
Directors' Handbook

LAKE MANITOU ASSOCIATION



You are the author of this handbook

This is a living document to build upon what we've learned and sharing of knowledge and experience rather than reinventing the wheel. As a Board member you are encouraged to write-in additions and changes as you find things that could be improved. Periodically, please give a copy of your suggested changes to the President for consideration in producing an updated version of this document.

You are responsible for maintaining your Director's binder

While serving on the Board, please place the final passed versions of policies and important resolutions into the *Policies* section to ensure they become part of our permanent record and observed by future Boards. Please, do not file transient documents into the binder, such as minutes, agendas or President's reports. Our Secretary and web site will keep sets of those records.

Please return the binder when you leave the Board

Please keep your Director's binder in good order and return it to the President or Secretary when you retire from the Board for use by a future Board member.

Why it's important that you read this

As with any business, there are many disciplines involved in running an association, including project management, accounting, construction, horticulture and law. Various skills are needed - skills in planning, problem-solving, facilitating, organizing, delegating and motivating, diplomacy, human resources, negotiating and many others. This Directors' Handbook is ***not intended*** to be a comprehensive, everything you need to know source for successfully managing the association, but what it ***does do*** is provide a cursory, practical orientation for Board members of the Association and a framework for applying required disciplines and skills.

An objective in its design was to keep it "relatively brief" to better ensure its chances of ***being read***. Having access to in-depth reference works now available is important. Many good references have been written for specific aspects of community association management and are available on the internet.

A tabbed section is included in this Director's Binder for such material, entitled *References* where you can list the web site address and/or print copies of the web site material for your reference.

Conflicts in authority

The contents of this document are subordinate to the By-Laws, Amended Restrictions, and Special Record of the Lake Manitou Association and codes and ordinances of Bennington Township, Shiawassee County, and laws of the State of Michigan. Any inconsistencies between this document and those authorities defer to the latter.

Do not distribute outside of the Lake Manitou Association

These documents may not be distributed to other associations, management companies or any other organizations or individuals for use outside of the Lake Manitou Association.

Important notice of reliance

This handbook and these materials are intended to provide benefits of experience of current and former Board and committee members of the Lake Manitou Association and other organizations, as participants in community association management. No contributor has acted in a legal, accounting, or other professional capacity in providing material. Such professionals should be consulted in the normal course of operating our association.

Acknowledgments

This document was the product of many hours of meetings, research, writing and review by people with years of experience in running the association and business in general, including some of your neighbors.

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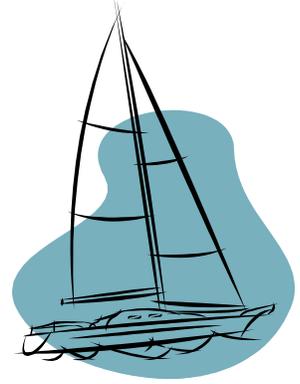
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Directors' Orientation



Welcome to our Board of Directors

You are about to have a remarkable experience - with opportunities to affect your community in important ways and substantially influence the quality of life at Lake Manitou. And you will learn many new things about managing a business, bookkeeping and financial statements, construction, diplomacy, negotiating, dispute resolution, public government and Townships, organizing, delegating, motivating, problem solving, facilitating, regulations, bits of administrative law, case law and statutes relating to common interest developments, local ordinances and how they affect our neighborhood, working with Bennington Township officials and, perhaps, other associations, business tracking, planning and management techniques and a host of other areas. It'll be an adventure you will never forget.

If you have never before served in public office, after a term on our Board you will view government, at every level, in a new way.

We hope that experiencing the journey with the other Board members will evolve relationships with them not unlike that of a family. You will share the mix of successes and conflicts, personal and collective victories and defeats in dealing with a broad spectrum of issues - some challenging, some trivial and quite humorous. In the end, the best memories will remain with you, as will new acquaintances and friendships you will treasure as long as you live at Lake Manitou.

Getting started

Shortly after becoming a Board member you received this Director's Binder containing these sections:

Directors' Handbook - This contains a Directors' Orientation (what you are now reading—information that every director must know) and Directors' Topics (discussions of important topics you likely will deal with as a director).

Committees' Handbook - containing charters of each of our committees and those we may appoint from time to time, their objectives, suggested activities and other helpful information. It also includes discussion about getting and keeping committee volunteers.

Members' Handbook - containing information every Lake Manitou resident should know. We distribute a copy of this document to every member.

Periodic Activities Calendar - important deadlines and schedules for recurring activities.

Special Record - important policies and resolutions that determine how we deal with certain issues. While serving on our Board, when an important new policy or resolution is created, don't forget to place a copy of it into this section for future reference by you and those who will serve on our Board after you who will use this binder.

By-Laws and Amended Restrictions - documenting our recognition by the State of Michigan as a non-profit membership corporation and describing requirements for our meetings, notices and procedures. These are our most comprehensive governing documents, describing the relationship between our association and our members, our Association's rights and owners' rights, administration, membership, property and voting rights, maintenance and assessments, duties and powers, use restrictions, structural controls, protection, and other important provisions.

There are several things you should do, as a minimum, to prepare yourself to serve on our Board of Directors:

Read this short Director's Orientation

It isn't very long.... Directors who have come before you have tried to distill the essential information into this orientation section.

Review our Members' Handbook.

This will:

- Help you to understand what an Association is.
- Provide answers to the kinds of questions you're likely to be asked as a director - information you should know.
- Explain the Structural Control Review process, one you will be dealing with as a director.

Become familiar with our By-Laws, Amended Restrictions, Processes & Procedures.

It may not be realistic to expect Directors to be intimate with every page of these documents, but at least you should scan them to get a sense of content and learn to reference them easily. As a director, you *are* responsible to see that they are followed.

Also, attendance at one of the Michigan Lake and Steam Associations seminars would be very helpful to understand what is happening in other riparian communities. These are held once a year and are announced in the Lake Manitou board meetings. Attending one of these three (3) day sessions will really open your eyes to the complexity of good lake management practices. Even the most experienced Board members attend to learn new information about good water quality practices and lake association management. You will get a lot of practical *how-to* knowledge you can immediately apply to our association.

Our mission & purpose

The Lake Manitou Association is a business, recognized by the State of Michigan as a non-profit *membership* corporation under Act 162, Michigan Public Acts of 1982, as amended. As with any business, we have a stated mission or purpose. *Our mission is to:*

- Maintain and Improve the Quality of our Lake
- Advocate safe Lake recreation behavior
- Improve the value of our property
- Represent and enforce the collective choice(s) of the Lake Manitou Association Membership

The purpose of the Association shall be:

- (1) To maintain and to improve the residential characteristics of the Association area, and as authorized in the Restrictions, to be responsible to make rules and regulations regarding the use and control of the Lake, including the enforcement of the Restrictions as amended, and recorded, in their entirety;
- (2) To provide methods of cooperation whereby members can collectively achieve mutual advantages that could not be achieved individually,
- (3) To promote social and recreational activities among its members, and;
- (4) To enforce the provisions of the Lake Manitou By-laws and Amended Restrictions and to engage in such additional activities and functions as is commonly associated with property owners and lake associations.

The value of our investment - the most significant component of which is our *property value* - is determined and impacted by many internal and external factors. We can manage most of the internal factors and can even influence many of the external ones.

Managing internal factors

We spend most of our time managing the internal factors: our assets and living environment.

Managing our assets

Our assets include physical assets like the weedcutter, dump truck, weed sprayer, dam, spillway, island, bubblers, boat launch, landscaping and other physical assets. Assets also include operating and reserve funds in bank savings and checking accounts and in Certificates of Deposit (CD's).

To help us to *keep score* in managing our assets, we use a budget. We develop our budget beginning in January, and approve and mail it to members in March/April. In preparing the budget, we estimate the next year's expenses. We also estimate the remaining life for our physical assets and update our projections of their eventual replacement costs. This helps us to decide how much money we should set aside for that year as reserves for future repair and replacement. Once we've estimated next year's expenses and contributions to reserves, we can calculate the dues and special assessments.

At each Board meeting, we make decisions affecting maintenance of physical assets such as painting, sealing, cleaning, and landscape maintenance. We also decide about funds transfers and CD investments and terms. To help us to stay on track, we review our financial condition; we look at our latest income statement, which describes our income and expenses, and our balance sheet, which describes the state of our assets and liabilities. Our treasurer reports on our condition described in those financial documents relative to our budget.

Managing our living environment

At meetings we also manage issues relating to our living environment, such as rules, structural control, and social events.

We create and enforce rules to protect members' interests and rights to a quiet enjoyment of their properties and the lake. Respect for and protection of each others' rights is necessary to maintain the appeal of our environment which is very important in how we perceive the value of our properties.

We have a class of rules relating to structural control that protect us from the impact that uncontrolled exterior changes could have on our property values. Our Structural Control Committee oversees the process by which members wishing to construct improvements apply to that committee for approval. The Board is involved in making the final determination for an application that has been recommended for approval or rejection by the committee or when considering an amendment to our architectural standards.

Occasional social events, such as the summer meeting picnic, winter social, and the neighborhood garage sale, provide a number of dividends. Homeowners tend to feel more responsible to neighbors they have met and know personally. This may mean fewer conflicts and more cooperation - neighbor-to-neighbor and neighbor-to-association.

Knowing each other also helps us to be aware of good candidates to tap for future Boards, committees and special projects.

Managing external factors

Common interests may also include issues related to the community outside of our development. Examples may include participation in Township or County hearings or working with the Township on nearby street traffic, school, or crime issues.

As a Board member, please keep your eyes and ears open for issues outside of our community that may affect our property values and alert other Board members so that we can consider participation. Occasionally, we might even ally ourselves with one or more neighboring Associations to combine our numbers and amplify our influence with the Township or other authority.

Another major common interest we can affect is the legal environment we operate in. By supporting associations such as the Michigan Lake and Stream Associations, based in Michigan, we can influence laws that are passed and affect us. Interested volunteers can work with other members in writing letters to elected representatives in government and contacting other members or preparing testimony for state legislature hearings.

The environment

As a member of our Board of Directors you will operate in a complex and interesting environment with business, legal, and social aspects.

The business environment

Let's face it - many Board and Committee members are not experienced business managers. Sometimes there is a tendency for new Board and Committee members to manage our collective affairs as they would manage their own personal affairs. However, typically the variety, complexity, and nature of issues are different and the liability environment and fiduciary responsibilities require a different approach.

As a business we are expected to apply generally accepted business practices and to comply with accepted standards and practices of the community association management field. Ensuring that we have at least one or more members with business management skills on our Board of Directors can help greatly.

The legal environment

As you probably have already learned, our Board is not simply a group of neighbors getting together to make decisions about their neighborhood as neighbors sometimes do in a social context. An Association is, fundamentally, a legal construct; ultimately, almost everything we do as a Board is driven by or affected by our By-Laws, Special Record, rules, policies, Michigan statutes, case law or recognized standards and practices of the common interest community association management industry.

Inherent in our roles as Board members are the problems of reconciling the familiar social context of friendships with neighbors, with the less familiar requirements of our duties as Board members to apply rules, standards, and prescribed procedures that affect our neighbors. Some methods we use to do this are described below under The Social Environment.

When we become Board members, we acquire many of the same responsibilities described in the Michigan Corporations Code as for Board members of for-profit corporations. This means that we are obligated to uphold our By-Laws, Amended restrictions, Special Record, rules and Structural Control requirements - or incur liabilities if we do not. If we've been too casual about adherence or enforcement, we may find ourselves on the losing end of a lawsuit - or barred from enforcement through estoppels (by previous neglect of proper enforcement). And if we lose enforcement remedies we are charged with protecting, we could be sued for that too.

If the Board and/or members feel that a rule or a particular provision of our By-Laws or Amended Restrictions is unfair and not in our members' interest, or not otherwise justified or required by our lenders or Township or the law, we can change it. Both our By-Laws and Amended Restrictions have provisions for amendment. But we do not have the option of non-enforcement, or of arbitrary or capricious enforcement.

You are now a fiduciary

Being fiduciaries means we must remain focused on serving the interests of all members, divorcing ourselves from our own personal interests. Each of us must avoid any conflict of interest or appearance thereof. From time-to-time, there may be a vote on an issue affecting you personally from which you should recuse yourself.

As fiduciaries, we also have a duty to exercise due diligence in the conduct of our members' business. This means we are not allowed to treat our collective business as casually as some of us may conduct our personal business. We must exercise good care, as a reasonable person would in protecting others' interests, applying generally accepted standards and practices of prudent business management. When dealing with an issue we are unfamiliar with, we may find among our own members those with particular education or experience in business management, accounting, construction, employee supervision or other relevant discipline. We can demonstrate exercise of due diligence by relying upon advice from a committee comprised of such individuals or by consulting with an appropriate professional, such as an attorney, accountant or construction expert.

Avoiding trouble

Failure to meet any of these obligations may get us into trouble. Lawsuits are not uncommon in Associations, particularly if poorly run or neglected. We do carry liability insurance for board members but a suit may impact premiums and be quite costly in other ways, and there are exclusions in our policy.

When in doubt about your obligations as a Board member, consult our Amended Restrictions or By-Laws or other appropriate documents, or consult with other Board members.

Occasionally, there may be uncertainty about the treatment of a significant issue, in which case the President, or other person authorized by the President or Board, should consult with our attorney. Normally, following the meeting with the attorney, the member or members who attended should produce and distribute a report of the conference to Board members. (For conferences relating to some unusually sensitive issues, our attorney may advise against us keeping a written record of such a conference inasmuch as records not in possession of our attorney can be subject to subpoena and can be misinterpreted to the detriment of the Association.)

The Board should ensure it has money budgeted for such conferences. It may be listed in the budget as Legal Services or simply as Professional Services.

The social environment

The mini -government dilemma

As discussed above, some members may imagine the Board to be simply neighbors meeting somewhat informally to resolve problems and deal with common issues, arriving at a consensus of what seems fair in our customary democratic style. This concept suggests that the Board has a great deal more discretion in the decisions it makes than it actually has. Unfortunately, this misconception sometimes results in misunderstandings between Boards and members. Members may easily imagine that the Board did things (like enforce rules) that it didn't have to, or that it was remiss in not doing things they thought it should have.

The reality is that a very large number of restrictions have been placed upon us by our governing documents and State laws and case law. We have adopted rules of parliamentary procedure for our membership meetings and hold to rules governing meeting notices and how and when we can meet. Our By-Laws hold us to strict procedures for a variety of contingencies and our Amended Restrictions and standards of administrative enforcement hold us to strict rules enforcement.

