LAKE COLUMBIA PROPERTY OWNERS ASSOCIATION
PROPOSED BYLAW AMENDMENT RATIONALE
As of October 26, 2026

IX 2.
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Article I. Section 3. Q. Earthen Dam and Spillway (Dam)

Proposed Change: Delete the requirement for securing and maintaining insurance on the dam at 100% of the replacement cost. Also eliminates the requirement to retain $100,000 cash for the insurance deductible. The Board of Directors is required to prepare and issue a Dam Management Plan every five years in conjunction with the inspection. The Bylaws also require the Board of Directors to maintain a financial reserve account for maintenance, repairs, and future Dam replacement costs.

Reason for Proposed Change: The Association has historically been unable to procure insurance at the replacement cost, and more recently has seen premiums for limited insurance increase dramatically. The Board previously approved reserve funds in lieu of insurance at the February 24, 2025, Board meeting. Developing a 5-year cycle for a Dam Management Plan to ensure long-term commitment for 100% of Dam replacement cost.

Article II. Section 2. Assessments A. through F.

Proposed Change: Added definitions and clarifications for the assessments levied upon members for the administration of the Association. Deleted the interest requirement for late payments.

Reason for Proposed Change: New definitions are proposed in order to clarify the different assessments for purposes of consistent administration. Eliminated the additional requirement to impose a 7% interest which was nominal and complicated to calculate.

Article II. Section 3. Penalty for Defaulting in Assessment Payments or for Violating the Subdivision Documents

Proposed Change: The specific late charge amount is deleted. Delete interest and add fines.

Reason for Proposed Change: The next Bylaw sentence already gives the Board the authority to "revise the frequency and rate of the uniform late charges," and goes on to state how this will be done. Additional interest charges were deleted to be consistent with Article II, Sec. 2.

Article II. Section 6. Vote Restricted as to Special Assessments Levied on Membership Basis

Proposed Change: Revised the language for voting on special assessments for clarification and to confirm with standard member voting process as described in the Bylaws. Add the last sentence.

Reason for Proposed Change: For purposes of clarification and consistent administration. This reinforces and clarifies the voting procedure for Special Assessment vote.

Article II. Section 7. Enforcement B. Notice of Action and C. Expenses of Collection
Proposed Change: Correct Assessment definition and delete interest.
Reason for Proposed Change: To make consistent.

Article VI. Finances and Records Section 3. Investment of Funds
Proposed Change: Elimination of the word (or) between the words brokers and invested. List of the Board of Directors approved designated officers, employees or agents. Require at least two agents to approve investment transactions. Designated two primary agents. Elimination of securities brokers, agents, and clarified investments must be federally insured. Added by resolution of the Board of Directors designating officers or employees and clarified procedure for two-approved designees for approval of funds for investments. Update designee list without bylaw amendment.
Reason for Proposed change: For purposes to ensure the investment funds are federally insured securities. List of the Board of Directors approved designated officers and employees. To protect the integrity of the LCPOA process and designees that the invested-bearing obligations are appropriately insured at the discretion of at least two of the designees. The broker approval makes clear that any brokerage investments must be federally insured. The two-person approval is now built into the Bylaw itself. The Board will adopt a resolution or as necessary for naming the President, Vice President, Treasurer, and General Manager as authorized officers, employees, and agents. That list can be updated by resolution without another Bylaw amendment. If the President is unavailable, the Vice President already steps in under Article V, Section 5.

Article VIII. Amendments and Dissolution, Section 1. Amendment. A. Approval
Proposed Change: Change the wording from dues and assessment to Annual Dues Assessment. Added additional information on the assessment definitions.
Reason for Proposed Change: Consistent with the new assessment definitions stated above in Article II. Section 2. B. Must consider multiple development for owners under this Section.

