

BYLAWS
OF
DUCK LAKE RIPARIANS' ASSOCIATION
(MICHIGAN NONPROFIT CORPORATION)

ARTICLE I – ORGANIZATION & OFFICES

- 1.01 The Duck Lake Riparians' Association (hereinafter "Association") has been organized as a Michigan Nonprofit Corporation pursuant to the Michigan Nonprofit Corporations Act, Act 162, Public Acts of 1982 as amended (the "Act"), by filing Articles of Incorporation as required with the Michigan Department of Labor & Economic Growth as required by the Act.
- 1.02 *Principal Office.* The principal office of the corporation shall be at Polich & McRoberts, P.C., 801 River Avenue, Iron Mountain, Michigan 49801. The mailing address for the principal office of the corporation is Polich & McRoberts, P.C., 801 River Avenue, Iron Mountain, Michigan 49801.
- 1.03 *Other Offices.* The board of directors may establish other offices in or outside the state of Michigan.

ARTICLE II – BOUNDARIES

- 2.01 The geographic boundaries of the Association shall be the area immediately adjacent to and surrounding Duck Lake and portions of Duck Creek to the west of East Duck Lake Road in the County of Gogebic, State of Michigan.

ARTICLE III – PURPOSES & OBJECTIVES

- 3.01 The purpose or purposes for which the corporation is organized are:

To improve, conserve, and safeguard the overall welfare of the air, water, and shorelines of Duck Lake and portions of Duck Creek to the west of East Duck Lake Road in the County of Gogebic, State of Michigan ("subject area").

To assist local governments in the development and administration of regulations for the protection of the environment in the subject area.

To promote social and recreational activities in the subject area.

Said corporation is organized exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

ARTICLE IV - MEMBERSHIP

- 4.01 Membership shall be open to any household whose owners hold property within the boundary, as defined above, upon payment in advance of one year's dues. The term "member" is defined as either one person or a family unit of husband or wife. For purpose of voting, the registered membership shall be entitled to one (1) vote. In the case of multiple households on a single lot, multiple memberships may be held but shall be limited to one membership per each livable dwelling on the single lot. Livable dwelling shall mean a house of adequate size, plumbing and composure as directed by zoning law and that would otherwise pass as a legal dwelling on that lot on a stand alone basis.
- 4.02 Membership shall be solicited in July and August from each household. The membership year is from January 1st through December 31st. Annual membership dues are \$50 or an amount set by the Board of Directors and shall be paid to the Treasurer for that year. Dues are payable for the subsequent year by the opening of the annual membership meeting. Dues shall become delinquent if not paid by the opening of the annual membership meeting. A delinquent member shall be ineligible to vote until dues are paid.
- 4.03 The Treasurer shall solicit membership from new households from the time such householders become owners.
- 4.04 Each member of the Association shall be equally privileged with all other members in his or her voice and vote upon any policy or proposition presented for discussion or decision at any meeting of the members.
- 4.05 Contributions to the Association may be made at any time in any amount for general or specific purposes.
- 4.06 Any member may withdraw from membership in the Association by written notice to the Secretary of the Association, but such withdrawal does not relieve the member from any dues or other charges theretofore accrued.
- 4.07 *Annual Association Meeting.* The annual Association meeting will be held each year in July or August of each year. The meeting will be held on the day, time, and place established by the Board of Directors. Written notice of the annual meeting will be delivered to all members of record at their address ten (10) days in advance of said meeting listing agenda to be discussed.
- 4.08 *Special Association Meetings.* A special meeting of members may be called by the Board of Directors and only upon notice having been sent at least seven (7) days in advance of said meeting.
- 4.09 *Quorum for Association Meetings.* A quorum shall be deemed to exist at any member meeting when at least 10% of the members of record are in attendance.