Meeting our obligations of procedure and enforcement can seemingly bring us into conflict with what we normally feel is appropriate social protocol for neighbors. For example, enforcing rules compliance by neighbors and friends can be extremely awkward. We have these means of dealing with this:

- fairness
- education
- administrative insulation participation

Fairness

Board members must always remain sensitive to issues of fairness - in a legal sense, political sense and social sense.

Legally, what we do must be defensible. It should be consistent with the law. It must be reasonable and not unnecessarily restrictive. Enforcement must be able to withstand the test of being uniform, which is to say, being applicable to any or all members under the same circumstances. Homeowner Association attorneys recommend that associations have written and published rules, standards and policies to strengthen their positions. That is one reason why we have produced the binder you are reading, which includes our rules and standards (in our Members' Handbook) and our Rules Creation and Enforcement procedures (later in this Directors' binder).

Also, laws continue to evolve and it is quite possible for our governing documents to be superseded by them. Therefore, we should periodically have an attorney review our rules, rules creation and modification policies and our enforcement procedure (see Rules Creation and Enforcement later in this binder) to ensure they comply with Michigan state laws.

Politically, enforcement procedures should be crafted and administered in consideration of the need to maintain a healthy Board/member relationship. Collectively we carry a big stick. Waiving it unnecessarily can aggravate, alienate and hurt the important Board/member relationship. Remember, from time to time the Board will need to call upon our members for support - perhaps for support in a lawsuit or for passing an important amendment or for resisting a challenge, or simply to solicit participation on committees or the Board. When that time comes, that relationship will be extremely important to us.

Our members had to prove a track record of responsibility in order to purchase their residences or properties. Most are intelligent, rational people who occasionally may step over a line, whether by not paying attention to what our rules are or by being careless or, perhaps, testing limits a little. Most quickly cooperate with a gentle, informative reminder. We are well-equipped to deal with the exceptions so we can be secure in a gentle initial approach.

Socially, as Board members, we should create rules, procedures and policies that we personally can accept as being fair - as shaping the kind of environment in which we would choose to live as individuals while remaining true to our collective obligations.

Education

Every Board encounters at least one member who became very upset with Board members about a Board decision or notice to abide by a rule, imagining that his or her rights are being violated. The individual's wrath may be expressed at a meeting or in a threatening letter, perhaps one written by an attorney. It can be frustrating trying to deal constructively with members who are not responsible enough to educate themselves about their rights and obligations before or since purchasing their homes and who believe the Association has neither the duty nor the right to do what they are doing.

Yes, the association does have considerable powers to make decisions and to enforce and compel with legal action. But usually much time, money and grief can be spared by dealing patiently with irate members, listening to their arguments and diplomatically reconciling their arguments with the realities of an Association. Assuming the Board has done its homework and is absolutely secure in its decision or in requesting a member to do something, a member will usually be irate only as long as he or she has misconceptions about the association's or his or her own rights and obligations.

We can educate our members about rights and obligations with emphasis on the why's rather than simply on the what's. By helping our members to understand that our By-Laws and Amended Restrictions are tools to balance individual and collective interests - that help us and protect us, rather than providing an unnecessary burden that restricts and controls us - we can often gain their cooperation.

We can educate through

- our web site
- our Members' Handbook
- notices and letters
- how we relate to members at meetings
- our committees
- neighbor-to-neighbor conversations

Our web site is our principle means for this. It is the face of our association - the only face many members will see. This important communication tool is discussed more completely under *Internet & Web Based Communications* in the Committees Handbook section.

Participation

Getting members to participate means getting them to attend meetings, to volunteer for projects, to join a committee or run for the Board. Member participation has many benefits:

- By becoming involved and being recognized and reinforced for that participation, a member will feel more a part of the association. Seeing first-hand how and why our association operates as it does makes misunderstandings less likely.
- Often, a member attending a meeting will have a valuable suggestion or important information that helps us to solve a problem.
- Attending members can be a good source of volunteers for special projects or ad-hoc committees. The more volunteers, the less the burden upon everyone.
- By participating and learning more about how we operate, a member becomes better prepared to assume a future role on our Board or a committee.
- The more who participate, the more members we get to know and the better handle we'll have on future Board and committee candidates when we need to tap someone.

As a Board member, and even after your term is over, it is important to keep promoting participation by our neighbors. Encourage those who haven't yet volunteered. Support those currently serving. And show your appreciation as volunteers retire.

Recognition and Thanks are the only currencies we have. Ensure plenty is paid.

Periodically, at our Annual Meeting we have presented a modest award, perhaps a plaque or framed certificate of appreciation, to retiring Board or committee members and to volunteers with notable contributions. Such tangible reminders memorialize individuals' contributions (upon which we greatly depend) and may encourage future participation as well.

Learning the Board

Preparing to serve on the Board

Although makeup of our Board and committees may change somewhat after every year's summer election, our Association's business is ongoing. Projects are in various stages of progress. New Board members should be prepared to take up business initiated by previous participants and departing Board members must plan for continuity when they themselves leave.

For one to be a productive Board member from the outset, one should:

- Attend at least a few Board meetings before being seated to become oriented to the issues being dealt with and how we operate.
- Review the Board minutes for the previous year.
- Attend at least a couple of neighborhood walk-throughs. You will learn more about the physical assets that you will be responsible for managing.

Board meetings

Prepare

Before you come to a meeting, review any information you've received since the previous meeting. You should be ready to approve minutes of previous meetings and to vote on pending issues. And if you have important questions that must be answered before you vote on an issue, try to get them answered before the meeting.

If you have a topic you would like to discuss at the meeting, contact the President to have it placed onto the agenda. If your topic is important, distribute a proposal or other written analysis to other board members at least a few days prior to the meeting to give them an opportunity to review it.

Such preparation helps to keep meetings shorter and more productive.

Attend

Once you're on the Board, please try to attend all Board meetings. Occasionally you may have to miss one but missing Board meetings does handicap us, limits your effectiveness, and may preclude a quorum and, thus, nullify a Board meeting. It isn't fair to other Board members or to the membership at large.

At the meeting

Try to keep to the agenda. Waiting until the meeting to introduce new topics may slow the meeting significantly—consuming valuable time in getting questions answered and in examining of issues that should have been studied before the meeting. This isn't to say that a new topic should never be introduced. But do try to have all significant issues put onto the agenda and written proposals distributed to members about a week before a meeting. Otherwise, don't be surprised either to have discussion on your topic tabled or otherwise not be acted upon at that meeting.

We do manage to keep a healthy sense of humor while conducting business meetings. But you should remember this is a business meeting of directors, quite different from a social get-together. Working with neighbors in a social, non-business setting, most of us have a tendency to make whatever compromises are necessary to satisfy all participants and ensure that no one's feelings are hurt. Often, the matter being considered is of minimal importance and tolerant of compromise; even if the decision isn't optimum, there is no real harm done. However, when considering important issues, we should remember that we are in a business setting with obligations as fiduciaries to protect the investments and serve the best interests of our members.

Sometimes a bad idea is a bad idea. Don't second a motion you think is not in the best interest of our members just because the proponent is your friend. If you think a proposal concerning an important issue is bad, don't automatically integrate it into a decision simply to incorporate everyone's ideas and ensure no one's feelings are hurt. First, ensure you understand what is being proposed. Then, in your most diplomatic and constructive way, explain why you disagree and why another idea may be better. If you feel compromise will be too detrimental, call for a vote, that is what voting is for.

After the final gavel, consider having a few friendly words for anyone with whom your position appeared to be in conflict - to assure that person that any disagreements were purely on a business level. And if you feel that someone intended something personally against you in the heat of the debate, ensure you talk about your concerns with that person. Particularly for those relatively inexperienced in serving on a Board and not yet able to discriminate advocacy for a business position from personal attack, failing to resolve conflicts and misunderstandings can translate into serious damage to our ability to conduct business objectively. Communicate, communicate, communicate!

It is okay to be an animated advocate and meetings may have some lively debate, but such discussion is most productive when you:

- Know what you are talking about. If you don't, then educate yourself about the issue being discussed or listen to someone who does know.
- Are a responsible advocate. In fairness to other Board members, try to be conscious of the coherency of your arguments relative to theirs. Understand that, having a vote on our Board means being responsible for your vote. That means each of us must be willing to have our proposal or position scrutinized for soundness by other Board members and those we were elected to represent - without taking it personally.
- Participate in the spirit of cooperation. Ultimately, we're all on the same side. The objective is to come out on top collectively, not individually.
- Listen. Each Board member has areas of focus and specialty and can provide insightful contributions. However, we can't all be experts in everything and,
- Hopefully, some strengths will complement others. Listen to the ideas of others carefully. With the President as facilitator, we should be able to weave the best ideas together for some spectacular results.

Meetings must be 'open' and our business 'transparent'

Light of Day and Open Meeting guidelines require that no meeting may be held by Board members to discuss or conduct association business without notice to members as specified in our By-Laws. Michigan Civil Code and our By-Laws may permit certain kinds of issues to be discussed in closed executive session. However, general descriptions of topics discussed must be published at the next open meeting.

Board members are not free to decide what issues will be confined to such closed meetings; only those issues specifically described by statute and/or our By-Laws may be considered in closed meetings. In Michigan this includes litigation, formation of contracts, member discipline, personnel matters or to meet with a member, upon the member's request regarding payment of assessments. Then, any matter discussed in executive session shall be generally noted in the minutes of the immediately following open meeting.

Minutes of all open meetings must be recorded and, except for closed meetings, must be available for inspection by any member as described in our By-Laws.

Support each other

Supporting, encouraging and commending each other for work well-done helps us to sustain our energy and productivity.

As you take your turn on the Board, you'll soon learn how important the support of Board members can be, especially when facing external challenges. From time to time, a Board member may be the subject of an unreasonable verbal attack by a frustrated, under-informed member. We're each volunteering our time to do the best job we can. Although we must always remain open for legitimate criticism, it is not our duty to accept abuse. A polite correction of a misstated fact, by someone other than the victim, has a welcome credibility and effectiveness to quiet an unfair assault. Don't be afraid to speak up in support of other Board members in such instances. You may be in a position to appreciate such support someday yourself.

Support and encourage other Board and committee members when facing other challenges and tasks. A task can seem less burdensome when one feels others are participating and being supportive.

Commend other Board members for jobs well-done. A deserved commendation is easy to give and yet can be so effective in sustaining the energy level and prolonging a volunteer's service upon which we depend so much. Look for those opportunities to congratulate and to thank.

Electing officers

Board officers are elected by the Association membership at the Annual Meeting.

We should consider having officer re-appointments any time there has been a significant change to the Board's makeup, as when directors come and go. To illustrate why this may be desirable, consider a situation where the Treasurer's position has just been vacated. Perhaps the Board members feel that the person serving as Secretary would make the best new Treasurer. If that is so, it would make more sense to appoint that person as Treasurer, rather than to choose another person simply because he or she was already an officer in a different capacity. With the former Secretary now being the Treasurer, someone else may be appointed as Secretary, which may result in yet another vacancy, and so on. Though perhaps not appropriate in all cases, whenever there has been a significant change, the Board should consider opening all officers' positions for review in order to optimize the Board member's roles.

Some large organizations traditionally elect the Vice President as President. This may work in those organizations where members serve for a number of years, are well known and are expected to progress through ranks. However, such a tradition does not necessarily work well for an Association Board, the constitution of which changes frequently. There should be no expectation of automatic progression. It is in our members' best interests that we try to elect those best-equipped for the respective offices, regardless of previous status.

We elect the Treasurer, Vice President and three (3) Directors to office in odd years. The President, Secretary, and the remaining three (3) Directors shall be elected in even years.

Our Management Assets

Our written management tools

In the course of managing our affairs, Board and Committee members face many tasks and challenges. To deal with them, we've been fortunate to have had talented, experienced Board members expend time in constructing management tools intended to address those challenges for the long term. A few past examples include the designing of financial projection spreadsheets, crafting and implementing task management and control procedures, creating our By-Laws and Amended Restrictions, publishing our web site, creating our Members' Handbook, and preparing committee charters. These examples, and others such as this Directors' Handbook, represent the equivalent of many dollars of consulting and labor.

Most people manage their personal affairs without such written tools. They simply rely upon memory - their built-in guidelines. They are not accustomed to consulting someone else's database or experience when making decisions. Therefore, there is a tendency for new Board members, when confronting a problem for the first time, to proceed with conjuring a new solution in the context of their own experiences, even though the same problem may have been encountered and solved before by much more experienced and knowledgeable people who spent much more time and created a much better solution.

Although most of us don't normally think of it in these terms, quality solutions created by Board members and others as well as the experience of former Board members, Committee members, and long-time residents are assets. Discarding or ignoring them would be to mismanage them.

A for-profit corporation's Board of Directors normally wouldn't casually discard an asset in which it had invested tens of thousands of dollars. We are also a business and we have a duty to maintain these assets just as we have a duty to preserve our more tangible ones.

Maintaining these assets means using them, periodically reevaluating them and revising them if necessary.

Use our written management tools:

- Directors' Handbook - This is the document you are reading. It is a distillation of the must-know information for Board members.
- Activity Tracking Report - This is a very important control document used to ensure that tasks assigned to volunteers and management are accomplished and objectives and projects are followed-up on. It is a list that includes maintenance items, projects assigned to individuals and committees, and management tasks to be completed. It includes the status for each activity such as priority, who is responsible for completing, date entered onto the list, and objective completion date, if appropriate. Items on the list are marked-off as completed. Completed items are moved under a "Completed" heading, until the following update, as positive feedback on our progress down the list. An example Activity Tracking Report can be found under "Directors' Topics" later in this section.
- Periodic Events Calendar - This is a list that helps to ensure we don't forget activities that should happen on a regular basis, such as beginning our annual budget preparation or appointing our Nominating Committee. The Periodic Events Calendar is located in its own section of this Directors' binder. If you think of any such activity that isn't yet on the Periodic Events Calendar, write it in.
- Members' Handbook - This is our primary orientation tool for all members about their Association. It includes an orientation, general information about who to call for what, answers to frequently asked questions, rules, architectural standards and other useful information.