LCPOA BYLAWS PROPOSED THIRD AMENDMENT

Article I. Section 3. Q. Dam

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CURRENT Bylaws Article I. Section 3. Q. Dam, Spillway, and Floodgate

To provide in perpetuity for necessary assessment maintenance, repair and in the event of catastrophic failure, for the replacement of the dam, spillway, floodgate and their collateral facilities to assure the integrity of those structures to retain, impound and permit responsible release of the waters forming Lake Columbia. At a minimum, these duties shall include retaining qualified professionals to conduct comprehensive structural inspections and issue status reports with repair and replacement cost analysis to the Board of Directors no less often than every five (5) years, securing and maintaining annual coverage under comprehensive insurance or re-insurance policies at full replacement cost of these structures issued by competent and qualified underwriters with reasonable deductibles, performing annual review of coverages, and ·establishing and maintaining current or reserve deductible fund accounts at all times sufficient to assure the financial ability of the Association to satisfy these duties; and

RATIONALE FOR CHANGE

Proposed Change: Delete the requirement for securing and maintaining insurance on the dam at 100% of the replacement cost. Also eliminates the requirement to retain $100,000 cash for the insurance deductible. The Board of Directors is required to prepare and issue a Dam Management Plan every five years in conjunction with the inspection. The Bylaws also require the Board of Directors to maintain a financial reserve account for maintenance, repairs, and future Dam replacement costs.

Reason for Proposed Change: The Association has historically been unable to procure insurance at the replacement cost, and more recently has seen premiums for limited insurance increase dramatically. The Board previously approved reserve funds in lieu of insurance at the February 24, 2025, Board meeting. Developing a 5-year cycle for a Dam Management Plan to ensure long-term commitment for 100% of Dam replacement cost.

PROPOSED Bylaws Article I. Section 3. Q. Earthen Dam and Spillway (Dam). To

provide in perpetuity for necessary inspection, maintenance, repair and in the event of catastrophic failure, for the replacement of the Dam and their collateral facilities to assure the integrity of those structures and to retain, impound and permit responsible release of the waters forming Lake Columbia. These duties shall include retaining qualified professionals to conduct comprehensive structural inspections and issue status reports with repair and replacement cost analysis to the Board of Directors no less often than every (5) years or more frequently as directed by Federal or State of Michigan statutes. The Board shall maintain and repair the dam after each inspection report, the Board shall adopt a Dam Management Plan that schedules the repairs identified in the report within one (1) year or sooner, if required by law, and sets annual contributions to the Dam Reserve Account sufficient to fund those repairs and to accumulate the full replacement cost of the Dam by 2060, or any earlier date indicated by the most recent inspection report. The Dam Reserve Account shall be held separately and used only for the Dam. The Board shall fund the Plan from the Annual Dues Assessment and, to the extent that is insufficient, shall submit a Special Assessment to the members under Article II, Section 6; the Board's obligations under this Section 3.Q are otherwise limited to the funds so available; and

LCPOA BYLAWS PROPOSED THIRD AMENDMENT
Article II. Section 2. Assessments

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CURRENT Bylaws for Article II, Section 2. Assessments

The rights of membership are subject to the payment of annual and special assessments as provided for in these Bylaws and Declarations. Assessments in default shall bear interest at the highest rate allowed by law (currently 7%) until paid in full. Effective March 27, 1978, all combined lots, with or without homes, shall upon change of ownership revert back to one assessment per each lot or portion thereof. Annual Assessments shall be due April 1st commencing each year beginning in 2006. The annual assessment may be adjusted by a two thirds (2/3rds) majority vote of the Board of Directors but in any event shall be limited to the increase of the Midwest Consumer Price Index. All assessments, together with interest, late fees, costs, attorneys' fees incurred in the collection of assessments or costs that the Association pays to protect its rights shall be a charge on the Owner's Lot and shall be a continuing lien upon the Lot against which each assessment is made and shall be superior to all other liens except tax liens on the Lot in favor of any state or federal taxing authority and sums unpaid on the first mortgage of record. Assessments shall also be the personal obligation of the person who is the owner of the Lot at the time the Assessment fell due and all subsequent owners until paid and shall accrue to the Association's benefit.