ARTICLE V – BOARD OF DIRECTORS

- 5.01 *Number.* The Board of Directors shall number five (5) and consist of a Chairman, a President, a Vice President, a Secretary, and a Treasurer.
- 5.02 *General Powers.* The administration of the affairs of the Association shall be vested in the Board of Directors which is authorized to act within the purposes, objectives and bylaws of the Association, subject to the following limitations:
- A. The Board of Directors is authorized to commit the Association to expenditures of Association funds of no more than \$2000 for any one purpose, except as approved by a majority of member households.
- B. The Board of Directors is not empowered to initiate, promote, agree to nor participate in any controversial activity or program relating to politics, race or religion under any circumstances.
- C. The Board of Directors is not empowered to initiate, promote, agree to nor participate in any legal action or lawsuit, except upon approval of a majority of member households of the Association.
- 5.03 *Annual Meeting.* An annual meeting of the Board of Directors shall be held at least once every year in either July or August or more often as determined by the Board of Directors.
- 5.04 *Quorum.* A majority of the directors then in office constitutes a quorum for the transaction of any business at any meeting of the board. Actions voted on by a majority of directors present at a meeting where a quorum is present shall constitute authorized actions of the board.
- 5.05 *Tenure.* Each director shall hold office for the duration of his elected term or until the director's death, resignation, or removal.
- 5.06 *Resignation.* Any director may resign at any time by providing written notice to the Association. The resignation will be effective on receipt of the notice or at a later time designated in the notice. A successor shall be appointed as provided in Section 5.08 of the bylaws.
- 5.07 *Removal.* Any director may be removed with cause by the remaining directors on the board.
- 5.08 *Board Vacancies.* Any vacancy occurring on the Board of Directors shall be filled by a vote of the majority of the Board of Directors present at a duly constituted meeting. Each electee shall be on the Board of Directors for the unexpired term created by the vacancy.
- 5.09 *Regular Meetings.* Regular meetings of the board may be held at the time and place as determined by resolution of the board without notice other than the resolution.

- 5.10 *Special Meetings.* Special meetings of the board may be called by a quorum of the Board or as requested by ten (10) or more member households of the Association. Two (2) weeks notice must be given prior to conducting any special meeting. Requests for a special meeting shall be made directly to the President.
- 5.11 *Statement of Purpose.* Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board need be specified in the notice for that meeting.
- 5.12 *Waiver of Notice.* The attendance of a director at a board meeting shall constitute a waiver of notice of the meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. In addition, the director may submit a signed waiver of notice that shall constitute a waiver of notice of the meeting.
- 5.13 *Meeting by Telephone or Similar Equipment.* A director may participate in a meeting by conference telephone or any similar communications equipment through which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section constitutes presence in person at the meeting.
- 5.14 *Order of Meetings.* Meetings of the Association and the Board of Directors shall be conducted in accordance with Roberts' Rules of Order.

ARTICLE VI – OFFICERS

- 6.01 *Number.* The officers shall be a Chairman, President, Vice-President, Secretary, and Treasurer.
- 6.02 *Term of Office.* Each officer shall hold office for the term elected and until such officer's successor has been duly elected.
- 6.03 *Resignation, Removal & Vacancies.* Resignation, removal, and/or an officer vacancy will be handled the same as for a board member as set forth in Article V.
- 6.04 *Chairman.* The Chairman shall be the previous President.
- 6.05 *President.* The President will act as CEO of the Association and shall preside at all meetings of the general membership and the Board of Directors. The President will have the power to appoint operating committees with approval of the Board of Directors and will be an ex-officio member of such committees.
- 6.06 *Vice-President.* The Vice President shall perform such other duties and have such powers as may be prescribed by the Board of Directors. The Vice President shall step up to the office of President when the office becomes vacant. In the absence, or in case of inability of the President to act, the Vice President shall have all of the powers and shall perform all of the duties of the President.

6.07 *Secretary.* In the absence, or in the case of inability of the Vice President to act, the Secretary shall perform such other duties, and have such other powers as may be prescribed by the Board of Directors. The Secretary shall keep the minutes of the general membership and shall, in general, perform all of the duties which are incident to the office of the Secretary of the Association, subject at all times to the direction and control of the Board of Directors. All records and books shall be the property of the Association.