- Meeting Minutes & Web Site – These are the primary tools for communicating regularly with our membership. For many, this is the face of our Association. It includes notices, announcements, contact telephone numbers and articles to educate our members about our Association and how it works.
- Written policies, processes & procedures - Written policies, processes & procedures allow us to establish and uniformly apply the standards and manner in which we regulate our affairs. Having written and published policies, processes & procedures helps to ensure consistency, fairness and make our actions more legally defensible.
- Committee Handbooks and Charters - Located within this Directors' Binder, committee charters define and describe the purpose of each committee. Every significant committee should have a charter. A charter may also suggest activities; this can be very helpful when a new committee is formed and to orient new committee members who may find example activities helpful.
- Financial Budgeting - Our Financial Budgeting analysis helps us to track remaining life for our common assets physical components, giving us visibility into future funding requirements and helping us to properly allocate to reserves accounts when preparing our annual budget.
- Preventive Maintenance Plan - This is a plan, prepared and overseen by our Employment Committee, for maintaining our common physical assets. This may include preparing an inventory of the major physical components and development of checklists describing maintenance tasks and required attention frequencies, to be used by our maintenance employees. Periodically, we may engage outside professionals to study our physical assets and to assist in the development of such a plan.
- Various forms and letter templates - These include the set of Structural Control Review Committee forms, Courtesy Reminder and Vehicle Violation notices, the Request to correct condition, and various letter and notice templates. Most all of these are available in computer files for easy modification and maintenance. Examples of some of these appear under "Directors' Topics" toward the back of this section. Although the content of a form or letter template may not appear to be particularly important, many were very carefully crafted to include information that we learned was necessary. Some include very subtle, yet important language or information that protects us legally. If you change a letter or form, keep this in mind.

Our experience resources

Former Board members

We have a wealth of experience in our former Board and committee members. This also is an asset that we should not waste.

Our committee resources

With our 109 Association families, Lake Manitou has much talent we can draw upon for special projects and committees. As Board members, we should be alert for such talent and not be afraid to knock on doors to tap this resource.

Appointing volunteers onto committees isn't enough and won't, by itself, accomplish tasks or solve problems effectively. As with any business enterprise, talent must be managed if we expect to leverage it and especially to keep it. Managing committees includes providing committees with a written charter that gives clear purpose, direction and authority.

- Ensuring each committee has the resources it needs to accomplish its charter.

- Appointing a Board member liaison for each committee to ensure good Board/committee communications. (In the absence of such an appointment, the President should fulfill this function.)
- Providing visibility of committee activities through the minutes and the committee's presentation at our Annual Meeting.
- Thanking committee members publicly through the minutes and through our awards program at our Annual Meeting.

Helping volunteers serve successfully on committees benefits all of us by their direct contributions, their education about how Lake Manitou operates and by making them better prepared as possible future Board members.

A more complete discussion on getting and keeping committee volunteers, as well as committee charters, is located in the "Committees' Handbook" section of this Directors' Binder.

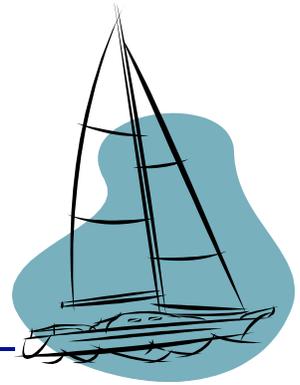
Use these assets!

Every Board member should know that we already have this wealth of management assets - written tools as well as our bank of experienced people. Use them. The President has the primary responsibility to be familiar with what and where they are. Most written assets are documented here in the Directors' binders. Most are in computer files, convenient for periodic updating and republishing. Every Board member should be aware there are probably people present at any Board meeting with experience that can be applied toward almost any issue.

When a problem is discussed, inquire publicly of an existing practice or solution method or background or history. Usually someone will be able to offer information or insight that can be applied toward resolution of the problem.

Let's build upon what we have rather than keep reinventing the wheel - to keep Lake Manitou moving forward rather than in circles. Let's make constructive use of our written management tools and experience resources.

Directors' Topics



Introduction

In the previous orientation section, you read an overview of our responsibilities as Board members.

In this section you will learn about some of the specific ways that we, as a Board, manage Lake Manitou. This section is our way of passing on to succeeding Boards the actual how-to information - the nuts and bolts methods we've developed and refined over the years. Some topics discussed include:

- Duties of Officers and Directors
- Regular meeting agenda
- Activities Tracking Report
- Annual meeting
- Annual report
- Rules enforcement
- We can add additional topics to this section as we learn new lessons.

Directors' Duties

This is one distribution of duties that has worked well with some other associations. Duties may be distributed differently from what is indicated below and we may change them from time to time.

President—CEO General

Someone must be responsible to see that it all works together... that's the role of the President. The President sets the course and, substantially influences the success of the Association. Duties of the President include:

- Appoint committees as needed and ensure each has a charter, objectives and the resources to meet them. Coordinate committee volunteers and resources. Encourage the volunteers and monitor their progress toward their objectives.
- Anticipate and plan for upcoming issues and activities.
- Monitor Association activities and ensure follow-up to completion.
- Identify problem areas and coordinate resources and processes for solution.
- Identify ways to improve our condition - to make things better than they were before.
- Promote the association within the neighborhood. Make residents feel good in being part of and participating in it.
- Enhance the image of the association outside of the neighborhood - to the Township, real estate professionals and others.

- Be a team builder. The quality of the team determines our success - at problem solving, maintaining and improving our condition and the quality of life here. Keep new blood flowing. Encourage people with exceptional talents to run for the Board and participate on committees. And when it comes time to appoint committee members or get Board candidates, do whatever is necessary to get those exceptional people to say "Yes." Providing the best possible Board candidates before an election is one of the most important activities you will participate in.
- Identify future leaders. One of them is a future president. Work with them; include them in some of your activities so they can see how it works and how things are done.
- Set an example for the kind of leadership you want for the future of Lake Manitou. Performance of future presidents will be influenced by your example.
- Foster a team spirit. Individuals working together, supporting each other, depending upon each other, encouraging and commending each other build constructive momentum - anything can be done and any obstacle overcome.
- Recognize performance. Ultimately, committees and Boards don't do things. Individuals do. Recognition and Thanks are our only currencies. Ensure plenty is paid.

Monthly

Facilitate meetings. Board meetings are pivotal; this is where our course is set and most activity is initiated. The tenor of your leadership is apparent here. For many who attend, how you run the meetings is an indication of the quality of your leadership in all association activities.

These are some things you can do to keep meetings moving and productive:

- Meetings are more productive and streamlined when you have prepared an agenda that includes specific topics - not just "Call to Order, Unfinished Business, New Business," etc. (An example agenda is included in this Directors' binder under "Directors' Topics".) Prepare an agenda before each meeting, drawing from previous agenda items, the Activities Tracking Report, Periodic Events Calendar, issues that have arisen since the last meeting, projects-in-progress, items that others have requested be placed onto the agenda, and so on. It is usually handy to keep a working list you add-to between meetings as other items occur to you.
- Identify those topics that may require special study or inordinate periods of time - those that would be better considered by a committee or at a separate meeting - and delegate or schedule that meeting if appropriate.
- When placing an item onto the agenda, compile material that can be provided to Board members days before the meeting that may help them to prepare for dealing with the item quickly at the meeting.
- When placing a problem item onto the agenda, also try to develop a proposal for its solution. Encourage other Board members to do likewise when broaching problems. Even if the proposal isn't accepted, having a document to seed discussion will provide an important head start. Some of the finer issues will have already been addressed and you'll be closer to a solution. Waiting until you're at the meeting and then hurriedly attempting to craft a solution, policy, rule or letter on the spot often leads to a poor product and an unnecessarily long meeting.
- Be familiar with rules of procedure we have adopted for meetings.
- Review the status and follow-up of activities on the Activities Tracking Report. You should probably meet approximately mid-way between Board meetings and have telephone contact as needed, at least once every 2-3 weeks with the individuals with action items on the Tracking Report.

- Maintain the Periodic Events Calendar. (An example calendar is located in this handbook under Directors' Topics.) Bring events upcoming on the calendar to the attention of the Board as necessary. Have upcoming calendar entries placed onto the Activities Tracking Report if appropriate.
- Review the minutes before publishing. From time to time, the minutes may contain references to (sometimes legally) sensitive issues. Since it is the communications arm of the Board, we are responsible for its contents; the President should review it to ensure that it treats those issues carefully. Alternatively, the President may appoint someone else to do this.

Quarterly

- Review the financial statement and ensure it is up-to-date.

Below is a month-by-month description of activities usually requiring particular attention by the President.

January

- The budget cycle begins in preparation of the new year's budget. Refer to the Periodic Events Calendar for the schedule of budgeting activities and place those activities onto the agenda as appropriate. Development of a Draft budget for review at the January Board meeting.

February

- Ensure that the Board approves the budget. It must be mailed out by the end of this month.
- Review and update the Maintenance and Operations plan.

March

- Review Employment insurance requirements and bind the Workers Compensation insurance.
- Completion of the yearly tax statement.
- Mailing of the approved Dues and Special Assessments.

May

- Filing Liens on the past due Association dues.

June

- Appoint a nominating committee to nominate as many qualified Board candidates as there will be openings. (See the Nominating Committee charter.)
- Plan the July Annual Meeting. (See "Annual Meeting" in the Directors' Topics section of this binder.) This meeting may be the only type of Association meeting that some of our members will ever attend and it is very important that it be successful.
- Discuss the awards (if any) to be provided at the meeting and procure same.

July

- Coordinate final preparations for the July Annual Meeting. (See "The Annual Meeting" in the Directors' Topics section of this binder for details.)
- Ensure nominees have been contacted about making a brief statement of introduction at the Annual Meeting. (Limit to one minute.)
- Ensure that any awards will be ready.

- Ensure the Social Committee is planning the meeting ice breaker, location, contingency plan (in case of rain), and food logistics. (See Social Committee charter.)
- Ensure each committee chairperson has been contacted to see if he or she wishes to present a committee report at the Annual Meeting.
- Appoint ballot counters and one elections officer (if needed).
- Prepare the President's Report to deliver at the meeting.

August

- Prepare and distribute to Board and management the new roster of Board members and officers, including addresses and phone numbers.
- After the elections, review Committee membership. Appoint new members / re-appoint existing members as necessary to maintain the committees as described in Article VII of the Amended Restrictions. Standing Committees shall be:
 - (a) Nominating Committee
 - (b) Public Relations Committee
 - (c) Social Committee
 - (d) Structural Control Committee
 - (e) Restrictions Control (Enforcement) Committee
- Work with the Secretary to prepare and distribute a new committee roster to Board members and management.
- Prepare new Phone books with the current Board members contact information.

September

- Contracting with the Insurance providers for the General Liability and Officer's policies.

October

- Winterize the association equipment; ensure activities are ramped down for the season.
- Bubblers removed and/or shut off.
- Confirm sufficient inventory for fishing arm bands.

November

- Work with the Secretary to prepare and distribute an update to the Members' Handbook - Supplemental Page(s) to all members. This contains an updated list of Board and committee contacts, phone numbers, and any addendums to our Members' Handbook.
- Review this periodic events calendar and revise if necessary.
- File the annual non-profit report with the State of Michigan.
- Prepare the agenda for the winter meeting.
- Ensure that any awards will be ready.
- Ensure the Social Committee is planning the meeting ice breaker, location, and food logistics. (See Social Committee charter.)
- Ensure each committee chairperson has been contacted to see if he or she wishes to present a committee report at the Annual Meeting.

December

- Review the Treasurer's duty calendar and ensure activities are on track for planning next year's budget. The budget is due next month.
- Conduct the winter membership meeting.

As Needed

- Represent the association when working with outside parties, such as contractors, the Township and our attorney.
- Appoint standing and ad-hoc committees as necessary. Draft volunteers onto those committees or for special projects. From time to time it also may be necessary for the President to remove volunteers from committee positions.
- Communicate to the Welcoming Committee when we have new members. Make them feel welcome, explain how everyone contributes to managing Lake Manitou, provide them with a copy of the Members' Handbook if they don't already have one and invite them to attend meetings. A warm, favorable first impression may have lasting impact on their relationship with the association and their willingness to contribute.
- Support information request from Real estate representatives or from the surrounding community or township government.
- There will be occasion where a resident complains about another resident, usually alleging some nuisance or rules violation. An informal, private visit with each party will often reveal a solution without having to take the matter to the Board for official consideration; the latter can result in more unpleasantness, expend considerable time, and risk Board liabilities and undesirable precedents. Therefore, it can be advantageous for the President, or someone he or she designates with a sensitivity and talent in resolving interpersonal differences, to tactfully handle minor conflicts in this way.

President's Inventory

The following items should be transferred from an outgoing President to an incoming one:

- Records: The President will probably compile a large number of documents while in office, including correspondence, financial statements, reports, etc. To work effectively, he or she must have these records at hand, thus, many of these won't be transferred to the Secretary while issues they relate to are still active. When a new President takes over, some of the outgoing President's active records may be transferred to the new President and the inactive records transferred to the Secretary for archiving.
- Key to the safety deposit box.
- Keys to the weedcutter and dump truck.

Vice President

The Vice President runs meetings in the absence of the President.

The Vice President should be prepared to assume the duties of the President should the President be unable or unavailable.

As a Board member, the Vice President should also expect to volunteer for other tasks and projects as they come up. Distributing the load among all Board members and other volunteers helps to keep tasks manageable for everyone.

Treasurer - CFO

Oversees the financial affairs of the Association:

General

Once each month, the President will provide any invoices for payment. Review the invoice and create and sign the checks and mail them. In reviewing each invoice:

- Verify that the check amount is the same as the invoice amount, or reconcile any difference.
- Verify that the invoice amount is in line with what we agreed upon or expected from the vendor, or reconcile any difference.

- Verify the check amount is being posted to the correct account, for example, if we are paying to replace a weedcutter part, ensure it is being posted to our Weedcutter Maintenance account rather than to an account like Office Supplies.
- Verify that we haven't been double-billed and that a check hasn't already been paid.
- If you note a problem with a check or bill that you can't figure out, contact the President for an explanation.
- Provide financial control by reviewing monthly statements and cash journal for correct allocation to accounts, double billings, and other discrepancies. Work with the President to resolve any problems.

The Lake Manitou checking account is managed similarly to how you would expect an individual's checking account to be managed. The main differences are that receipts are required for reimbursement of all expenses, the checkbook and financial records are audited annually and the checkbook balance is reported at each Board and membership meeting. Each check must be categorized by the budgeted items that would encompass the expense. For example, buying bolts to fix (maintain) the weed cutter would be categorized under weed cutter maintenance. This categorization is done to assist in the analysis of the Association's spending and to support the budgeting activity.