RATIONALE FOR CHANGE

Proposed Change: Added definitions and clarifications for the assessments levied upon members for the administration of the Association. Deleted the interest requirement for late payments.

Reason for Proposed Change: New definitions are proposed in order to clarify the different assessments for purposes of consistent administration. Eliminated the additional requirement to impose a 7% interest which was nominal and complicated to calculate.

PROPOSED Bylaws for Article II, Section 2. Assessments A. through F.

The rights of membership are subject to the payment of Declaration Assessments, Annual Dues Assessments, and Special Assessments as provided for in these Bylaws and Declarations.

A. Declaration Assessments may be only increased or changed as provided in the individual Declarations.

B. Annual Dues Assessments, approved by the membership in 2005, are set annually by the LCPOA Board of Directors as explained in Section 2 F below. A member who has more than one non-contiguous developed Lot shall pay a full Annual Dues Assessment on each developed Lot.

C. Special Assessments are any assessment to fund expenses, obligations, improvements, repairs, replacements, reserves, or projects that are not included in the Association's annual operating budget and are not funded by the Annual Dues Assessment and that require funding in excess of the annual operating budget, and shall be paid either on a per Lot ownership basis or per Membership basis as designated in the resolution approved by the members pursuant to Article II, Section 6 of these Bylaws.

D. Fines and Penalties may be levied pursuant to Rules and Regulations adopted and distributed by the Board for violations of Deed Restrictions, Association Rules and Policies, and these Bylaws.

LCPOA BYLAWS PROPOSED THIRD AMENDMENT

Article II. Section 2. Assessments

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E. Declaration Assessments and Annual Dues Assessments shall be due April 1st each year. Special Assessments shall be due as set forth in the resolution approving the Special Assessment.

F. The Annual Dues Assessment may be adjusted by a two thirds (2/3rds) majority vote of the Board of Directors but in any event shall be limited to the increase of the Midwest Consumer Price Index. All assessments, together with fines, late fees, costs, attorneys' fees incurred in the collection of assessments or costs that the Association pays to protect its rights shall be a charge on the Owner's Lot and shall be a continuing lien upon the Lot against which each assessment is made and shall be superior to all other liens except tax liens on the Lot in favor of any state or federal taxing authority and sums unpaid on the first mortgage of record. Assessments shall also be the personal obligation of the person who is the owner of the Lot at the time the Assessment fell due and all subsequent owners until paid and shall accrue to the Association's benefit.

Article II. Section 3. Penalty for Defaulting in Assessment Payments or for Violating the Subdivision Documents

CURRENT Bylaws Article II. Section 3. Penalty for Defaulting in Assessment Payments or for Violating the Subdivision Documents

Payments or for Violating the Subdivision Documents. The Board of Directors may suspend a member's rights in the Association during any period for which assessments remain unpaid. In addition, all Assessments, or installments of Assessments that remain unpaid as of thirty (30) days after the due date shall incur a uniform late charge of $25.00 per month to compensate the Association for administrative costs incurred because of the delinquency. The Board of Directors may revise the frequency and rate of the uniform late charges, and may levy additional late charges for special and additional Assessments, without the necessity of amending this Amended and Restated Bylaws. Payments of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including attorney's fees; second, to any interest charges, fines and late fees on such installments; and third, to installments in default in order of their due dates. An Owner selling a Lot shall not be entitled to any refund whatsoever from the Association with respect to any reserve account or other asset of the Association. Upon payment in full of any delinquent sums, suspended rights and privileges shall be automatically restored. Membership rights and privileges are further subject to the conduct of each member in accord with the Standards of Conduct which may be updated from time to time by the Board of Directors. Conduct such as careless use of water or any conduct which endangers the welfare of the Association, its property or its residents or the health and safety of its residents shall be grounds for suspension of membership rights. Except as otherwise provided in Article IV, Section 1, a member in default in the payment of assessments or any provision of the Subdivision Documents shall not be qualified to run for or function as an officer or Director of the Association, and shall not be entitled to vote so long as such default continues.

