

VENICE SHORES PROPERTY OWNERS ASSOCIATION (VSPOA) BY-LAWS

SECTION 1 / PURPOSE

SECTION 1-1: (1) The titleholders of the Venice Shores Subdivisions have formed the Venice Shores Property Owners Association (VSPOA). Its purpose is to provide a uniform plan for the improvement and use of the lots in the Subdivisions. This will be accomplished by protecting the value and appearance of the Subdivisions. The VSPOA shall work with and is subject to the agreements, covenants, and restrictions (recorded with the Macomb County Register of Deeds), which apply to and run with the land in the Subdivisions.

SECTION 2 / MEMBERSHIP

SECTION 2-1: (2) The membership of the Association shall consist of three (3) classes: (1) Active, (2) Honorary, (3) Life.

SECTION 2-2: (3) Only one representative of the property owner(s) of each lot shall be the voting member. Any other owners of the same lot shall be nonvoting members. The property owner(s) are the owner (s) listed on the title of the lot. Any conflict between multiple owners of the same property concerning a vote must be resolved between the owners prior to that vote or their vote is invalid. Equitable owners may be designated in writing by the property owner(s) to vote at the VSPOA meetings for that property owner(s). The designation period will be at the discretion of the property owner(s) and must be presented to the VSPOA officers by the voting representative. Any lot that has a lien on it for delinquent dues and/or assessments shall lose its right to vote, until such lien has been discharged. Each lot is entitled to one vote in all general membership meetings. Fractional lots are entitled to fractional votes.

SECTION 2-3: (4) All legal and equitable property owners in the Venice Shores Subdivisions shall be eligible ~ for Active Membership. Active members may be voting or non-voting. To retain Active voting membership, dues and/or assessments must be paid before VSPOA places a lien on the property for delinquency of dues and/or assessments. Resident relatives of the legal property owner(s) shall be non-voting Active Members in the Association, unless they are the legal property owner(s) designated voter. Non-resident Active Members shall not be eligible nor have the right to participate on the Board of Directors of the VSPOA.

SECTION 2-4: (5) Either the general membership or the Board of Directors may, by a majority vote at an official meeting, elect as an Honorary Member any person selected for that honor. Honorary Members need not be residents of the Venice Shores Subdivisions. They shall not have the rights to: hold office, cast a vote at meetings of the Association, pay dues or assessment or have a vested interest in- the Association's assets.

SECTION 2-5: (6) The VSPOA may by a two-thirds vote of the members present at any official meeting, elect as a Life Member any person already holding Active Membership. Life Members shall be entitled to all the rights of Active Membership, so long as they reside or own property in the Venice Shores Subdivisions. If at any time they cease to reside or own property in the Venice Shores Subdivisions, Life Members shall continue to be entitled to the rights and privileges of Honorary Members. Life Members are not required to pay dues, however they must pay any approved assessments, while owning property in the Venice Shores Subdivisions.

SECTION 2-6: (7) Ownership of all property, both real and personal, belonging to the VSPOA, shall be vested in the VSPOA Corporation.

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SECTION 2-7: (8) No membership is transferable.

SECTION 2-8: (9) No officer, Director or member of the Association shall use the name of the Association for his/her own personal gain.

SECTION 3 / ELECTION AND DUTIES OF DIRECTORS

SECTION 3-1: (10) The directors of this Association shall consist of twenty-four (24) members of the Association elected from the Active voting class of the Membership by the voting members of the Association at a general membership meeting.

SECTION 3-2: (11) Not later than the regular **February** Board of Directors meeting, the Board may by a majority vote appoint a nominating committee whose duty it shall be to select nominees for directors. The nominees shall be orally reported to the members at the general membership meeting in May. In addition to the persons nominated by the nominating committee, nominations for directors may be made from the floor at any meeting prior to and up to the time of the election.

SECTION 3-3: (12) One-third of the Directors shall be elected annually by the voting membership at its May general membership meeting. They shall hold office for three years, from June 1 through and including the last day of May of the third year, or until their successor is elected.