The Lake Manitou checks are a 2 part check. There is the primary check which is sent to the payee, and a stub that remains attached to the checkbook to act as the check register. These stubs are to remain available in the check register for a minimum of 3 years.

The Treasurer will also:

- Provide analysis of trends in expense and reserve accounts activity and keep an eye on the budget versus actual.
- Provide a report for the past year's expenses to the President and ensure completion of annual budgeting process. Review any audit reports.
- Provide visibility of our financial affairs through meeting minutes and reports at Board meetings and the Annual Meeting in September.

As a Board member, the Treasurer should also expect to volunteer for some other tasks and projects as they come up. Distributing the load among all Board members and other volunteers helps to keep tasks manageable for everyone.

Monthly

Ensure copies of paid bills, financial statements, audits, and other important financial documents are filed in the Treasurer's records and that the files remain up-to-date.

Review current statements and cash journals for discrepancies. Report on these affairs at the regular Board meetings.

February

- A review of the financial statement must be prepared in accordance with generally accepted accounting principles. A copy of the review must be distributed by the end of this month.
- An Annual Report must be prepared before the end of this month with the following:
 1. A balance sheet and an income statement and statement of changes in financial position for the last fiscal year.
 2. A statement of the place where the names and addresses of current members are located.
 3. Any reports by independent accountants or a certificate of an officer that the statements were prepared without audit from the books and records of the association.

March

- A notice sent to all members before the end of this month informing them of their dues and special assessment and right to receive a copy of the Annual Report for the previous fiscal year.

November

- Alert committee chairpersons to submit budget requests for the next fiscal year.
- The budget cycle is about to begin in preparation of next year's budget.

December

- Support development of the budget for the coming fiscal year. It is due next month.
- Provide a report for the past year's expenses to the President and ensure completion of annual budgeting process. Review any audit reports.

Treasurer's Inventory

Our President is responsible for maintaining a complete set of Association records off site. For backup as well as for convenience for on-site access and analysis, the Treasurer is responsible for maintaining a set of records as well. If you become our Treasurer, please coordinate with the outgoing Treasurer to transfer to you one or more boxes of records, which include:

- Our budget
- Financial statements
- Disbursements journals
- Copies of vendors' invoices & receipts
- Copies of Certificates of Deposit, Mutual funds, and any other bank statements
- Other records relevant to our finances
- Lake Manitou Association checkbook
- Key to the Safety Deposit Box

Secretary

Take notes and produce meeting minutes for meetings.

Be responsible for recording and archiving all important association documents such as rules, policies, resolutions and ballots.

You may be asked by the President to maintain the Activity Tracking Report.

As a Board member, the Secretary should also expect to volunteer for other tasks and projects as they come up. Distributing the load among all Board members and other volunteers helps to keep tasks manageable for everyone.

As each important new resolution and policy is passed and printed in final form, provide copies to the Board members and instruct them to place them into the "Policies" section of this Directors' Binder. This will ensure that important policies will not become lost and forgotten by future Boards.

If requested by the President: Maintain the Activities Tracking Report. This is a very important control document used to ensure that tasks assigned to volunteers, committees, or the Board are accomplished, progress on projects is tracked, and other matters are followed-up on. Prepare an updated report monthly, sorted by priority, and bring copies to Board meeting for review by Board members. Mark-off items on the list as completed.

Monthly

Ensure that copies of each of the following and other important documents are placed into the Secretary's files and that those files are kept up-to-date:

- Regular meeting minutes
- President's reports
- The current activity tracking reports
- Resolutions
- Policies
- Copies of all minutes. (We should have a copy of all meeting minutes we've ever published.)
- A copy of every Association mailing, including letters, ballots, etc.
- Other

June

- Assist the President in arranging for the Annual Meeting. (See "The Annual Meeting" in the Directors' Topics section of this binder for details.)

August

- Work with the President to prepare and distribute to Board and management the new roster of Board members and officers, including addresses and phone numbers.
- After new committees are appointed, prepare a new roster of committee members and distribute to Board and management.

November

- Work with the President to prepare and distribute to all residents any updates to the Members' Handbook - Supplemental Page(s). This contains an updated list of Board and committee contacts, phone numbers, and any addendums to our Members' Handbook.

As -Needed

- Prepare and help distribute announcements and notices.

Secretary's Inventory

Our President is responsible for maintaining a complete set of Association records off site. For backup as well as for convenience for on-site access and analysis, the Secretary is responsible for maintaining a set of records as well. Should you become our Secretary, please coordinate with the outgoing Secretary to transfer to you these items and records:

- Original Articles of Incorporation and By-Laws.
- All minutes of Board meetings we have ever published
- Copies of President's reports presented at each Board meeting
- Copies of all letters and notices we have ever sent to members
- Copies of some correspondence. This may include letters to individual members, vendors, etc. This may not be a complete file inasmuch as the President will also have files. Occasionally, a letter may be given to the secretary to file.
- Some of these records, particularly minutes and notices, are kept as a form of insurance - to establish that we have met legal requirements of notice for certain issues that we may be compelled to prove some day.

Please keep records and folders neat and organized for the next Secretary.

All Directors

Every Board position is an important one. A Board member not serving as an officer may chair or serve on one or more committees and volunteer for special tasks and projects as they come up. Distributing the load among all Board members and other volunteers helps to keep tasks manageable for everyone.

Any Director may be asked by the President to serve as a liaison for one of our committees. (See the Committee Handbook section of this binder.) This is a very important function; the success of a committee may depend upon how well you perform it.

As liaison with a committee, you will be its principal contact with the Board. You will be responsible to:

- Ensure the committee has a copy of its charter.
- Ensure it has the resources it needs.
- Ensure Board requests for committee action are relayed to the committee and that its requests are brought back to the Board.
- Energize and encourage the committee and demonstrate Board support for their activities.
- Make the Board and web site editor aware of special contributors deserving acknowledgment in the minutes and recognition at the Annual Meeting.

Committee Chairpersons

Committees are the primary resources of the Association used to accomplish work. The chair of the committee is responsible for directing, overseeing, and carrying out the activities of the specific committee and reporting the outcome to the Lake Manitou Board of Directors.

As a chairperson you are a special member of the Association and we are very appreciative of the time, effort, work and accomplishments that you have contributed to the success of the Lake Manitou Association. See the committee sections in this document for a listing of any Inventory or Assets associated with the committee.

Regular meeting agenda

Our regular Board meeting is the core direction-setting activity of our association. It is important that we keep the meeting moving, on track, and that we conduct business efficiently. It is also useful to remember that members' impressions of how well we are doing our jobs may be shaped by our efficiency and effectiveness at this meeting.

Another reason to make the best use of our time is that, once we've succeeded in getting the best directors we can onto the Board, we owe it to ourselves and to fellow Board members not to waste time.

The President conducts the meeting on a previously mapped course - the agenda. Keeping to the agenda and minimizing introduction of new topics not already on the agenda promotes efficiency and prevents valuable time being wasted in answering questions and examining issues that should have been studied before the meeting.

Included below is an example agenda. Parts of it include:

Call to Order - Calling the meeting to order at the scheduled time (or as soon as a quorum is present) establishes to everyone that meetings will start on time. Otherwise Board members may learn it is okay to arrive late, and meetings will tend to start later and later.

Approval of Minutes - Minutes should be sent to Board members by the Secretary within two weeks following a meeting. We should have read those minutes and sent suggested changes to the Secretary within a week of receiving them. By the time of the next meeting, we should have read the revised minutes returned to us in the Board packet and be ready to approve them with few, if any, changes. We should not wait until the meeting to read the minutes for the first time.

Open Forum - Including this section reinforces our image as being open and interested in participation by members at our meetings, while strictly limiting such discussion to five minutes, thus protecting meeting continuity.

Treasurer's Report - Our treasurer highlights any significant operating expenses and reserves draw, any unusual conditions or trends and the status of our finances.

President's Report - Our President reports on all significant management activities, important correspondence and notices, bid results, progress on projects, etc.

Other Committee Reports - This is where other committees report on their activities. Identify each reporting committee on the agenda by name. We try to give their participants visibility, thank them and validate their contributions.

Activities Tracking Report - Sometimes referred to as an Action List, this is the very important control document used to ensure that tasks assigned to volunteers and chairpersons are accomplished and objectives and projects are followed-up on. It ensures that no important tasks drop through the cracks. It is a list that includes maintenance items, projects assigned to individuals and committees, and management tasks to be completed. It includes the status for each activity such as priority, who's responsible for completing, date put on list, and objective completion date, if appropriate. Items on the list are marked-off as completed. Ensuring the Activities Tracking Report remains on the written agenda ensures the report will always be reviewed at every meeting. The certainty of public review has a way of getting things done.

Unfinished Business - Historically this has been referred to as Old business. Much unfinished business may already have been addressed under the above reports discussed earlier. Remaining unfinished business items may be discussed at this point.

New Business - Some new business items may already have been addressed in earlier reports. Remaining new business items may be discussed at this point.

Adjournment

Policy of member participation at Board meetings - It helps to have our policy explicitly stated for the benefit of attending members, as in the example that follows. This should help prevent misunderstandings and bad feelings about limits on member participation at Board meetings that sometimes may be necessary for an association of 109 families. For meetings with few attending members, our President may use discretion to allow some members to introduce items not already on the agenda under New Business, with the understanding that the Board should not be expected to make decisions on the same evening that a matter is first introduced. It is a good idea to publish our Board meeting member participation policy in our minutes from time to time.

AGENDA

Lake Manitou Association

Regular Meeting of Board of Directors

[Date] - [Time] PM

[Address of meeting]

- I. Call to Order
- II. Approval of Minutes
- III. Open Forum (for visiting members with a brief item of 5 minutes or less. Other items should be submitted for inclusion onto the meeting agenda by one week prior to a meeting.
- IV. Treasurer's Report
- V. [Other committee reports go here]
- VI. President's Report
- VII. Activities Tracking Report Review
- VIII. Unfinished Business
- IX. New Business
- X. Adjournment

We invite and welcome all members to attend our regular Board meetings. Normally, matters to be considered by our Board should be submitted for inclusion onto the agenda by a week before a meeting. However, a visiting member may be allowed up to five minutes to discuss an item not on the agenda. Consistent with standards and practices of community association management, we do have rules of procedure that limit participation during meetings to members of our Board and Board Advisory Committee. Thank you for attending and we hope you will be with us throughout the evening and remain to visit with us afterward.

Activities Tracking Report

This is a very important control document used to ensure that tasks assigned to volunteers and Officers/Directors are accomplished and objectives and projects are followed-up on.

The Activities Tracking Report is a list that includes maintenance items, projects assigned to individuals and committees, and leadership tasks to be completed. It includes the status for each activity such as priority, the person responsible for completing, date first entered onto list, and objective completion date, if appropriate. Items on the list are marked-off as completed.

As each item is completed, it is moved under a "Completed" heading, until the report is again updated the following month. This has the effect of providing positive feedback on progress down the list. It provides some visibility and recognition for those who have completed assigned projects and tasks.

The example report included here may be shorter than what we can normally expect. An updated copy of the Activities Tracking Report should be distributed at or before every Board meeting and should be reviewed at every Board meeting. The certainty of public review has a way of getting things done.

Activity Tracking Report for Lake Manitou - 5/15/07

#	Priority 1=high 10=low	Orig.	Target	Who	Description
1	3	5/13/07	6/15/07	Jim	Cut weeds by the Lake Manitou monument & sign.
2	3	5/13/07	6/15/07	Jerry & Steve	Perform Preventative Maintenance on the weedcutter.
3	3	3/3/07	5/31/07	Jim	Tom still has not received confirmation of the property liens.
4	4	5/13/07	5/22/07	Jim	Send "Final notice to correct condition" to Smith
5	4	5/13/07	7/8/07	Jim	Establish new reserves accounts for: spillway maintenance, dam weed clearing, Spillway painting, financial review every 4 years.
6	4	5/13/07	7/8/07	Jim	Establish budget expense account for MLSA seminars and publications.
7	4	5/13/07	6/15/07	Dave	Research authority and restrictions for special assessments.
8	5	4/8/07	7/8/07	Jim	First budget draft due at Board meeting.
9	5	4/8/07	7/8/07	Jim	Need structural control approval for Key for rear sunscreen.
10	5	2/11/07	5/31/07	Jim	Tom still has not received yellow copy of notice to Meyer requested at Feb. Board meeting regarding maintenance problems.
11	5	2/12/07	7/8/07	Jim	Need structural control review/approval of deck on west side of house and of new tree on east side for Bates.
12	5	3/11/07	8/15/07	Tom	Work with Dave on bubbler repairs.
13	5	4/8/07	7/8/07	Jerry	Need DEQ chemical application for chemicals to treat the lake.
15	6	5/14/07	5/17/07	Jim	Gate on Boat ramp will not close, Jerry to review with summer help.

Standing

#	Priority 1=high 10=low	Orig.	Target	Who	Description
17	3	12/12/07	1 wk prior to ea. mtg.	Lloyd	Need to deliver board packets by weekend prior to meetings.

Completed

#	Priority 1=high 10=low	Orig.	Target	Who	Description
21	5	3/3/07	5/13/07	Jim	Deck constructed without Structural Control application. Get application from Forsythe.
22	5	3/3/07	3/10/07	Jim	Garage Sale advertisement posted in paper.
23	3	3/3/07	5/1/07	Jim	Dead trees on dam not removed. Send request to Lloyd to remove.
24	3	3/3/07	5/13/07	Janice	Get site maps.

The Annual Meeting

Our By-Laws require that we have our Annual Meeting before September 1.

For many of our members, their impression of how well the Board is managing our business is shaped at this important meeting. This may be the only type of meeting many members will ever attend.

The President conducts this pivotal meeting. These are some of its functions and activities:

- Board and committee volunteers are introduced.
- Our committees report on their activities and accomplishments.
- Our Treasurer reports on our finances.
- Our President reports on our projects and activities for the year and our plans for the future.
- We elect new three (3) Board members and two (2) Officers.
- We discuss Association business.
- We present awards to valued volunteers.
- Prior to the meeting, we have a social event (e.g. picnic).