RATIONALE FOR CHANGE

Proposed Change: The specific late charge amount is deleted. Delete interest and add fines.

Reason for Proposed Change: The next bylaw sentence already gives the Board the authority to "revise the frequency and rate of the uniform late charges," and goes on to state how this will be done. Additional interest charges were deleted, to be consistent with Article II, Section 2.

PROPOSED Bylaws Article II. Section 3. Penalty for Defaulting in Assessment Payments or for Violating the Subdivision Documents

Payments or for Violating the Subdivision Documents. The Board of Directors may suspend a member's rights in the Association during any period for which assessments remain unpaid. In addition, all Assessments, or installments of Assessments that remain unpaid as of thirty (30) days after the due date shall incur a uniform late charge per month to compensate the Association for administrative costs incurred because of the delinquency. The Board of Directors may revise the frequency and rate of the uniform late charges, and may levy additional late charges for Assessments, without the necessity of amending this Amended and Restated

Article II. Section 3. Penalty for Defaulting in Assessment Payments or for Violating the Subdivision Documents

Bylaws. Payments of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including attorney's fees; second, to any fines and late fees on such installments; and third, to installments in default in order of their due dates. An Owner selling a Lot shall not be entitled to any refund whatsoever from the Association with respect to any reserve account or other asset of the Association. Upon payment in full of any delinquent sums, suspended rights and privileges shall be automatically restored. Membership rights and privileges are further subject to the conduct of each member in accord with the Standards of Conduct which may be updated from time to time by the Board of Directors. Conduct such as careless use of water or any conduct which endangers the welfare of the Association, its property or its residents or the health and safety of its residents shall be grounds for suspension of membership rights. Except as otherwise provided in Article IV, Section 1, a member in default in the payment of assessments or any provision of the Subdivision Documents shall not be qualified to run for or function as an officer or Director of the Association, and shall not be entitled to vote so long as such default continues.

Article II Section 6. Vote Restricted as to Special Assessments Levied on Membership Basis

CURRENT Bylaws for Article II Section 6. Vote Restricted as to Special Assessments Levied on Membership Basis

Notwithstanding anything to the contrary contained herein but subject to the provisions of Section 5 above relating to the voting rights appurtenant to a Lot owned jointly by more than one member, (a) if a special assessment is to be levied on a per Lot or combined Lot basis, each member may cast a vote for each Lot to be assessed, and (b) if there is a matter in which a special assessment is to be levied on a per membership basis, then in that event, each member shall be entitled to one vote for each Subdivision in which such member owns a Lot provided that such member is in good standing.

RATIONALE FOR CHANGE

Proposed Change: Revised the language for voting on special assessments for clarification and to confirm with standard member voting process as described in the Bylaws. Add the last sentence.

Reason for Proposed Change: For purposes of clarification and consistent administration. This reinforces and clarifies the voting procedure for Special Assessment vote.

PROPOSED Bylaw for Article II Section 6. Vote Restricted as to Special Assessments Levied on Membership Basis

Notwithstanding anything to the contrary contained herein but subject to the provisions of Section 5 above relating to the voting rights appurtenant to a Lot owned jointly by more than one member, (a) if a special assessment is to be levied on a per Lot or combined Lot basis, each member may cast a vote for each Lot to be assessed, and (b) if there is a matter in which a special assessment is to be levied on a per membership basis, then in that event, each member shall be entitled to one vote for each Subdivision in which such member owns a Lot provided that such member is in good standing. Special Assessment shall be effective only upon approval of the membership pursuant to the quorum and voting requirements applicable to member action under Article III of these Bylaws.