SECTION 3-4: (13) If there are fewer nominees than vacant Directors positions, then the election shall be by a show of hands of the voting membership for the entire Directors slate. Election of Directors shall be by secret ballot when there are more nominees than positions available. Each candidate for Director shall be voted on individually and the secret ballots collected. The nominees receiving the greatest number of votes at the Election of the Directors shall be elected as Directors. In the event of tie equal number of votes being cast for two or more nominees involving the final position on the Board, a second vote of the voting members shall determine which of the tying nominees shall serve on the Board. If a second round of voting does not resolve the tie a coin toss will be used.

SECTION 3-5: (14) Any Director failing to attend 50% of the previous 12 months meetings of the Board of Directors **MAY** be dropped. It shall require a majority vote of the quorum of Directors present at any stated meeting to remove a Director. Any Director subject to such a vote must be notified by the VSPOA prior to the meeting. A removed Director shall immediately cease to be a Director.

SECTION 3-6: (15) In case a vacancy shall occur among the Board of Directors, the vacancy may be filled for the balance of the un-expired term. It will require a majority vote of the Board of Directors at a Board meeting to elect a replacement.

SECTION 3-7: (16) The standing Officers of the Association shall consist of a President, Vice President, Recording Secretary, Corresponding Secretary, Record Retention Secretary, and a Treasurer, who shall be elected by the Board of Directors from its membership. It shall be the duty of the Board of Directors to elect these standing officers of the Association at a meeting of the Board of Directors. The Board of Directors may create such additional special officers' positions as it shall deem necessary to conduct the affairs of the Association and elect from the Board to fill that position when appropriate.

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SECTION 3-8: (17) All Officers shall hold office from June 1, to and including the last day of May of the year following, or until such time as their successors are elected. The offices of President, Vice President, Recording Secretary, Corresponding Secretary, Record Retention Secretary, and Treasurer shall be filled in the order listed above at a special Board of Directors meeting held in conjunction with and immediately following the May General Membership Meeting.

SECTION 3-9: (new) At the first regular meeting of the newly elected Board of Directors, the Standing Committee Chairs and Members shall be established and recorded.

SECTION 3-10: (18) The fiscal year for the VSPOA shall be the calendar year from January 1 until December 31.

SECTION 4 / SALARIES AND EXPENSES

SECTION 4-1: (19) All Officers and Directors shall serve without compensation. The Association or the Board of Directors may provide from Association funds for such necessary incidental expenses as may properly be incurred by such Officers or Directors in the transaction of Association business.

SECTION 4-2: (new) All expenditures of the association shall be approved by the board of directors. Expenditures less than \$250.00 may be paid by the treasurer before board approval if they are of a routine nature, such as, but not limited to, postage, stationary, reimbursement of minor directors' expenses, filing fees, bank fees, taxes, etc. These payments will be reported to the board of directors at the next scheduled board of directors meeting.

SECTION 4-3: (new) All expenditures over \$250.00 shall be presented to the board of directors for approval prior to payment. For expenditures of an emergency nature over \$250.00, the President and/or Treasurer shall attempt to contact the standing officers of the board of directors, a minimum of two (2) additional officers, to obtain verbal approval to pay the expenditure. The nature of the expenditure and the amount shall be presented at the next scheduled board of directors meeting for review and approval.

SECTION 5 / QUORUMS AND PROXIES

SECTION 5-1: (20) Eight (8) Directors present in person shall constitute a quorum for the transaction of business at meetings of the Board of Directors. Unless otherwise stated in the By-laws, a simple majority of the voting Directors represented at the Board of Directors meeting shall decide issues before the Board.

SECTION 5-2: (21) The use of proxies at Board of Directors meetings or general membership meetings is not allowed. All directors and members are urged to attend and participate in meetings of the Association or Board.

SECTION 5-3: (22) Twenty (20) voting members of the Association shall constitute a quorum for the transaction of business at any general or special meeting of the VSPOA membership.

SECTION 6 / DUTIES AND POWERS OF OFFICERS AND DIRECTORS

SECTION 6-1: (23) The Board shall conduct the affairs of the VSPOA in accordance with the VSPOA By-Laws and appropriate statutes made and provided by the State of Michigan.