The Secretary shall record attendance of households at duly constituted Association meetings on a roll or members certified by the Treasurer. Quorums and total ballots cast must relate to the attendance record.

The Secretary shall have the duty of mailing statements and all other correspondence.

6.08 *Treasurer.* The Treasurer shall keep a full and accurate account of the receipts and disbursements in dues and monies due and owing to the Association. In general, the Treasurer shall perform all of the duties which are incident to the office of the Treasurer, subject at all times to the direction and control of the Board of Directors.

The Treasurer shall have custody of such funds received in the name of the Association in a bank determined by the Board of Directors.

The Treasurer shall make such disbursements for the Association as may be ordered by the Board of Directors and in the manner prescribed by them and take vouchers for all disbursements.

The Treasurer shall render to the Board of Directors and general membership an annual account of all transactions as Treasurer and of the financial condition of the Association.

In the absence, or in case of inability of the President, Vice President or Secretary to act, the Treasurer shall perform such other duties and have such other powers as may be prescribed by the Board of Directors.

ARTICLE VII – NOMINATION & ELECTION OF BOARD OF DIRECTORS/OFFICERS

7.01 *Nominations.* The Board of Directors shall constitute a nominating committee charged with preparing a slate of Officers and Directors and presenting such for election at the annual Association meeting. No Officer or Director shall be nominated without his or her consent. The annual meeting will be open to nominations from the floor.

- 7.02 *Elections.* The Officers and Directors shall be elected for a one-year term by a majority of member households. Written ballots will be used whenever more than one member is nominated for the same office. If deemed necessary by the Board, elections may be conducted via email.
- 7.03 *Voting.* A majority of member households shall rule, except as otherwise provided in these bylaws. Each member household will have one vote on any matter coming before a meeting. Eligible member households are allowed to pay dues prior to the call to order of any Association meeting in order to become eligible to vote at such meeting.
- 7.04 *Filling of all Board Positions.* It is the intention of the membership of the Association that all Board positions are to be filled at all times, which will require the participation and involvement of all households at some point in time. In the event that the nominating committee as outlined in article 7.01 is unable to present a full slate of officers, namely a Chairman, President, Vice President, Treasurer and Secretary, the current President shall announce at the annual meeting that the current nominating committee is unable to present a full slate of officers, and shall make a final appeal for any member(s) to step forward and nominate themselves for any vacant position on the slate of officers. Should every position then be filled by at least one (but as many as may wish to step forward) nominee(s), then elections shall be held as normal and as prescribed in article 7.02. Should the slate remain unfilled, the President shall announce that the current year shall be the final active year of the Association, and that the Association shall be placed in a dormant status as of the first day of the upcoming fiscal year. The current President shall instruct the Association's attorney to maintain the legal status of the Association in a dormant state until such time as all funds necessary to maintain the Association in a dormant status (including legal fees) are exhausted. At that time, the final act of the Association's attorney shall be to legally dissolve the Association, and dispose of any residual funds in accordance with article 15 of the By-Laws.
- 7.05 *Re-activation.* At any time while the Association is dormant, a minimum of 5 resident households on Duck Lake, within the boundaries of article 2.01 of the By-Laws, may re-activate the Association by forming themselves as the full slate of officers, and petitioning all households within the boundaries of article 2.01 of the By-Laws to accept the proposed slate of officers and re-activate the Association. A minimum of 25% of all eligible households shall be required for the re-activation of the Association.

ARTICLE VIII – NO CONFIDENCE

- 8.01 A petition signed by fifteen (15) or more member households may be submitted to the standing Board of Directors to request a vote of the general membership to call for a potential vote of "No Confidence". Contained in such petition shall be the reason(s) for such sentiment of no confidence in the standing Board of Directors and the proposed new slate of officers, which may or may not include some of the standing Board members.

After said petition is received, the President of the Association shall have ten (10) days to contact the entire membership to alert them of the upcoming vote. The vote shall then take place within ten (10) additional days. A simple majority will rule. In the event that the majority vote is for "No Confidence", the standing Board of Directors shall vacate their posts and the proposed new slate of officers shall be installed with the immediate effect. Should the vote of no confidence fail, the standing Board of Directors shall remain as is.