LCPOA BYLAWS PROPOSED THIRD AMENDMENT
Article II Section 7. Enforcement
B. Notice of Action & C. Expenses of Collection

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CURRENT Bylaws Article II Section 7. Enforcement

B. Notice of Action

Notwithstanding the foregoing, neither a judicial foreclosure action nor a foreclosure by advertisement action shall be commenced until the expiration of ten (10) days after mailing by first class mail, postage prepaid, addressed to the delinquent Owner at their last known address, of a written notice that one or more installments of the annual or special assessment, as the case may be, levied against the pertinent Lot is or are delinquent and that the Association may invoke any of its remedies under this Article if the default is not cured within ten (10) days after the date of mailing. The written notice shall set forth (i) the authority for the lien, (ii) the amount outstanding, (iii) the legal description of the subject Lot, and (iv) the name of the owner of record. The notice shall be recorded in the Jackson County Register of Deeds, but it need not have been recorded as of the date of mailing to the delinquent owner. If the delinquency is not cured within the ten (10) day period, the Association may take any remedial action as may be available to it under the Subdivision Documents or Michigan law.

C. Expenses of Collection

All expenses incurred in collecting unpaid assessments, including interests, fines, costs, actual attorneys' fees (not limited to statutory fees and including attorneys' fees and costs incurred incidental to any bankruptcy proceedings filed by the delinquent owner or probate or estate matters) and advances for taxes or other liens or costs paid by the Association to protect its lien, shall be chargeable to the owner in default and shall be secured by the lien on their Lot.

RATIONALE FOR CHANGE

Proposed Change: Correct Assessment definition and delete interest.

Reason for Proposed Change: To make consistent.

PROPOSED Bylaws Article II Section 7. Enforcement

B. Notice of Action

Notwithstanding the foregoing, neither a judicial foreclosure action nor a foreclosure by advertisement action shall be commenced until the expiration of ten (10) days after mailing by first class mail, postage prepaid, addressed to the delinquent Owner at their last known address, of a written notice that one or more installments of the Declaration Assessment, Annual Dues Assessment, or Special Assessment, as the case may be, levied against the pertinent Lot is or are delinquent and that the Association may invoke any of its remedies under this Article if the default is not cured within ten (10) days after the date of mailing. The written notice shall set forth (i) the authority for the lien, (ii) the amount outstanding, (iii) the legal description of the subject Lot, and (iv) the name of the owner of record. The notice shall be recorded in the Jackson County Register of Deeds, but it need not have been recorded as of the date of mailing to the delinquent owner. If the delinquency is not cured within the ten (10) day period, the Association may take any remedial action as may be available to it under the Subdivision Documents or Michigan law.

LCPOA BYLAWS PROPOSED THIRD AMENDMENT
Article II Section 7. Enforcement (10 of 12)
B. Notice of Action & C. Expenses of Collection

C. Expenses of Collection

All expenses incurred in collecting unpaid assessments, including, fines, costs, actual attorneys' fees (not limited to statutory fees and including attorneys' fees and costs incurred incidental to any bankruptcy proceedings filed by the delinquent owner or probate or estate matters) and advances for taxes or other liens or costs paid by the Association to protect its lien, shall be chargeable to the owner in default and shall be secured by the lien on their Lot.

LCPOA BYLAWS PROPOSED THIRD AMENDMENT (11 of 12)
Article VI Finances and Records Section 3. Investment of Funds

CURRENT Bylaws for Article VI Finances and Records Section 3. Investment of Funds

The funds of the Association shall be deposited with insured financial institutions or with securities brokers or invested in federally insured securities, as designated by the Board of Directors and withdrawn only upon the check or order of the officers, employees or agents designated by the Board of Directors. Funds may also be invested in interest bearing obligations of the United States Government, or in such other depositories that are adequately insured, at the discretion of the Board of Directors.