SECTION 6-2: (24) The President shall preside at all meetings of the VSPOA and of the Board of Directors. He/she shall appoint Standing and Special Committees and shall be an ex-officio member of such committees. A recommendation to remove a committee member before the expiration of his or her term with cause can be made at the discretion of the President or the Board of Directors. Any such removal shall be subject to a majority vote of the Board of Directors. When needed the President shall call meetings of the Board of Directors and the President must call a Special Meeting of the Board at any WRITTEN request of not less than three members of the Board. It is the President's duty to carry out the directives of the Board, and in general to conduct the affairs of the Association in a manner

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consistent with the authority and responsibility pertaining to the office. The President has the authority to execute documents for the VSPOA. The President shall provide a verbal summary of the past year at the annual meeting of the general membership.

SECTION 6-3: (25) The Vice President, in the absence of the President, shall assume the duties of the President and act as Chair of the meeting, including the authority to execute documents for the VSPOA. The Vice President shall maintain a list of potential Board of Director members. The Vice President shall give notice to Directors of all meetings of the Board of Directors.

SECTION 6-4: (26) The Recording Secretary shall attend all Board of Director and general membership meetings, and at such meetings keep a true and accurate record of their proceedings. The Recording Secretary shall regularly report those records to the Board of Directors. In the absence of the Recording Secretary the President or Chairperson of the meeting shall appoint a member of the Board of Directors as Acting Recording Secretary.

SECTION 6-5: (27) The Corresponding Secretary shall give notice of all General Membership meetings of the Association. The Corresponding Secretary shall keep a complete list of all members of the Association, with their addresses. The Corresponding Secretary shall draft and mail correspondence as directed by the President or the Board of Directors. The Corresponding Secretary shall report at each Board meeting on current correspondence issued. A copy of the current VSPOA correspondence shall be made available for review at the Board of Directors meetings. This office shall be responsible for the publication of periodic newsletters.

SECTION 6-6: (new) The Record Retention Secretary shall be responsible for maintaining all required VSPOA business information per the VSPOA Information Retention Policy / Procedure (VSPOA-IRP/P). This includes the collection, processing, and storage of all relevant information as described in the IRP/P.

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SECTION 6-7: (28) The Treasurer shall collect all moneys due to the Association and shall keep account of all moneys received by and expended for the use of the Association. The Treasurer shall make disbursements only upon checks issued by the Treasurer and approved by the Board of Directors. When the term of the office expires, the Treasurer shall promptly deliver to the successor all moneys, books, papers, and other property belonging to the Association that may then be in the Treasurers possession or under the Treasurers control. In the absence of such successor, the Treasurer shall deliver all moneys, books, papers and other property upon the order and direction of the Board of Directors. In the absence or incapacity of the Treasurer, the President, Vice President or Recording Secretary may be authorized by the Board of Directors to issue checks or to perform such other duties of the Treasurer due to the absence or incapacity of the Treasurer. At the discretion of the Board of Directors, the Treasurer shall give a bond in such sum as the Board deems necessary and the cost of such bond shall be paid from the funds of the Association. All moneys of the Association shall be deposited in an account approved by the Board of Directors. The Treasurer's accounts shall be audited at least annually by a competent auditor selected by the Board. The Treasurer shall make regular reports to the Board of Directors on the status of the accounts being managed. The Treasurer shall have the authority to file all legally required documents on behalf of the VSPOA Corporation.

SECTION 6-8: (29) Any Officer or Director, at the direction of the Board, may execute specific documents for the VSPOA.

SECTION 6-9: (30) The duty of positions other than the President, Vice President, Recording Secretary, Corresponding Secretary, Record Retention Secretary, and Treasurer shall be set forth by the Board of Directors.

SECTION 6-10: (31) The voting membership may remove from Office any Officer or Director whenever, in its judgment, the welfare of the Association requires such removal. A statement signed by at least twenty (20) voting members must set forth the intention to ask for such removal. It shall be filed with the Corresponding Secretary, or with the President, or with any member of the Board of Directors, and shall be read at the next meeting of the Board of Directors. The general membership must be notified that this issue shall come up at the stated general membership meeting. At the next general membership meeting of the Association, the general membership may proceed by a vote of not less than two-thirds of the voting members present, to carry out and put into effect such removal.