ARTICLE IX - COMMITTEES

9.01 *General Powers.* The board, by resolution adopted by a vote of a majority of its directors, may designate one or more committees, each committee consisting of one or more directors. The board may also designate one or more directors as alternate committee members who may replace an absent or disqualified member at a committee meeting. If a committee member is absent or disqualified from voting, then members present at a meeting who are not disqualified from voting may, whether or not they constitute a quorum, unanimously appoint an alternate committee member to act at the committee meeting in place of the absent or disqualified member. All committees designated by the board shall serve at the pleasure of the board.

A committee designated by the board may exercise any powers of the board in managing the corporation's business and affairs, to the extent provided by resolution of the board. However, no committee shall have the power to

- (a) amend the articles of incorporation;
- (b) adopt an agreement of merger or consolidation;
- (c) amend the bylaws of the corporation;
- (d) fill vacancies on the board; or
- (e) fix compensation of the directors for serving on the board or on committee.

9.02 *Meetings.* Committees shall meet as directed by the board, and their meetings shall be governed by the rules provided in Article V for meetings of the board. Minutes shall be recorded at each committee meeting and shall be presented to the board.

9.03 *Consent to Committee Actions.* Any action required or permitted to be taken pursuant to authorization of a committee may be taken without a meeting if, before or after the action, all members of the committee consent to the action in writing. Written consents shall be filed with the minutes of the committee's proceedings.

ARTICLE X - ASSOCIATION DOCUMENT PROCEDURE

10.01 All Association documents (including stocks, bonds, agreements, insurance and annuity contracts, qualified and nonqualified deferred compensation plans, checks, notes, disbursements, loans, and other debt obligations) shall not be signed by any officer, designated agent, or attorney-in-fact unless authorized by the board or by these bylaws.

ARTICLE XI - INDEMNIFICATION

- 11.01 *Nonderivative Actions.* Subject to all of the other provisions of this article, the Association shall indemnify any person who was or is a party, or is threatened to be made a party to, any threatened, pending, or completed action, suit, or proceeding. This includes any civil, criminal, administrative, or investigative proceeding, whether formal or informal (other than an action by or in the right of the corporation). Such indemnification shall apply only to a person who was or is a director or officer of the corporation or who was or is serving at the request of the Association as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not for profit. The person shall be indemnified and held harmless against expenses (including attorney fees), judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit, or proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation. With respect to any criminal action or proceeding, the person must have had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction or on a plea of nolo contendere or its equivalent, shall not by itself create a presumption that (a) the person did not act in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, or (b) with respect to any criminal action or proceeding, the person had reasonable cause to believe that his or her conduct was unlawful.
- 11.02 *Derivative Actions.* Subject to all of the provisions of this article, the Association shall indemnify any person who was or is a party to, or is threatened to be made a party to, any threatened, pending, or completed action or suit by or in the right of the corporation to procure a judgment in its favor because (a) the person was or is a director or officer of the Association, or (b) the person was or is serving at the request of the Association as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether or not for profit. The person shall be indemnified and held harmless against expenses (including actual and reasonable attorney fees) and amounts paid in settlement incurred by the person in connection with such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation. However, indemnification shall not be made for any claim, issue, or matter in which the person has been found liable to the corporation unless and only to the extent that the court in which such action or suit was brought has determined on application that, despite the adjudication of liability but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for the expenses that the court considers proper.
- 11.03 *Expenses of Successful Defense.* To the extent that a person has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in sections 11.01 or 11.02 of this article, or in defense of any claim, issue, or matter in the action, suit, or proceeding, the person shall be indemnified against expenses

(including actual and reasonable attorney fees) incurred in connection with the action and in any proceeding brought to enforce the mandatory indemnification provided by this article.