Before the meeting we have a “Social Gathering”

This has always been a good way to start the event. The Social Committee can arrange refreshments such as coffee, soft drinks, various munchies, perhaps a cake with a “Thank you” message with the names of special volunteers, or a potluck picnic.

Board and committee volunteer introductions

This is a good opportunity to recognize our volunteers and for members to connect names they've been reading about in our minutes with the faces.

Committee reports

Committee reports allow our volunteers to brief members on what they've been doing for us and what they plan for the future, to encourage members to join the committee and to acknowledge individual committee member's contributions.

Treasurer's report

The Treasurer gives a brief overview of how our dues are spent, highlights significant operating expenses and reserve items, underscoring any that have changed significantly, and explains trends or upcoming events that may affect us. Finally, the Treasurer gives a brief summary of our financial condition.

President's report

The President outlines our activities and projects for the year, explains special issues we have dealt with, proposed solutions and plans for the future.

Board Elections

Board Elections is the principal reason given for this meeting in our By-Laws. The President conducts the elections.

If we do not have a quorum represented by attendees and proxies, elections cannot be completed that day and the Annual Meeting will need to be reconvened prior to the first Board meeting following the Annual Meeting.

In member association elections, some members cast their ballots casually, without having studied the candidates' qualifications. For example, a candidate may be nominated by a well-meaning member who thinks her neighbor, Joe, is a great guy and, therefore, should be on the Board. Or perhaps someone decides to run based on dissatisfaction with the way the Board is handling a specific issue, but otherwise has little to offer in the way of management skills. To address this situation, normally, the Board casts any proxies that it has been assigned, for the slate of candidates produced by the Nominating Committee. (See the Nominating Committee charter.) Provided this important committee has been true to its charter, this has the effect of weighing selection slightly towards candidates who have been carefully considered and pre-qualified as having skills and experience that can be applied effectively toward the management of our business.

We elect the Treasurer, Vice President and three (3) Directors to office in odd years. The President, Secretary, and the remaining three (3) Directors shall be elected in even years.

We discuss Association business

Items placed onto the agenda by a published deadline may be discussed. The President also may allow other matters to be discussed, at his or her discretion. However, the full agenda typical at the Annual Meeting may cause the meeting to run late if unexpected business isn't dealt with efficiently. Therefore, it is very good idea for the tentative agenda to be sent to the members with the Annual Meeting announcement and include a notice that members wishing an item to be put onto the agenda to contact the President by a certain date.

Another situation for the Annual Meeting is that some members who never attend regular Board meetings may regard the Annual Meeting as the place to come to let it all out, venting their criticisms and gripes about every little problem, including problems that affect only them. Should this happen, meetings can lose direction, interest of the attendees, become unproductive and run very late. This problem can be addressed in the following ways:

- The President should be aware of this possibility, know how to channel discussion and to table items, and resolve to keep the meeting moving and productive.
- The notice described above, requiring business items to be placed onto the agenda by a certain date, should be published in the Annual Meeting notice and in the minutes preceding the meeting.
- In the minutes preceding the meeting and in the agenda mailed with the Annual Meeting notice, we should invite all members with questions about the budget or finances or with any other concerns to the regular Board meeting on a date preceding the Annual Meeting where their questions and problems can be given the time and consideration they require.
- The President should remind attendees of that invitation again at the start of the Annual Meeting, indicating that we have a full agenda and requesting that additional items of business be brought to the next regular Board meeting. Again, the President may allow some topics to be broached, but should use discretion and be prepared to re-channel any that threaten meeting progress.

We present awards

This may be the single most important event of the meeting in terms of returns for our time investment. The recognition we provide to hardworking volunteers and to those whose deeds and performance we celebrate with a modest award or recognition is often rewarded many-fold with the equivalent of thousands of dollars of time on our behalf. As a volunteer-driven organization, our awards program is vital.

Toward the end of our Annual Meeting we may present awards to:

- Retiring Board and committee volunteers who have contributed at least a full 2-year term of service with good effort.
- Volunteers who have made especially notable contributions.
- Homeowners with the best landscape maintenance (our "beautification awards").

Awards don't have to be expensive, perhaps a nice pen or small plaque or certificate, or a bouquet. It's the recognition and public acknowledgment that counts. In the Awards section of this binder is an example of a certificate of appreciation produced with a personal computer and laser printer. We can emboss a gold seal for the certificate. Having the certificate signed by the President and/or Secretary and put into a frame can complete the effect - a memorable expression of thanks, virtually only for the price of the frame.

The Annual Meeting mailer

Our By-Laws lists specific requirements for mailing the meeting notice. However, to give our members sufficient notice to attend, we should try to mail them at least two-to-three weeks before the meeting.

An example mailer is included below. Parts include:

- A letter announcing the meeting and encouraging members to attend.
- Tentative agenda.
- Statements by candidates running for the Board. Ensure you coordinate with the Nominating Committee to have this in time for the mailing.

Proxy Form

To ensure the Annual Meeting notice mailer package is configured properly, you may wish to include a note to the person making the photo-copies that reads something like the following:

<p>Attention person preparing this mailer: The mailer should contain:</p> <ol style="list-style-type: none">1) Pre-addressed envelope for returning proxy2) Sheet 1 single-sided: Notice Letter3) Sheet 2 side 1: Agenda4) side 2: Candidates' Statements5) Sheet 3 single-sided: Proxy Form
--

Lake Manitou Association

*c/o Jim Forsythe
1996 W. Garrison Rd.
Owosso, Michigan 48867*

August 15, 2006

Dear Neighbor:

Please show the volunteers, who have been working for us all year on committees and on our Board, that you do care. Even though you may not have attended regular meetings before, it is important that you attend our Annual Meeting.

This year, our Lake Manitou Annual Meeting and Picnic will be on [day, date and time]. We'll be meeting at [location].

We will first have a social (picnic) and then will be electing the Treasurer, Vice President and three (3) Directors to office in odd years. The President, Secretary, and the remaining three (3) Directors shall be elected in even years. All Board members will serve for a two year term of office commencing after the vote at the summer membership meeting. We will also briefly review our finances, accomplishments for the year, current issues affecting us such as [most significant issues here], and plans for future projects. We'll also say "Thanks" to a few of our neighbors who have made notable contributions for us this year.

We Need Your Proxy

Even though you may plan to attend, please complete and return the enclosed proxy form to ensure we can establish a quorum and validate our elections in the event you cannot attend. (When you do come and vote, your proxy will be invalidated.)

Please return your proxy to [name, address] before [proxy return deadline - a few days before the Annual Meeting].

We look forward to seeing you at our social and at our Annual Meeting afterwards. If you would like to add a topic to the agenda, please call me at [President's telephone number]. Should you have any questions about the enclosed proxy or about the meeting, please contact our Social Committee Chairperson, [Chairperson's Name] at [xxx-xxx-xxxx], or call me.

Thanks, and we look forward to seeing you on [day, date and time]. Sincerely,

[President's name]

President

AGENDA

***Annual Meeting
Lake Manitou Association
[Scheduled date and time]
[Address of meeting]***

- I. Call to Order***
- II. Introductions of Board and Committee members***
- III. Architectural Review Committee Report***
- IV. [Other committee reports go here]***
- V. Treasurer's Report***
- VI. President's Report***
- VII. Election of Directors***
- VIII. Unfinished Business***
- IX. New Business***
- X. Election Results [If quorum represented]***
- XI. [Any special programs can go here]***
- XII. Awards Presentation***
- XIII. Adjournment***

Please join us for the picnic (social) before the meeting to have some refreshments and meet your neighbors!

Just a reminder - Members are asked to limit topics for discussion to those affecting us generally, as an Association. Should you have a problem or concern more specific to your property that you would like to discuss with our Board and your neighbors, please come to our regular Board meeting when we will be less time-constrained and can give your problem the time and attention it deserves. If you have an item for the Annual Meeting agenda, please contact [President's name] by [Deadline - choose a date a few days before the Annual Meeting], at [President's telephone number].

*EXAMPLE CANDIDATE BIOGRAPHIES***Statements by Candidates for the
Officers or Directors Positions**

*Annual Meeting and Elections
Lake Manitou Association
[Date of Annual Meeting]*

Candidates for this year's elections include Gotta Win, Tom Thumb and Iwanna Run. Nominations will also be accepted from the floor on the evening of the meeting.

Gotta Win 1995 Garrison Rd

I bought a home here at Lake Manitou in 1989 and have very much enjoyed living here. I have served on our Board for the past year and on the Structural Control Committee for the past two years. I am keenly interested in the appearance of our neighborhood and in maintaining the quality and uniqueness that attracted me here. As a Board member, I would continue to help the Board protect our property values and represent the interests of our community.

Tom Thumb 2016 W. Manitou

I am presently employed as accounting supervisor for a local manufacturing firm, where I have been working for 7 years. I have a Masters in Accounting from Northeastern University. I have participated for the last two years on the Chemical Control committee as well as the Enforcement Committee. Last year I worked with our Treasurer on long term cash flow projections, analysis of utility expenses and projects to improve the market value of our property. I hope to continue to serve our community by being elected to our Board.

Iwanna Run 1800 Sunset

Iwanna has lived in Owosso for eight years and has enjoyed watching the area develop and the downtown area renovation. He and Jane have two children: Linda, four years old and Janine, 16 months old. He has previously served 4 years on our Board. A registered Professional Engineer, Iwanna is a project manager for a nearby mechanical engineering and contracting firm. He told us "I would be pleased to fulfill my duty and take my turn helping to manage Lake Manitou."

Proxy Instructions

If you think you may not be able to attend our meeting or aren't sure, please:

1. Mark your ballot allowing the Board to cast your vote at the annual meeting.
2. Validate your proxy with your signature, date, and address.
3. Give it to any Lake Manitou Board member or return it to "Secretary, Lake Manitou Association; c/o [Secretary Name]; [Address]; Owosso, Michigan 48867."



Annual Meeting
 Lake Manitou Association
 [Meeting location]
 [Day, date and time]

PROXY

Association Secretary: I/We hereby assign my/our proxy to vote for all matters that may come before the Association membership at the [year] Annual Meeting of the Lake Manitou Association to the Lake Manitou Board of Directors, and direct that my ballot be cast as they shall vote.

Any special instructions to proxy-holder:

Date: _____

Your signature (only one signature necessary): _____

Your name, printed: _____

Address at Lake Manitou: _____

You may indicate on this form any specific instructions for your proxy-holder with respect to your voting preference on any issue. This proxy shall be valid until final adjournment of the Annual Meeting, including any continuation of the meeting necessary to secure a quorum of members and/or proxies, and after elections and balloting have been validated.

BALLOT

Annual Meeting
 Lake Manitou Association
 [Meeting location]
 [Day, date and time]

Instructions: We use a **plurality** system of voting. The Directors shall be elected by a plurality (the top three most votes) of members in attendance at the summer membership meeting. All the candidates for the Director positions run on one slate. Voters have the same number of votes as the number of seats to be filled. The three candidates with the highest numbers of votes (a plurality) wins. All candidates for the three (3) Director seats are on the one ballot and voters cast three (3) votes for the candidate(s) they prefer.

This means each household has three (3) votes for the husband and three (3) votes for the wife for a family membership. Single member households have a total of three (3) votes to cast for the Directors position. They also have 1 vote each to cast for the expired Officer positions (President, Vice President, Secretary, and Treasurer depending on the year).

Members will vote for the 3 Director positions by casting one vote for each candidate or they may only vote for 1 or 2 candidates. A member cannot vote multiple times for the same candidate on the ballot.

I/We hereby cast our [Number of Board openings this election] votes as follows:

<u>Vote</u>	<u>Candidate</u>
Cast up to three votes for the open Director's position:	
	(Pre-announced candidate name)
One vote for each expired Officer's position:	
	(Pre-announced candidate name)

Total: _____

Note: Total must not be more than the 3 Directors and 1 each for the expired Officer position for this election.

Annual report

Most work invested by the Board and committee volunteers is never known about outside of the Board and committees. Distributing an annual report can:

- Provide important visibility into volunteers' contributions.
- Enhance the important Board/member relationship, allowing members to know how they have benefited by those contributions.
- Help us to meet annual reporting requirements.

The example annual report

An example annual report follows. We also have created it as a word processing file on a computer disk, should a volunteer wish to start with it to use its format in producing an annual report for Lake Manitou. Anyone wishing to use the example file should read the following information about it.

About the file

The computer file for the example annual report is on a computer disk that includes files used to generate this Directors' Handbook, our Committees Handbook and Members' Handbook. In case you do not have access to the file, first ask the President or Secretary, or try to find the person or persons who produced this handbook because they had the original disk in order to produce what you are reading.

If you want to produce an annual report using the file

If you want to use the original file used to produce the example annual report, then you will need to have access to and know how to use the word processor. The example annual report uses features of the word processor that most casual users never use. Do not attempt to use the file unless you have learned about Sections, Frames and Styles. Those word processor features are used extensively in the annual report to give it its polished, professional-looking appearance.

While Sections, Frames and Styles are powerful features, they can also cause havoc if you try to edit a file that uses them if you don't know what you're doing. For example, simply deleting a Section or Paragraph marker, which contains important layout, frame or style information, may cause surrounding text to completely change its appearance or jump to a different location on the page. And if you don't know how Sections, Frames and Styles work, you may not know why it happened or how to fix it. (You can always use the Undo feature or extract material from the original master file should that happen.)

Hints on using the example file

First, learn about Sections, Frames and Styles from your word processor program manual while editing a dummy file.

Do not edit the original file on the original disk. Copy the file containing the material you are reading onto your hard disk and edit the copy. Extract the annual report portion from that copied file.

Make sure you backup your file frequently while you edit, in case you make a mistake - and you will likely make mistakes.

- Use the appropriate View mode while editing:
- Select the View-Normal mode from the pull-down menu to see where text is actually located in your file and to repair mistakes.
- Select the View-Page Layout mode from the pull-down menu to see how the annual report will finally appear when printed.
- Select the Tools-Options-View mode to display all non-printing characters.

Lake Manitou Association

2007 Annual Report

PRESIDENT'S REPORT

Completing our forty-seventh year as an Association closes a busy period for us. Our most significant accomplishments for 2006 describe what is typically involved in restructuring a business - and the product reflects the quality time some of our neighbors have given to make it happen.

Our new look:

No matter how well run, almost any organization can benefit periodically from taking a fresh look at the way it manages itself. This year we reviewed some management tools developed and used by other associations and compared them with our own. Thanks to the talent we've been fortunate to have had on previous Boards and committees, we found that our practices and procedures compared very favorably and were superior to many. Nonetheless, we were determined to undertake a healthy checkup. The result is a set of documented processes and procedures and further improvements in the ways we manage our association.