SECTION 6-11: (32) A Director is not personally liable to the corporation or any of its members for monetary damages for a breach of the Directors fiduciary duty. This provision shall not eliminate or limit the liability of a Director for any of the following: (1) a breach of the Directors duty of loyalty to the VSPOA; (2) acts or omissions not in good faith or that involved intentional misconduct or a known violation of the law; (3) a violation of Section 551 (1) of the Michigan Corporation Act; (4) a transaction from which the Director derived an improper personal benefit; (5) an act or omission occurring prior to January 1' 1988; and (6) an act or omission that is grossly negligent.

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SECTION 6-12: (33) An Officer, Director, Committee Member and/or VSPOA Member shall, upon approval by the Board of Directors, be indemnified for any judgments, fines, or costs incurred (including reasonable attorney fees) in connection with any action, suit or proceeding in which he/she was included as a result of his/her Board approved action. In furtherance hereto, the Board of Directors shall acquire and maintain additional Officers and Directors Liability Insurance Coverage, if required, for all of its officers and directors, to provide for indemnification in the event of any action, suit, or proceeding in which he or she may be included as a result of his or her position as an officer and/or director of VSPOA. Provided, however, said Officer and/or Director acted in good faith and in a manner which he/she reasonably believed to be in or not opposed to be in the best interest of the VSPOA. Provided, further, no indemnification shall be made in respect of any claim, issue or matter where such Officer and/or Director shall have been adjudicated to be liable for gross negligence, or willful misconduct in the performance of his/her duty to VSPOA.

SECTION 7 / STANDING COMMITTEES

SECTION 7-1: (34) Standing Committees shall report to the Board of Directors at each Board meeting. They shall report to the general membership meetings at the Boards discretion. The committees shall be: Building; Canal; Civic Affairs; Maintenance; Welcoming; Deed Restriction Violation; and Events.

SECTION 7-2: (35) The Building Committee is responsible for reviewing and approving all construction plans/permits within the Venice Shores Subdivision including but not limited to building, fence, decks, seawall, dredging, hoists, covered boat wells, etc. to ensure compliance with Venice Shores Subdivisions Deed Restrictions. When such plans/permits comply with the Venice Shores Subdivisions Deed Restrictions, the committee shall mark such plans/permits as compiling with the current VSPOA Deed Restrictions with approval by two (2) of the committee members

SECTION 7-3: (36) The Canal Committee is charged with overseeing that the proper usage and conditions of the canals are maintained.

SECTION 7-4: (37) The Civic Affairs Committee is charged with keeping the Board and its Officers apprised of local events and affairs that may impact the VSPOA or its members.

SECTION 7-5: (38) The Maintenance Committee is charged with maintaining the physical equipment of the VSPOA and the common land areas of the Venice Shores Subdivisions.

SECTION 7-6: (39) The Welcoming Committee is charged with providing local community and VSPOA information to the new residents in the Venice Shores Subdivisions.

SECTION 7-7: (new) The Deed Restriction Violation Enforcement Committee will be appointed by the board of directors. This committee will consist of at least one (1) officer of the Board of Directors, the Chair or representative of the Canal Committee, and one other Board of Director Member. The committee will respond to possible deed restriction violations throughout, as reported, as well as a minimum of one (1) complete subdivision review conducted by the 10th of June. This committee will follow the appropriate enforcement procedure approved by the Board of Directors.

SECTION 7-8: (new) The Events Committee and/or Coordinator(s) are charged with developing and coordinating special events for the residents of Venice Shores. All events must be approved by the Board of Directors prior to scheduling the event.

SECTION 7-9: (new) The Board of Directors has the authority to assign additional duties as required to any standing committee. The Board of Directors, by majority vote present, may appoint non-board members to standing committees as Chair and/or Members.

SECTION 8 / ASSOCIATION AND BOARD OF DIRECTORS MEETINGS

SECTION 8-1: (40) The general membership shall meet at the time and location as approved in Section 8-3 in May for the purpose of electing a Board of Directors. They shall meet at the time and location as approved in Section 8-3 in November to set dues and/or known assessments for the following year. The November meeting shall be the annual meeting. The Board of Directors will notice, by mail, the May and November meeting time and dates at least 10 days prior to the meeting. Meetings shall be at the designated time and place in the notification. Additionally, they shall meet on other such

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dates set by the President or the Board of Directors. The general membership may by a majority vote at any general membership meeting, set the time and place of additional general membership meetings. Notice of such meetings shall be mailed to all members at least ten (10) days before the date of the meeting.