- 11.04 *Contract Right; Limitation on Indemnity.* The right to indemnification conferred in this article shall be a contract right and shall apply to services of a director or officer as an employee or agent of the Association as well as in such person's capacity as a director or officer. Except as provided in section 11.03 of this article, the Association shall have no obligations under this article to indemnify any person in connection with any proceeding, or part thereof, initiated by such person without authorization by the board.
- 11.05 *Determination That Indemnification Is Proper.* Any indemnification under sections 11.01 or 11.02 of this article (unless ordered by a court) shall be made by the Association only as authorized in the specific case. The Association must determine that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in sections 11.01 or 11.02, whichever is applicable. Such determination shall be made in any of the following ways:
- (a) By a majority vote of a quorum of the board consisting of directors who were not parties to such action, suit, or proceeding.
 - (b) If the quorum described in clause (a) above is not obtainable, then by a committee of directors who are not parties to the action. The committee shall consist of not less than two disinterested directors.
 - (c) By independent legal counsel in a written opinion.
- 11.06 *Proportionate Indemnity.* If a person is entitled to indemnification under sections 11.01 or 11.02 of this article for a portion of expenses, including attorney fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount, the corporation shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.
- 11.07 *Expense Advance.* Expenses incurred in defending a civil or criminal action, suit, or proceeding described in sections 11.01 or 11.02 of this article may be paid by the Association in advance of the final disposition of the action, suit, or proceeding, on receipt of an undertaking by or on behalf of the person involved to repay the expenses, if it is ultimately determined that the person is not entitled to be indemnified by the Association. The undertaking shall be an unlimited general obligation of the person on whose behalf advances are made, but need not be secured.
- 11.08 *Nonexclusivity of Rights.* The indemnification or advancement of expenses provided under this article is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the Association. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

- 11.09 *Indemnification of Employees and Agents of the Association.* The Association may, to the extent authorized from time to time by the board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the corporation to the fullest extent of the provisions of this article with respect to the indemnification and advancement of expenses of directors and officers of the Association.
- 11.10 *Former Directors and Officers.* The indemnification provided in this article continues for a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors, and administrators of that person.
- 11.11 *Insurance.* The Association may purchase and maintain insurance on behalf of any person who (a) was or is a director, officer, employee, or agent of the Association, or (b) was or is serving at the request of the Association as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise. Such insurance may protect against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Association would have power to indemnify against such liability under this article or the laws of the state of Michigan.
- 11.12 *Changes in Michigan Law.* If there are any changes in the Michigan statutory provisions applicable to the Association and relating to the subject matter of this article, then the indemnification to which any person shall be entitled shall be determined by such changed provisions, but only to the extent that any such change permits the corporation to provide broader indemnification rights than such provisions permitted the corporation to provide before any such change.

ARTICLE XII - COMPENSATION

- 12.01 When authorized by the board, a person shall be reasonably compensated for services rendered to the corporation as an officer, director, employee, agent, or independent contractor, except as prohibited by these bylaws.

ARTICLE XIII - FISCAL YEAR

- 13.01 The fiscal year of the corporation shall end on December 31st.

ARTICLE XIV - AMENDMENTS

- 14.01 The Board of Directors at any regular or special meeting may amend or repeal these bylaws, or adopt new bylaws by vote of a majority of the directors, if notice setting forth the terms of the proposal has been given in accordance with any notice requirement for such meeting of the board.

Any member may petition, in writing, the Board of Directors to change or amend these bylaws provided such proposed change or amendment is subscribed to by a minimum of 10 member households. The proposed change or amendment of bylaws shall be

submitted, in writing, to the general membership 30 days prior to the Association meeting at which the proposed change or amendment is to be voted on. A majority of the member households present at such meetings shall be required for all proposed changes or amendments.

ARTICLE XV – DISSOLUTION

15.01 In the event of dissolution, all assets, real or personal, shall be distributed to such organizations as are qualified as tax exempt under Section 501 (c)(3) of the Internal Revenue Code or corresponding provisions of a future United States Revenue Law, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any assets not disposed of shall be disposed of by the Circuit Court of the County in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

Adopted: _____, 2013

By: _____
Russ Diethert - President