by the Association as a consequence of such petition. The Secretary shall certify that the petition and the members' signatures thereon are proper and valid as set forth hereinabove and shall notify all members of the Board. A board meeting shall be called within seven (7) days after receipt of petition at which the Board shall establish a date for a special membership meeting as set forth hereinabove for the purpose of a vote of the recall, and shall establish an agenda for said meeting and adopt such rules and procedures as it may deem just and appropriate. On the day following said Board meeting the membership records shall be closed and the members of record who shall be entitled to vote at said membership meeting shall be determined as set forth herein. Within fourteen (14) days following said Board meeting, written notice of the time, place, and specific purpose for the special membership meeting shall be delivered, as set forth herein, to each member who shall be entitled to vote at said meeting. The date of said special membership meeting shall not be less than thirty (30) days nor more than sixty (60) days following delivery of said membership meeting notice. If the Board shall fail to establish a date for said special meeting as set forth hereinabove, the member(s) circulating the recall petition(s) may then within fourteen (14) days set such a date for such meeting and notify the membership as set forth hereinabove.
- c. A minimum of two-thirds (2/3) of the votes entitled to be cast at such special meeting in person or by proxy at the meeting shall be necessary to recall a director. The vote of recall shall be by written ballot. In the event that more than one director shall be subject to recall at such meeting, the recall of each such director shall be voted upon separately and sequentially in alphabetical order.
- d. In the event the recall of a director or more than one director is approved as set forth hereinabove, the remaining directors shall, with the advice and recommendation of the Nominating Committee, select and appoint a replacement(s) to fill the vacancy(s) until the next annual meeting, but in no event shall the recalled director(s) be appointed.

#### Section 6. Meetings of the Board

Regular meetings of the Board shall be held at such time and place as shall from time to time be determined by the Board. Special meetings of the Board shall be held whenever called by direction of the President of the Board, by the President pro tem, or by a minimum of three of the directors then in office. Times and places of such all meetings of the Board shall be posted on the bulletin board in the lodge. At a meeting of the Board, business shall be transacted in such order as the Board may from time to time determine by resolution.

All business transacted by the Board and all actions taken and determinations made by the Board shall be at regular or special meetings of which notice thereof has been

posted. No meeting of the Board shall be closed to the attendance of any member; provided, however, that the Board may, from time to time, as it deems necessary and proper, exclude, from a meeting or portion of a meeting, members who are not directors in order to discuss any matter pertaining to consideration of

- a. the suspension or termination of a member or membership.
- b. the discipline, suspension or termination, or conditions of employment of an employee or prospective employee of the Association, or
- c. any action, claim, suit or proceeding by or against the Association.

#### Section 7. Liability of Directors, Indemnification and Insurance

- a. Limitation on Liability of Directors. A director of the Association shall not be personally liable to the Association or its members for monetary damages for breach of fiduciary duty as a director, except for liability for
  - (i) any breach of the director's duty of loyalty to the Association or its members,
  - (ii) acts or omissions not in good faith or which involved intentional misconduct or a knowing violation of laws,
  - (iii) an act or omission that is grossly negligent,
  - (iv) an act or omission occurring before January 1, 1988, or a violation of MCL 450.2551(1), or
  - (v) any transaction from which the director derived an improper personal benefit.
- b. Right to Indemnification. Each director, officer and/or employee, whether or not then in office, shall be indemnified and held harmless by the Association if that person, while serving in any capacity as a director, officer or employee, was or is a party or is threatened to be made a party to any threatened, pending, or completed action or proceeding, other than an action by or in the right of the Association by reason of the fact that the person is or was a director, officer and/or employee of the Association against all expenses including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with the action or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interest of the Association or its members, and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe that the conduct was unlawful.

This right to indemnification shall not extend to matters as to which a recovery shall be had against such director, officer and/or employee if he/she was or is finally adjudged in such action or proceeding to be derelict in the performance of his/her duties and/or because of his/her malfeasance as a director, officer and/or employee.

The provisions of this Section 7(b) shall cover claims, suits, actions or proceedings whether civil, criminal, administrative, investigative or otherwise and whether now pending or hereafter commenced, and shall be retroactive to cover

acts or omissions or alleged acts or omissions which have heretofore taken place. If any part of this Section 7(b) shall be found to be invalid or ineffective in any proceeding, the validity and effect of the remaining provisions shall not be affected.

The right to indemnification shall not be exclusive of other rights to which such director, officer and/or employee may be entitled as a matter of law.