SECTION 8-2: (41) Special meetings of the general membership may be called by a majority of the Board of Directors, whenever such a meeting seems necessary or advisable. A special meeting shall also be called by the Corresponding Secretary at the written request of twenty (20) voting association members. In any case, the Corresponding Secretary shall mail notification to the membership of the Association at least ten (10) days before the date set for such a special meeting.

SECTION 8-3: (42) The Board of Directors shall meet as often and at such time and place as the President or a majority of the Board decides, but it must meet in December and at least once in each other quarter of the calendar year. The location and time of the regular board of directors meetings will be approved by the board of directors at the June meeting. The approved location and time will be in effect until June of the following year. In the event that the meeting location becomes unavailable or undesirable during the one-year period, the Board, by a majority vote, may establish an alternate location for the remainder of that period. For non-standard meetings each Director will be notified either by telephonic message, written notice, or electronic notice at least 72 hours before the meeting. The May and November general membership meetings shall count as Board of Directors meetings.

SECTION 9 / DUES AND ASSESSMENTS

SECTION 9-1: (43) The dues and/or assessments for the VSPOA are required equally from each full lot as platted and proportional by percentage of area of a full lot for each fractional lot owned.

SECTION 9-2: (44) The dues and known assessments shall be set by the voting membership for the following year at the November general membership annual meeting. The Board of Directors may pursue additional assessments when necessary. The Board of Directors acting for the VSPOA may levy those assessments whenever in its judgment such assessment may be necessary or expedient for the benefit of the VSPOA. The sum total of such assessments in anyone fiscal year may not exceed twice the amount of the annual dues. Any proposed assessment that will cause the sum total to exceed twice the annual dues shall require the majority approval of the voting membership at a general membership meeting. The Board of Directors is required to mail notification to the voting members of all known pending dues and/or assessment votes ten (10) days prior to such a vote.

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SECTION 9-3: (45) The dues and/or assessments for the year are due and payable on March 1 of each year. Additional assessments are due and payable within three (3) months from the date of levy, unless otherwise stated by the Board of Directors. Any member, whose dues and/or assessments remain unpaid after ninety (90) days past the due date has occurred, shall be considered delinquent. Delinquent members shall be ineligible to vote at the meetings of the Association or to enjoy other rights and privileges of members until the delinquent dues and/or assessments are paid. Failure to so pay such dues and/or assessments shall give the Board of Directors the additional right to enforce collection by legal action. The property owner is responsible for all costs associated with collecting the delinquent dues and/or assessments.

SECTION 9-4: (46) No provision contained herein may supersede, modify, or limit any provision contained in any applicable Deed Restriction.

SECTION 10 / RECORD RETENTION AND STORAGE (new)

SECTION 10-1: (new) The IRP/P shall be governed by the Board of Directors.

SECTION 11 / DEED RESTRICTIONS ENFORCEMENT (new)

SECTION 11-1: (new) The Deed Restriction Violation Enforcement Committee shall be responsible for enforcement of the Deed Restrictions in accordance with procedures adopted by the Board of Directors from time-to-time.

SECTION 12 / AMENDMENTS TO BY-LAWS

SECTION 12-1: (47) The By-laws may be amended at the November general membership meeting. Any member, or group of members, must file in writing with the Recording Secretary or President by September 1, such proposed amendments. Proposed By-law amendments filed after the September 1 deadline must wait until the following year. The Recording Secretary shall submit all amendments to the Board of Directors at the next meeting of the Board. The Board after due and thorough consideration, shall report to the general membership, with recommendation "for" or "against" adoption. The proposed amendments along with any alterations, additions or deletions recommended by the Board, shall be mailed to all voting members of the VSPOA at least ten (10) days prior to the date of the November meeting at which they will be acted upon. Additionally, the Board may recommend alterations, additions, or omissions to the amendments. The voting general membership may adopt the amendments with or without the alterations, additions, or omissions that were recommended by the Board. A two-thirds vote of the voting members of the Association at the November General Membership Meeting shall be required for the adoption of any amendment.