As part of our organizational refurbishment, we've crafted a new Directors' Handbook. It includes an orientation for new Board members, descriptions of directors' duties, charters for our current committees and those we may appoint in the future, management tools, forms and letters, control documents such as our periodic events calendar and activities tracking report, and reference sections for our policies, rules, structural control standards, By-Laws, and Amended Restrictions.

You may have seen some changes as a result of our efforts. A few of them are described below.

We are appreciative to Dave Acton who volunteered as the chief reviewer of our Directors' Manual. The Board also recognized me (Jim Forsythe) for lending my computer and word processing expertise to our project and for the time spent interviewing our committee chairs and revising committee charters.

Volunteers Recognition

We very much depend upon volunteers in our organization. At our 2007 Annual Meeting we inaugurated an awards program to recognize volunteers who have made notable contributions of time and talent.

Adopted Guidelines for Rules Creation

In May, we drafted and reviewed a set of guidelines for Rules Creation and Modification. These guidelines ensure for openness and member participation in creating or modifying our rules.

Amendments to Amended Restrictions

Two years ago, we passed much-needed amendments to our By-Laws and Amended Restrictions to correct some deficiencies. As a result we have plugged some loopholes, eliminated a couple of unfair provisions and brought it more up to date with Michigan state law:

- *In all, there were 103 changes suggested and only 20 did not pass. A separate change for outbuildings was also approved.*
- *See the Lake Manitou web site for a copy of the current by-laws.*

Master Plan

Now, our big projects are the development of a 5 year Master Plan and dredging. The 5 year plan includes a review of our Structural Control standards for exterior improvements and policies relating to the Structural Control process for our community. Once approved, it should help the Structural Control Committee in administering prudent controls to protect our property values.

Socials Successful

We had two very enjoyable social get-togethers. Our potluck picnic this summer and our winter social were both a lot of fun. Watch for the next one and don't miss it.

Signage

We will begin landscaping the area by the Lake Manitou sign on Garrison road. The intent of this area is to provide a showcase for aquatic, wetland and upland examples of landscaping. The hope is that this will encourage members to follow suit when they are planning their shoreline maintenance activities and provide landscaping alternatives that are better for the health and water

quality of Lake Manitou.

Garbage Trucks

The large garbage trucks with internal compactors from Waste Management continue to frequent our subdivisions and are putting undue wear on the newly maintained roadway edge. There are at least three local waste haulers that we would prefer that you use instead of these large trucks. The other providers do not use trucks with the internal compactors and do not put as much stress on the roadway. Please seriously consider changing to one of these other providers and extend the life of the roadway. When the road needs repaving, the costs are typically split between the resident and the county. Save yourself some money now and switch to reduce the roadway deterioration.

Township / County Projects

We've participated jointly with our Lake Victoria Association neighbors on a project to pass an anti-key-holing ordinance. This preempts funneling a large number of off-lake members through a single easement. This would limit the lake access to an "apartment building" if such a structure were able to be zoned and built around Lake Manitou with lake access. We have also been proactive in supporting the township by working with them to create and maintain the Bennington Township Web site. Visit their web site at: <http://bennington-township.org>.

Web Site Inaugurated

We have switched from the previously free web site to our permanent web site located at <http://lake-manitou.org>. This is our primary channel for providing the bulk of the information about our Association to our members. We use this tool to communicate information about upcoming events, activities, notice of meetings, alerts to hazards, and recent significant issues. There are far too many documents, processes, procedures, meeting minutes, and other information to make paper copies of all these for our members.

All Lake Manitou members who pay property taxes are members of the Shiawassee County Public Library system and can access our web site from the Library free of charge. The Library staff can assist you getting started.

We are always interested in contributions to improve the web site and in anyone who would like to help keep the web site current and create meaningful content.

STATEMENT OF RECORDS LOCATION

Corporate books and records, including names and addresses of our current members, are located at the Treasurer's home - Judi Keay. They may be examined by our members by appointment during normal business hours.

The Future

You are the future of Lake Manitou. Our future depends upon your participation. If we are content to assume others will manage the Lake in our best interest, we may be robbing ourselves. We will always depend upon member participation, upon the initiative of those who will attend Board meetings, serve on committees or on the Board, involve themselves directly to ensure we are soundly managed, anticipate and minimize problems, engineer sound solutions, plan our finances, provide good communications with our membership and ensure the continued good health of our investments.

Jim Forsythe - President

TREASURER'S REPORT

Closing Out 2006

Included in the back of this report you will find an income statement and a balance sheet as of the end of the fiscal year and a statement of changes in financial position for the fiscal year.

During 2006, our Board worked hard to maintain the sound financial position of the Association. As a forty-seven year old association, our cash outlays have been primarily to pay for lake maintenance, water quality, and administrative expenses of the Association. It is crucial to our long term property values that we also continue to accumulate adequate reserves. Over the last twenty years we have steadily added to our reserves so that we will have funds available when needed to replace or make substantial repairs to our Association areas. As we close 2006, we carry forward assets of \$79,631, key components of which break down as illustrated in figure "Our Assets."

In developing the \$32,840 budget for 2007, our Board focused upon two principal goals:

- (a) Ensuring that expenses of the current period are well-considered, giving our Association the best value for the dollar; and
- (b) Ensuring creation of adequate reserves to fund future replacements and repairs of our Association's assets.

The new budget maintains the current dues and special assessment to ensure that reserves will be adequate to preserve the value of our Association assets.

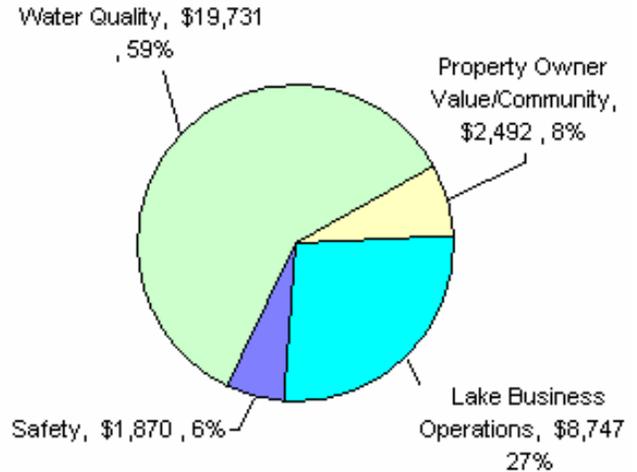
Expenses

The budget was prepared using actual cost information from the Association's financial statements through December 2006. Expenses for 2007 are expected to remain the same for each member. The most significant increases for the 2007 budget were for chemicals, dredging, and liability insurance.

Reserves

Healthy reserve balances play a crucial role in maintaining the property values of our community. In addition to maintaining the appearance of our individual homes, property appraisers and lenders demand careful planning for long term maintenance of common resources (e.g. the lake, dam, spillway, and island) and accumulation of adequate funds in reserves to carry out these plans. The Board's responsibility in managing your funds is to have funds available when needed - without accumulating excessive amounts of members' money in reserves.

Where Do Your Dues Go?



We use a two-step process in determining the budget allocation for a particular reserve fund item, such as dredging maintenance. First, the total amount needed for an item is calculated using the average of actual quotation information presented by companies that repair, replace or service the particular reserve fund item. Next, the incremental annual budget is determined by dividing the unfunded balance of the reserve needed by the number of years remaining prior to the planned repair, replacement or service.

At our annual summer meeting, members were presented an overview of the issues we have had with our physical assets (weedcutter & spillway) and our plans to deal with them. As a part of this plan, our 2007 budget supplements our existing reserve for dredging on a six (6) year cycle with a more aggressive dredging of the Waugh Channel and Acton/Marroso channel planned and the potential purchase of our own compact dredging equipment.

The Board welcomes any and all comments and suggestions that will help us manage your money more effectively. Please join us at board meetings and make your thoughts known.

Judi Keay - Treasurer

[Include income statement and balance sheet as of the end of the fiscal year, and a statement of changes in financial position for the fiscal year and an independent accountant or, if there is no such report, the certificate of an authorized officer that such statements were prepared without audit from the books and records of the Association.]

Rules creation and enforcement

In addition to restrictions specifically described in our Amended Restrictions, that document also provides for the creation of other rules by our Board of Directors.

We have two general classes of rules passed by our Board:

1. Architectural rules that relate to the review process for approval of exterior improvements that members may make to their properties and the standards for those improvements, and
2. General rules that regulate other behavior.

Both classes of rules are in our Members' Handbook, a section of this binder intended also to be copied and distributed to all residents. Below is a discussion of rules creation and enforcement.

Why have rules?

Most of us would like to believe that we can live without rules - and we can, mostly. However, over time it becomes apparent that a community living environment like ours is vulnerable to certain kinds of problems, some of which could seriously affect the quality of life and the value of our investments. A carefully crafted set of rules, tuned to the needs of our community and without being overly burdensome, is necessary to prevent problems as well as to resolve them.

Most of the value of having rules is in their prevention of problems. Knowing what our rules are helps to sensitize us to each others' rights and interests and helps to prevent problems from occurring in the first place.

Should problems occur, having rules allows us to resolve them. Rules provide objective standards that, under the authority of our Amended Restrictions and By-Laws and the laws of the state of Michigan, are legally enforceable.

Creating rules

In order to ensure fairness, first we must agree on the process for rules creation, consistent with our By-Laws and ensuring member participation. The process we use is described in our policy entitled Guidelines for Rules Creation / Modification, located in the Policies section of this Directors' binder. Objectives of the policy are:

- To ensure openness and member participation.
- To subject proposed rules to comments by members to ensure they provide the best protections for our interests and have the support of our community.
- To ensure rules are reasonable, that is, they should not be unnecessarily restrictive and there should be a good reason for their existence. This does not mean that we shouldn't have a rule simply because a member objects to it. A rule may be necessary should there be, in the judgment of the Board, a reasonable possibility for a problem to occur or likelihood that significant damage or hardship could occur for lack of a rule.
- To help ensure rules are consistent with laws and local ordinances.
- To ensure publication for new rules. First, to have the benefit of prevention, we must know what the rules are and, second, to be legally enforceable, they must be published. Every member should have a copy of our rules. It also helps to remind members in the minutes periodically about rules that relate to problems that tend to reoccur.

Enforcing rules

Rules enforcement is one of the most difficult issues faced by new Board members. Most of us have never been in the position of having to enforce laws or rules and most of us find it abhorrent and incompatible with the way we prefer to relate to our neighbors. However, rules creation and enforcement are responsibilities of the Board; as fiduciaries we are required to be diligent and uniform in enforcement of rules in order for us to keep protections afforded by them. Fortunately, it is possible to create rules and to administer them in such a way so as not to interfere significantly with relationships. Methods we use to do this involve:

- fairness
- education
- administrative insulation
- participation

These methods, part of the art of rules enforcement, are discussed earlier in this section in the Directors' Orientation under Legal Environment.

Rules must be published

Before enforcement can take place, rules must be published - published - published! Should enforcement be challenged, the first thing the judge will ask is proof that a rule has been well-published... and the more, the better. That is one reason why descriptions of duties of our association Secretary include archiving every copy of every meeting minute and notice mailed to owners. That is also why our procedure requires so many notices to be delivered before a disciplinary hearing can be scheduled. Enforcement takes longer but our position is strengthened considerably.

Enforcement must be uniform

We are required to be uniform in administering enforcement. This usually means we cannot treat one resident differently from another - even a Board member. Consistency is a test that may be applied should enforcement be challenged and inconsistency may torpedo the Association's case. That is what is meant when a judge rules that a certain rule or law is not enforceable because the administrative authority was "arbitrary or capricious" in its enforcement.

The requirement for uniformity is the reason we have formalized and documented our enforcement procedure and the reason we put so much emphasis on following it.

Enforcement must be careful and deliberate

Just as occasionally we may need to remind ourselves that enforcement is our obligation, we also must be careful in not allowing our emotions to influence us in being too aggressive in enforcement. Sometimes aggressive enforcement is necessary, such as when there is imminent threat to property or safety. However, pursuing a patient, deliberate schedule, to include repeated warnings before action, has these advantages:

- Most violators will come into compliance once given notice - and a little leeway. None of us wants to feel as though we're living in a neighborhood where our association is waiting to pounce upon us for the slightest infraction. Most of us are responsible people who may step over a line occasionally, usually by accident although sometimes, perhaps, testing limits a little. Gentle reminders that provide the benefit of the doubt usually solve the problem while keeping the important Board/Homeowner relationship intact. And gentle reminders that are ignored will be followed by less-gentle notices.
- A deliberate enforcement schedule is, administratively, more realistic. It is easier for the Board Members and makes it more likely to be followed consistently and uniformly.

If you've been the Board member chosen to defend the Association in a court room pursuant to a contested enforcement action, you know how much time, expense and emotional drain that can be caused by neglecting the smallest enforcement detail - such as the inability to produce sufficient evidence of a rule's notice or publication, or alleged failure by the Association to properly deliver a notice, or inability to provide evidence of consistent enforcement.

Many judges have a bias in favor of the little guy and against a bureaucracy like an Association. The thoroughness of our enforcement procedure may seem unnecessary at first, and some members may think the Board too lenient in not immediately towing a vehicle or assessing a fine, but you will be thankful that we observed the procedure should you find yourself at the defendant's table when being sued for unfair enforcement. For example, in the case of a parking violation, a violator may be able to sell a judge excuses for one or two violations, but almost any judge should be impressed with our patience and diligence in issuing three Courtesy Reminder notices before a tow truck was called. (See below.)