- c. Payment of Expenses. The right to indemnification shall include the right to be paid by the Association the expenses incurred in defending any action or proceeding in advance of its final disposition; provided, however, that any such payment in advance shall be made only upon delivery to the Association and acceptance by the Board of Directors of an undertaking by the director, officer or employee to repay all amounts so advanced if it shall ultimately be determined that such director, officer or employee is not entitled to be indemnified under this Section 7 of Article VII.
- d. Insurance. The Association may maintain insurance, at its expense, to protect any director, officer, employee or agent of the Association against any expense, liability or loss, whether or not the Association would have the power to indemnify such person against such expense, liability or loss under these By-Laws or under law.
- e. Indemnification of Agents of the Association. The Association may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification to any agent of the Association to the fullest extent of Section 7(b).

## **ARTICLE VIII** **OFFICERS**

### **Section 1. Officers**

The officers of the Association shall be: the President, one or more Vice-Presidents, the Secretary, and Treasurer. Officers shall serve terms of office of one year, or until their successors are elected and qualified. All of the aforementioned officers shall be directors. The Board shall cause to be kept books provided for that purpose, minutes of all meetings and other votes or resolutions for the Board, and minutes of all meetings of the members. A statement in writing signed by the members of the Board shall be deemed to be the action of the Board, as to the effect therein expressed, and it shall be the duty of the Secretary to record such statement in the minute book of the corporation under its proper date as a meeting of the Board.

### **Section 2. President**

The President shall be general managerial officer of the Association except as otherwise determined by the Board, and he/she shall be vested with the powers and duties generally incident to the office of President of a State of Michigan non-profit corporation, except as otherwise determined by the Board or as may be otherwise set forth in these By-Laws.

If a Board Member is serving as President during his/her last year of an elected term, and does not get re-elected for an additional term, he/she will serve on the Board as President Emeritus for the following year without voting rights. **Amended 2003**

### Section 3. Vice-President

In the absence of the President, or in the event of his/her inability or refusal to act, a Vice-President shall be empowered to act and thereupon shall be vested with the powers and duties of the President. The Board shall designate which Vice-President shall first be designated the President pro tem. Such designated Vice-President shall perform such duties as the Board may from time to time designate.

### Section 4. Secretary

The Secretary of the Association shall be responsible to see that minutes of the business and other matters transacted at the meetings of the members and of the Board are kept. He/she shall mail, or cause to be mailed all notices required by the By-Laws; he/she shall have custody of the corporate seal and the records and maintain the list of memberships and the campsite number assigned to each membership, and the name(s) and address(es) of the members to which each membership has been issued.

The Secretary shall close the records of membership to all transfers of memberships fourteen (14) days prior to the annual meeting or a special meeting and shall determine the number of memberships outstanding and entitled to vote and the names of such members thereby entitled to cast a vote, such members then being members of record unless their membership shall be terminated voluntarily by them during such subsequent fourteen day period.

The Secretary shall perform all other duties set forth herein and those duties incident to the office of Secretary. In the absence of the President and both Vice Presidents, the Secretary shall act as President. Three (3) copies of all meeting minutes and current By-Laws shall be kept available in the lodge for membership. Minutes should be posted within ten (10) business days following meetings even unapproved and replaced with approved minutes when available and kept at least five (5) years.

### Section 5. Treasurer

The Treasurer shall have custody of the funds of the Association, collect monies due, pay obligations of the Association out of its funds, provide for such budgets and financial reports as may be required herein or as may be from time to time useful to the membership, and perform such other duties as are incident to the office of Treasurer. The Board will require that the Treasurer be insured or bonded for such amount and under such conditions as the Board may require.

### Section 6. Other Officers

The authority, duties, and responsibilities of all other officers, agents, and employees of the Association shall be determined by the Board from time to time.

### Section 7. Removal of Officers and Resignations

Any officer may be removed from office by two-thirds (2/3) vote of the total number of directors when in the judgment of the Board the best interest of the Association will be served by such removal.

Any resignation from the Board and/or office shall be in writing to the Secretary.

## **ARTICLE IX** **AMENDMENTS**

### Section 1. Amendment by Members

These By-Laws may be amended, altered, or repealed by the membership at an annual or special membership meeting at which a quorum is present in person or by proxy by a vote of two-thirds (2/3) of the votes entitled to be cast by the members present in person, or by proxy, and entitled to vote at such membership meeting, provided, however, that notice of the proposed amendment(s), addition(s), alteration(s), or repeal(s) shall have been given in the notice of said meeting.

### Section 2. Prospective Effect of Amendments

Any and all amendments, additions, alterations, or repeal of these By-Laws shall have prospective effect and application only, unless otherwise specifically provided.