RATIONALE FOR CHANGE

Proposed Change: Elimination of the word (or) between the words brokers and invested. List of the Board of Directors approved designated officers, employees or agents. Require at least two agents to approve investment transactions. Designated two primary agents. Elimination of securities brokers, agents, and clarified investments must be federally insured. Added by resolution of the Board of Directors designating officers or employees and clarified procedure for two-approved designees for approval of funds for investments. Update designee list without Bylaw amendment.

Reason for Proposed Change: For purposes to ensure the investment funds are federally insured securities. List of the Board of Directors approved designated officers and employees. To protect the integrity of the LCPOA process and designees that the invested-bearing obligations are appropriately insured at the discretion of at least two of the designees. The broker approval makes clear that any brokerage investments must be federally insured. The two-person approval is now built into the Bylaw itself. The Board will adopt a resolution or as necessary for naming the President, Vice President, Treasurer, and General Manager as authorized officers, employees, and agents. That list can be updated by resolution without another Bylaw amendment. If the President is unavailable, the Vice President already steps in under Article V, Section 5.

PROPOSED Bylaws for Article VI Finances and Records Section 3. Investment of Funds

The funds of the Association shall be deposited with insured financial institutions or invested in federally insured securities, whether directly or through securities brokers, as designated by the Board of Directors and withdrawn only upon the check or order of the officers, employees or agents designated by resolution of the Board of Directors. The designated officers and employees are President, Vice President, Treasurer, and General Manager. Funds may also be invested in interest bearing obligations of the United States Government, or in such other depositories that are adequately insured, at the discretion of at least two designated agents of the Board of Directors. The two designated agents shall approve investment(s) or reinvestment(s) of funds. The primary agents are the President and Treasurer. No funds shall be invested or reinvested without the approval of at least two of the officers or employees or agent so designated, one of whom shall be the Treasurer.

Article VIII. Section 1. Amendment. Approval A.

CURRENT Article VIII. Section 1. Amendment. A. Approval

These Bylaws may be amended, altered, changed, added to or repealed by the affirmative vote of two-thirds (2/3rds) of the entire Board at any regular or annual meeting or at any special meeting called for that purpose; provided, however, that the dues and assessment provisions of these Bylaws shall not be altered, amended or changed so as to increase the dues and assessments of a member without the affirmative vote of two-thirds (2/3rds) of the vote of the members, excepts as provided in Article II, Section 2. Any changes to these Bylaws will be communicated to the membership in accordance with the notice provisions contained in Article III, Section 4 and within thirty (30) days of the date after the Board votes on such changes. All proposed changes must be announced to the membership at a regular Board meeting the month prior to any Board vote on such changes so as to allow for comments from the membership.

RATIONALE FOR CHANGE:

Proposed Change: Change the wording from dues and assessment to Annual Dues Assessment. Added additional information on the assessment definitions.

Reason for Proposed Change: Consistent with the new assessment definitions stated above in Article II. Section 2. B. Must consider multiple development for owners under this Section.

PROPOSED Article VIII. Section 1. Amendment. A. Approval

These Bylaws may be amended, altered, changed, added to or repealed by the affirmative vote of two-thirds (2/3rds) of the entire Board at any regular or annual meeting or at any special meeting called for that purpose; provided, however, that the Annual Dues Assessment and Special Assessment provisions of these Bylaws shall not be altered, amended or changed so as to increase the amount of, or the Lots subject to, the Annual Dues Assessment of a member or to eliminate or reduce the member approval required for Special Assessments, without the affirmative vote of two-thirds (2/3rds) of the vote of the members, except as provided in Article II, Section F. Any changes to these Bylaws will be communicated to the membership in accordance with the notice provisions contained in Article III, Section 4 and within thirty (30) days of the date after the Board votes on such changes. All proposed changes must be announced to the membership at a regular Board meeting the month prior to any Board vote on such changes so as to allow for comments from the membership.