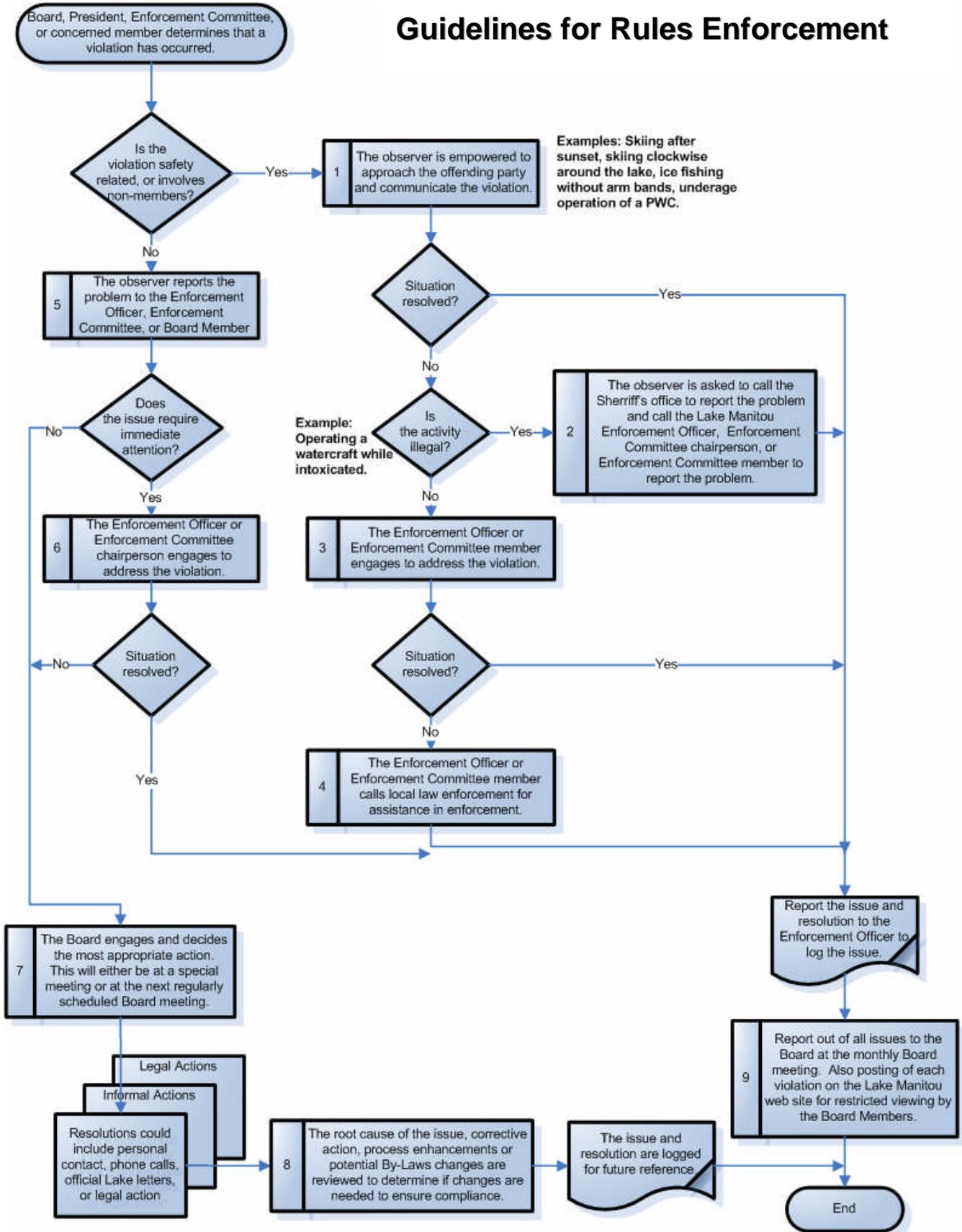
Our enforcement procedure

The Lake Manitou By-Laws and Amended Restrictions describe requirements for due process and rules enforcement. Due process may also be regulated by state law. We have designed a procedure to implement those requirements with practical, how-to-do-it steps. That enforcement procedure is described below in our flowchart entitled Guidelines for Rules Enforcement.

Having a flowchart provides a concise, graphically illustrated, easily copied and distributed convenient reference to our procedure. A procedure easily referenced is more likely to be followed, consistent with the requirement that our enforcement be uniform.

Further discussion about our procedure follows the flowchart in descriptions of our Enforcement tools, documents referred to in the chart (see below).

Guidelines for Rules Enforcement



Enforcement tools

Our enforcement flowchart refers to the following tools we use to enforce our rules:

- Courtesy reminder and Vehicle violation forms - to notify those who violate vehicle rules. (These forms are located with the charter for the Enforcement Committee in the Committees' Handbook.)
- Request to correct condition - to notify those who violate other rules.
- Final notice to correct condition - final warning to comply with a rule.
- Final notice to submit application - final warning to submit a Structural Control Application for an improvement constructed without committee approval.
- Notice of hearing - to notify violators who have not complied or responded to earlier notices to attend a disciplinary hearing.

Courtesy Reminder and Vehicle Violation forms

Parking and vehicle violations are among the most infrequent types of rules violations that we experience. Because they are not common and because of the need to notify violators quickly, we have these two notices for posting on windshields of offending vehicles.

Copies of the Courtesy Reminder and Vehicle Violation notices are located in the charter for the Enforcement Committee in the Committees Handbook. Take these forms to any printer and have them printed as two-part "NCR" forms. Recording a violation on such a form will produce a copy for our records, necessary should an offense be repeated and warrant further action.

The two notices are our Courtesy Reminder and our Vehicle Violation forms:

- Courtesy Reminder - for use by residents as well as Board members, this form has at least three important benefits:
 - It provides a courteous way to inform a visitor or the first-time or infrequent offender about what our rules are. This usually resolves the problem.
 - Residents may get extremely frustrated with certain types of vehicle rules violations, such as vehicles parked where they shouldn't be. Providing residents with Courtesy Reminder forms has the benefit both of relieving frustration by allowing residents to take positive steps themselves with the support of the association, as well as the benefit of educating offenders about our rules.
 - Enforcement proceedings may be handled only by our Board. However, because Courtesy Reminders are simply notices about what our rules are, rather than real tickets with real fines, we can provide them to anyone for use.
 - Because the two-part NCR forms produce copies for our records, those copies will serve to document the offenses and strengthen our position should enforcement be necessary.
- Vehicle Violation - for use only by Board members and management, or others specifically authorized by the Board, such as the Enforcement Committee. (See charter for that committee.) We use this form under these circumstances:
 - Typically, we will use it for all vehicle violations occurring after we have collected three Courtesy Reminders documenting vehicle violations by the same offender. Should the offense happen a fourth time (or more), a member of the Enforcement Committee, a Board member or other party specifically authorized by the Board may be contacted either to place a Vehicle Violation notice upon a windshield or to send it to the responsible property owner, if known.
 - This form may be used without previous Courtesy Reminder notices only for blatant violations of well-known Township vehicle ordinances or state vehicle code or association rules where there is risk to property or safety, for example, parking in the roadway right-of-way.

- After a Vehicle Violation notice has been issued, another form entitled Notice of hearing should also be sent to the property owner notifying the owner of a hearing for consideration of legal action. (That form and the disciplinary hearing are discussed later in this section.)

A common misconception is that vehicles in violation of any vehicle rule may be towed. For example, as a Director, a resident may ask you to have a vehicle towed simply because it has been parked in the wrong place. Towing may not be used as a penalty for a vehicle violation. It may only be used to remedy a hazardous or obstructive or prolonged nuisance condition and then only in accordance with state law and local ordinances where no other recourse is practical or available. For example, a vehicle may be towed if parked in a fire lane, parked in a handicapped space without a proper permit, is blocking an access or parked within fifteen feet of a fire hydrant, in accordance with Michigan Vehicle Code.

The reason for the towing notice on the Courtesy Reminder and Vehicle Violation forms is to help protect us should we have to have the vehicle towed for good reason - not necessarily to indicate that a vehicle will be towed for any violation.

If a vehicle is parked in the roadway right-of-way, and the car owner is either not known or cannot easily be located, towing may be justified inasmuch as the vehicle may represent a threat to property or safety. If a vehicle is parked in an inappropriate space, but not where it is a threat to property or safety, or should some other vehicle violation occur, then implementation of our rules enforcement process involving notices and fines is more appropriate.

Our Courtesy Reminder and Vehicle Violation forms are located with the charter for the Enforcement Committee in the Committees Handbook.

Request to Correct Condition

We use this form to notify members about apparent violations of all other types of rules. It takes an educational approach, presenting the premise of protection and requesting compliance.

As described on the enforcement flowchart, if this form is ignored or if an owner still does not comply after receiving it, we send it out a second time. When used as the second notice, we mark the notice (anywhere) as "2nd notice" as a reminder that the matter will be followed-through. We don't have a "second notice" check-off box on the form because we don't wish to telegraph to the recipient with the first notice that he or she needn't comply quickly because yet another notice will follow.

**Lake Manitou Association
c/o Jim Forsythe
1996 W. Garrison Rd
Owosso, Michigan 48867**

Request to correct condition

Date:

To:

Re:

Dear Neighbor:

The value of your home, one of your most important investments, can be affected significantly by the appearance of and activities around other homes in our neighborhood. That is why the **Amended Restrictions** of our Association, which you agreed to abide by when purchasing your property, provides important means for protecting your investment - for preserving the quality of our environment and appearance of property in our neighborhood. It does this by requiring each of us to maintain our homes to certain standards and to comply with our rules and standards - created in a fair and open process in which all members may participate.

Your neighbors would appreciate your attention to the following. Please review your Members' Handbook for a description of our rules, architectural standards and approval procedures and take the steps indicated below:

Advisory only - No violation is being reported. We are using this form simply to inform you about the following. (See below.)

Possible condition of non-conformance - Activities, objects and/or conditions apparently exist on your property that may not be in conformance with our rules, architectural or maintenance standards. We would very much appreciate your correcting them by _____. (See below.)

Application Required - A change may have been made to your property that requires approval, but no application has been received. Before making any significant exterior change to property, our Amended Restrictions require that a member submit an application to the Structural Control Committee and obtain approval through the Structural Control review process. (Please see "The Structural Control Review Process" in your Members' Handbook.) Please complete and submit an application with drawings within two weeks. This is important. Making a modification without prior approval may result in changes having to be undone at the member's expense. Your neighbors on our Structural Control Committee look forward to working with you on your project. The exterior change requiring approval is described below:

Explanation:

Thank you for helping us. For correspondence or answers to questions, please contact us at the address at the top of this form or call 989-723-4742.

**Final notice to correct condition -
Final notice to submit application**

We send whichever one of these is appropriate should the previous Request to Correct Condition notices be ignored. We send the Final notice to submit application if the infraction is the construction of an exterior improvement without approval by the Structural Control Committee. Otherwise, we send the Final notice to correct condition. These notices clearly indicate that we are on the course for enforcement action if necessary to elicit compliance.

**Lake Manitou Association
c/o Jim Forsythe
1996 W. Garrison Rd
Owosso, Michigan 48867**

Final notice to correct condition

Date:
To:
Re:

Dear Neighbor:

A consequence of living in a residential sub-division is that some of our actions may affect others. Therefore, before purchasing your home you may have been required by the State, Township and your lender to sign a form in which you certified to your lender and participating parties that you agreed to become bound by and to abide by the By-Laws and rules of Lake Manitou Association. This was intended to protect all parties.

We each received a copy of our Amended Restrictions and By-Laws before purchasing our properties. Additionally, we notify all members about our rules through our meeting minutes, mailings and our Members' Handbook, which all members have received. Although we have been careful to notify everyone what our rules are, still, a rule may have been broken that relates to your property.

Just as each of us is legally obligated to abide by our rules, collectively we are obligated to enforce them. We have been trying very hard to meet our obligations but you must also do your part. On [date], we requested that you correct the problem described below. However, the violation remains uncorrected.

IMPORTANT NOTICE: Any or all of the following may be put into effect if the following condition is not corrected within 15 days of the date at the top of this letter, or as of any other date indicated below: Pursuant to our By-Laws and established policies, legal proceedings may be initiated against you for each violation or month or partial month during which your property remains in violation, and other penalties may be imposed as described in our By-Laws and Amended Restrictions including, but not limited to suspension of voting rights, and recovery of any damages and/or injunctive relief sought through the court. You may bear the costs for any and all of these enforcement actions.

The violation is described as:

Thank you for your prompt attention to this. Your neighbors always welcome and encourage your attendance at Board and committee meetings. We have found that our openness policy has been very effective in preventing problems and misunderstandings. As always, we again invite your attendance that you might learn more about your Association.

Sincerely,

Lake Manitou Board of Directors

**Lake Manitou Association
c/o Jim Forsythe
1996 W. Garrison Rd
Owosso, Michigan 48867**

Final notice to submit application

Date:

To:

Re:

Dear Neighbor:

Because of our residential sub-division living environment and our common design elements, our property values may be impacted by exterior changes residents may make to their homes. Therefore, our lenders, Shiawassee County and Bennington Township required that certain protections against uncontrolled changes be provided, to run with the land as Amended Restrictions of the Lake Manitou Association. Article 6 of our Amended Restrictions prescribes a process through which exterior modifications are reviewed for compatibility with architectural standards approved by our Board of Directors.

As part of the review process, a member must submit an application for approval of exterior modifications to a home. In addition to having been informed of this requirement before purchasing your home, you have since also received additional notices in the form of letters, minutes articles and your Members' Handbook. Additionally, before purchasing your home, you signed a form in which you certified to your lender and participating parties that you agreed to become bound by and to abide by the Amended Restrictions, rules, regulations and other Association governing documents. Just as you are legally obligated to abide by our review process, collectively we are obligated to enforce it. We have been trying very hard to meet our obligation to maintain this process but you must also do your part. On [date] we sent you a notice of the requirement to submit an application for approval of an improvement you have made to your home's exterior. We still have not received your completed application.

IMPORTANT NOTICE: Any or all of the following may be put into effect if we have not received your completed application within 15 days of the date at the top of this letter: Legal proceedings may be initiated to compel submission of an application and/or to halt construction. A notice of non-compliance may be filed with the County Recorder against your property, possibly affecting its marketability. Injunctive relief may be sought through the court, forcing removal of modifications. As provided in the Amended Restrictions, you may bear the costs for any or all of these enforcement actions.

Thank you for your prompt attention to this. Your neighbors have always welcomed and encouraged your attendance at Board and committee meetings. We have found that our openness policy has been very effective in preventing problems and misunderstandings. As always, we again invite your attendance that you might learn more about your Association.

Sincerely,

Lake Manitou Board of Directors

Notice of hearing

We send this Notice of hearing once other methods to elicit compliance have failed. It helps us to meet requirements of our governing documents and state laws for due process.

Our By-Laws may have specific requirements for delivery of this notice. We must ensure we comply with them.

**Lake Manitou Association
c/o Jim Forsythe
1996 W. Garrison Rd
Owosso, Michigan 48867**

Notice of hearing

Date:

To:

Re:

Dear Neighbor:

A consequence of living in a residential sub-division is that some of our actions may affect others. Therefore, before purchasing your home you were required by the State, Township and your lender to sign a form in which you certified to your lender and participating parties that you agreed to become bound by the By-Laws and rules of Lake Manitou Association. This was intended to protect all parties.

We each received a copy of our Amended Restrictions and By-Laws before purchasing our homes. Additionally, we notify all members about our rules through our meeting minutes, mailings and our Members' Handbook, which all members have received. Although we have been careful to notify everyone what our rules are, still, a rule may have been broken that relates to your property.

Just as each of us is legally obligated to abide by our rules, collectively we are obligated to enforce them. We have been trying very hard to meet our obligations but you must also do your part. Although we have sent you notices to correct the problem described below, the violation remains uncorrected.

An Association rule or a provision of our governing documents may have been violated that relates to your property. You are requested to attend a hearing before the Lake Manitou Association Board of Directors to show why legal proceedings should not be initiated against your property or other penalties imposed for a violation described as [description]

Your hearing is scheduled for: (time) on (date) at (location)

IMPORTANT NOTICE: It is very important that you attend this hearing. Pursuant to our By-Laws and established policies, penalties may be imposed as described in our By-Laws and Amended Restrictions, including, but not limited to, suspension of voting rights and recovery of any damages and/or injunctive relief sought through the court. You may bear the costs for any or all of these enforcement actions.

Sincerely,

Lake Manitou Board of Directors

The disciplinary hearing

Once we have determined that a property owner has not complied or responded satisfactorily to notices described in the enforcement procedure, we send the Notice of hearing. The hearing may be scheduled either separately or, for the convenience of the Board, at the same time as a regular Board meeting. In either case, scheduling must be consistent with due process as described in our By-Laws and applicable Michigan state law.

Remember, we must be able to demonstrate that we provided due process as part of our disciplinary procedure. This means that:

- The notification procedure previously described must be observed.
- The subject must be informed of all basic complaints for which action is being considered, that is, he or she must not be surprised at the hearing by complaints previously undisclosed and for which a defense could not be adequately prepared.
- The subject must be given the opportunity to examine evidence.
- Witnesses must be present at the hearing so that the individual may cross-examine them. Names of complaining witnesses may not be withheld without risk that the hearing may be subject to later challenge.

Every effort should be made to hear all relevant facts at the hearing in order to avoid a continuance that could prolong the process. Therefore, before the hearing, care should be taken to prepare arguments on behalf of the association and to compile all documents that are material to the violation. All documents, evidence and witnesses should be ready and available at the hearing.

Normally, the President will prepare the arguments and materials. Normally, the President will present the association's case at the hearing or through any other person that may be designated to do this.

If, after having been given notice of a hearing, an owner asks that another hearing date be selected because of a conflict or hardship, we should attempt to accommodate a credible request within reason.

A member given notice may decide not to appear at a hearing. However, absence of the member is not a valid reason to cancel the hearing. We should continue with the hearing, consider any facts known to us that support that member's interests and make our best objective assessment as to whether a violation occurred and what, if any, fine or other disciplinary action is appropriate. Unless there are clear extenuating circumstances, failing to assess a penalty may compromise future enforcement. If a rule has been violated, disciplinary action should be taken consistent with our policies. (See the Policies section of this Directors' binder.)

Should penalties be assessed, our Secretary should write a letter informing the owner, pursuant to our By-Laws requirements for such notice. The assessment should be levied, payments tracked and interest charges added as provided by our By-Laws.



Committee's Handbook

The role of Committees

Lake Manitou utilizes committees to accomplish much of the work of the Association.

The following are the Standing committees supporting Lake Manitou:

- (a) Nominating Committee
- (b) Public Relations (Welcoming) Committee
- (c) Social Committee
- (d) Structural Control Committee
- (e) Restrictions Control (Enforcement) Committee

The following are the Special committees supporting Lake Manitou:

- (f) Chemical Control Committee
- (g) Employment Committee
- (h) Internet & Web Based Communications Committee
- (i) Garage Sale Committee

Standing committees and special committees are appointed by the President with the advice of the Board of Directors. The President is an Ex-Officio member (without vote) of all such committees and exercises general supervision of the affairs and activities of the Association.

The President, with the advice of the Board of Directors, appoints members to the standing and special committees. Members appointed to the standing committees will serve for a two (2) year term beginning with the summer meeting. The number of members on a standing committee shall be determined by the President.

The term for the special committees is not specified in the by-laws and these committees are typically formed to address a specific Association need. These special committees would typically be disbanded when the need has been addressed and any on-going responsibility or activities will be addressed and reassigned by the Board.

It is recommended that the Association President issue a letter to all the appointed committee members authorizing their participation on the committee(s) and another letter issued at the end of their term to thank them for their involvement and contribution and to officially recognize the end of the committee assignment.

Committee Charters

The following are the charters, high-level objectives, resources and major activities of each of the committees. Refer to the specific committee handbook for details regarding each committee's processes, rules, deliverables, assets, and membership.

The Nominating Committee

The Nominating Committee's charter shall be to submit a slate of nominations for Officers and Directors to be elected at the membership meeting.

In member association elections, some members cast their ballots casually, without having studied the candidates' qualifications. For example, a candidate may be nominated by a well-meaning member who thinks their neighbor is a great guy and, therefore, should be on the Board. Perhaps someone decides to run based on dissatisfaction with the way the Board is handling a specific issue, but otherwise has little to offer in the way of management skills. To address this situation, normally, the Board casts any proxies that it has been assigned, for the slate of candidates produced by the Nominating Committee. Provided this important committee has been true to its charter, this has the effect of weighing selection slightly towards candidates who have been carefully considered and pre-qualified as having skills and experience that can be applied effectively toward the management of our business.

The objective of the Nominating Committee is to provide a list of pre-qualified candidates and to obtain a statement of willingness to serve from the candidates before submitting their names to run for the particular position.

This slate is to be presented to the Secretary 30 days before the summer meeting each year.

As a point of reference, nominations from the floor will be accepted during the meeting and written nominations for Officers and Directors may be made by any member in good standing so long as that member submits a nomination in writing to the Association's Secretary at least thirty (30) days before the summer meeting each year.

We elect the Treasurer, Vice President and three (3) Directors to office in odd years. The President, Secretary, and the remaining three (3) Directors shall be elected in even years.

The Public Relations (Welcoming) Committee

The Public Relations (Welcoming) Committee's charter shall be to facilitate relationships with individuals and groups within the Association area and to create a favorable image for the Association area. The committee will welcome new members and inform members about area concerns.

The objective of the Public Relations Committee is to make new members feel welcome, explain how everyone contributes to managing Lake Manitou, provide them with a copy of the Members' Handbook if they don't already have one and invite them to attend meetings. A warm, favorable first impression may have lasting impact on their relationship with the Association and their willingness to contribute.

The Members' Handbook will contain copies of the following:

- (a) By-laws
- (b) Special Record
- (c) Web site address
- (d) Process and Procedures
- (e) Safety Rules
- (f) Board Meeting date/times
- (g) Board Contact List
- (h) Phone Book
- (i) Waste Hauler providers

If the member is new to the Shiawassee County area, the Welcoming Committee may also provide information about the community... including schools, attractions, events, businesses, etc.

The Garage Sale Committee

The Garage Sale Committee can be thought of as a sub-committee under the Public Relations Committee and the Garage Sale Committee's charter is to organize the Lake Manitou area garage sale for the benefit of the Association members.

The objective of the Garage Sale Committee is to produce a more effective result for the Association members who participate in the sale by coordinating a community-wide event rather than having individual, uncoordinated private sales. The process includes soliciting participation, planning, advertisement, follow-up, execution, and obtaining feedback for continuous improvement.

The Social Committee

The Social Committee's charter is to plan social events for members and make plans for assistance to members were there is prolonged illness or death in the family. They may initiate other social services, like baby-sitting directories, odd job directories, etc.

The objective of the Social Committee is to coordinate events that promote a community atmosphere and provide opportunities to increase the Lake Manitou community awareness and community spirit.

A few of the major activities are to distribute the notice of the date and time for the summer and winter meeting by mail, coordinate the summer and winter meeting events, arrange for facilities and transportation if the meeting is physically on the lake, and for calling the Association Membership to determine who will be in attendance and/or their meal preferences.

The Structural Control Committee

The Structural Control Committee's charter is to scrutinize and oversee the construction of all structures and buildings for the purpose that all such structures and buildings must conform to the standards established in the Association's amended restrictions.

The objective of the Structural Control Committee is to ensure that satisfactory construction plans and specifications of proposed buildings or structures are provided and that a plan showing the location of the building or structure is available, has been reviewed and all the above meets the Lake Manitou Association amended restriction requirements.

The Enforcement Committee

The Restrictions Control (Enforcement) Committee's charter is to function as an authorized representative of the Association to enforce the amended legal restrictions and the rules adopted by the association that are not assigned to the Structural Control Committee.

The objective of the Restrictions Control (Enforcement) Committee is to provide a mechanism for the Board to equally and without bias enforce the By-laws and Amended Restrictions.

Should problems occur in the execution of the Committee activities, the Committee or member with the issue or problem should contact the Association President or Board Member to discuss the issues.

The Chemical Control Committee

The Chemical Control Committee's charter is to manage the safe and proper application of weed control chemicals and algaecides.

The objective of the Chemical Control Committee is to implement the chemical component of the weed control process that starts with the establishment of a comprehensive weed management strategy originating from the Lake Manitou Board. This strategy defines the initiatives, parameters, tactics, and budget to implement the strategy. This strategy and Board direction is what authorizes the Chemical Control Committee to utilize the Association's resources in the execution of the strategy.

The major activities include: performing research and conducting the weed inventory and weed assessment with our chemical supplier, applying for the chemical application permit, ordering sufficient permitted chemicals for application, monitoring of the permitted chemical usage throughout the year, and submission of the chemical usage report to the Board for review and submission to the DEQ at the end of October summarizing the chemical application for the year.

The Employment Committee

The Employment Committee's charter is to hire and manage the summer employees on behalf of the Association.

The objective of the Employment Committee is to safely accomplish the work of the Association without injury to the workers and without incident to the members.

The major activities include: hiring and firing of employees, support for the Treasurer for Workers Compensation Audits, being the primary interface in working with ADP to manage the payroll taxes and W2 preparation, monitoring the employees hours paid relative to the hours worked, maintaining of the Recordable Injury Log and for reporting any employee injury at the next scheduled Board meeting.

The Internet & Web Based Communications Committee

The Internet & Web Based Communications Committee's charter is to maintain the Lake Manitou web site and to develop and maintain an Association email distribution list.

The objective of the Internet & Web Based Communications Committee is to provide a more effective way to classify, organize, and communicate information about the Association and its processes and procedures to the Association members. It is also hoped that these tools may eventually reduce the need for mailing and hardcopy reproduction of the minutes, saving time, effort, and money.

The Lake Manitou Web Site is located at the following internet address: <http://lake-manitou.org> .

Members' Handbook

The role of Members

The Members' handbook can be found in the tab labeled Members' Handbook. You should familiarize yourself with the contents as a Director. This will be the reference document used by most Lake Manitou Association members and is the document they expect you to uphold and support.

Members are asked to review the contents of the Members' Handbook and be familiar with whom to call to report issues or to request additional information.

The handbook contains copies of the following documents:

- (a) By-laws
- (b) Special Record
- (c) Web site address
- (d) Process and Procedures
- (e) Safety Rules
- (f) Board Meeting date/times
- (g) Calendar of Events
- (h) Board Contact List
- (i) Phone Book
- (j) Waste Hauler providers
- (k) Answers to Frequently Asked Questions

The Members' Handbook will continue to evolve and you will receive updates as appropriate to keep the appropriate section of your Director's Handbook current.

The expectation from the Board and from your Association neighbors is that you will abide by and uphold the rules and by-laws of the Association.

Association leadership rating form

Below is a form for assessing your Association's satisfaction with the current Association Leadership.

Lake Manitou Association Leadership Rating Survey

Lake Manitou Association:

Contact name: _____

Phone: _____

Survey taken by: _____

Date: _____

Please rate the following from 1 to 5

Unsatisfactory	Poor	Average	Above Average	Excellent
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GENERAL:

<i>Relationship between Board of Directors and members</i>	1	2	3	4	5
<i>Complaint handling, maintenance</i>	1	2	3	4	5
<i>Administration of contractors and employees</i>	1	2	3	4	5
<i>Obtaining bidding for maintenance, painting, landscape maintenance, etc.</i>	1	2	3	4	5
<i>Response to emergencies</i>	1	2	3	4	5
<i>Response and handling of problems with members, Amended Restrictions</i>	1	2	3	4	5

FISCAL AND ACCOUNTING SERVICES:

<i>Assistance with budget preparation</i>	1	2	3	4	5
<i>Monthly financials - accuracy, completeness, timeliness</i>	1	2	3	4	5
<i>Handling of delinquencies, liens and collections</i>	1	2	3	4	5
<i>Assistance and advice for investing reserve funds, etc.</i>	1	2	3	4	5
<i>Follow-up regarding claims for losses, subcontractor billings, damage claims, etc.</i>	1	2	3	4	5

BOARD OF DIRECTORS:

<i>Attendance at meetings, annual meetings and special meetings</i>	1	2	3	4	5
<i>Timeliness of meeting agendas, minutes, President's reports, special reports, etc.</i>	1	2	3	4	5
<i>Quality of records management related to correspondence, file maintenance, ownership, etc.</i>	1	2	3	4	5
<i>Quality of advice and knowledge regarding Township and state laws affecting Board actions</i>	1	2	3	4	5
<i>Overall opinion of the Board</i>	1	2	3	4	5

Totals

Grand Total:

Specific Questions

In your opinion, are the Association areas (island, spillway, dam, and lake) maintained in such condition as to enhance the value of your home? Yes No

Would you favor continuation of the current Board at the expiration of their term? Yes No

In your opinion, what are the strongest points of the Board?

In your opinion, what are the weakest points of the Board?

"Thank you very much for taking the time to help us with our survey."

Interviewer's overall impression of responder:

Other notes:

This is the end of our Directors' Handbook.

Remember, this is intended to be updated and refined as we learn new lessons. Make notes on these pages or write your ideas onto a separate sheet of paper as they occur to you and give them to the President or designated editor.

Periodically, the master word processor file should be updated and the handbook republished.