

**Southpointe Square**  
**Homeowners' Association**  
**Amended Bylaws 2014**

**Article I**

**Purpose**

The purposes for which this non-profit incorporated Association are: a) To enforce all deed restrictions, for Southpointe Plats 1,2,3 and 4 and all regulations contained therein or which may be promulgated with respect to the Declarations of Restrictions including the right to pursue legal action to enforce restrictions and regulations; b) To construct, improve, maintain, alter all common spaces, easements, right-ways, boulevards common lands, which it may own or control; c) To collect dues and dispose of funds.

In furtherance of such purposes, this Association shall promote and maintain the safety, property values and general well being of the members of the Association and the property owners of the members located within the Southpointe Square Plats 1,2,3, and 4.

**Article II**

**Association of Homeowners**

Southpointe Square Plats 1,2,3,and 4 is a Residential Project located in Monroe Charter Township, Monroe County, Michigan. All four plats shall be administered by one Association of Homeowners to be known as " The Southpointe Square Homeowners Association". The Association, herein after called the Association, organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the common elements, easements and affairs of these Residential Project in accordance with the Residential Project Documents and the laws of the State of Michigan. These Bylaws shall constitute the Residential Bylaws referred to the Master Deed. Each property and or lot owner shall be entitled to membership.

The share of a Homeowner in funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to their site. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed and other Residential Documents for the Residential Project available at reasonable hours to Homeowners, prospective purchasers and mortgagees of lots or properties in this Residential Project. The Association's board shall publish most current Bylaws on the Association's web site. All Homeowners in the residential Project and all persons using or entering upon or acquiring any interest in any properties or lot there in or common elements thereof shall be subject to provisions and terms set forth in the aforesaid Residential Documents.

### **Article III**

#### **Members**

**Section 1.** Eligibility. Every person or entity owning legal or equitable title to any legal property or lot within Southpointe Square plats 1,2,3, and 4 shall be eligible for membership in the Association, and no other person or entity shall be eligible for membership.

**Section 2.** Active Members. Notwithstanding Section 1 of this Article III, only eligible individuals who have currently paid any and all dues and or assessments levied by the Association within the time periods for making such payments shall be considered active members of the Association. Only active members shall be eligible for election or appointment as directors or officers of the Association, or for membership on any Association committee. Only active members shall be eligible to vote on any matter coming before the Association for decision. As used herein, the term " member" means only an active member. Any past due or delinquent assessments and or dues shall be brought current to be an active member.

### **Article IV**

#### **Dues and Assessments**

**Section 1.** Dues and Assessments Against Lots and Homeowners: All expenses arising from the management, administration, and operation of the Association in pursuance of its authorizations and responsibilities as set forth in the Residential Documents shall be levied by the Association against the lots and properties and the owners thereof in accordance with the following provisions.

**Section 2. Assessments for Common Property:** All costs incurred by the Association in satisfaction of any liability arising from, caused by, or connected with the Common Property or the administration of the Residential Project shall constitute expenditures affecting the administration of the Residential Project, and all sums received as the proceeds of, or pursuant to, any policy of insurance securing the interest of the Homeowners against liabilities or losses arising within, caused by, or connected with the Common Property or administration of the Residential Project shall constitute receipts affecting the administration of the Residential Projects. Assessments shall be based on the annual budget.

**Section 3. Determination of Assessments:** Assessments shall be determined in accordance with the following provisions:

a) Budget: The Board of Directors of the Association shall establish an annual budget in advance of each fiscal year and such budget shall project all expenses for the forth coming year which may be required for the proper operation, management, and maintenance of the Common Property, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs, and replacement of those Common Property that must be replaced on a periodic basis shall be established in the budget and shall be funded by regular annual payments as set forth in Section 4. At a minimum, the reserve fund shall be equal to ten percent (10%) of the Associations current annual budget on a noncumulative basis. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be held by the Board Secretary and published on the Association's web site. Should the Board of Directors at any time determine, in the sole discretion of the Board of Directors: 1) that the assessments levied are or may prove to be insufficient to pay the costs of operation and maintenance of the Common Property, 2) to provide for the replacement of Common Property, 3) to provide additions to the Common Property not exceeding one thousand dollars (\$1,000.00) annually for the entire Common Property, or (4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment as it shall deem to be necessary. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditor of the association or the members thereof.

(b) Special Assessments. Special assessments, in addition to those required in subparagraph (a) above, may be made by the Board of Directors from time to time and approved by the homeowners as herein provided to meet other needs or requirements of the Association, including, but not limited to: 1) assessments for additions to Common Property at a cost exceeding one thousand dollars (\$1,000.00) for the entire year, 2) assessments to purchase a property or lot upon foreclosure of the lien for assessments described in Section 7 hereof, 30

assessments to purchase a lot for use as a park , or 4) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subparagraph (b) (but not those assessments referred in subparagraph 3 (a) above, which shall be levied in sole discretion of the Board of Directors) shall not be levied without the prior approval of more than sixty per cent (60%) of all active members in number. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the member thereof and shall not be enforceable by any creditors of the Association or members thereof.

**Section4.** Apportionment of Assessments and Penalty for Default. Unless otherwise provided herein or in the Master Deed, all assessments levied against the member to cover expenses of administration shall be apportioned equally among all property owners and lot owners in Southpointe Square Plats 1,2,3, and 4. They will be paid by the member of each property or lot. Annual assessments as determined in accordance with Article IV, Section 3 (a) above shall be payable by member on a schedule agreed by the Board of Directors, commencing with the acceptance of a deed to or a land contract vendee's interest in a property or lot, or with the acquisition of fee simple title to a property or lot by any other means. The payments of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association on or before the due date for such payment. A late charge as agreed by the Board of Directors shall be assessed automatically by the Association upon any assessment in default for five (5) or more days until installment together with the applicable late charges is paid in full. Each member (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments, including fines for late payments, costs of collection, reasonable attorney fees, and enforcement of payment pertinent to their property which may be levied while such homeowner is the owner thereof. Payments on account of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorney's fees; second, to any interest charges and fines for late payment on such installments; and third, to installments in default in order of their due dates. Fines for non- payment of assessments or late fines shall be developed and agreed on by the Board of Directors.

**Section5.** Waiver of Use or Abandonment of Property or Lot: No member may exempt themselves from their liability for their contribution toward expenses of administration by wavier of use or enjoyment of any of the Common Elements or by the abandonment of their property or lot.

**Section6.** Notice of Dues and Assessments: The Board of Directors shall cause a notice of any dues and or assessments of members to be delivered by first class mail, or posted on Association web site, or by personal delivery to the last address with the Board. The address notification shall be in accordance with Article IX Section 3.

## **Section 7. Enforcement**

a) Remedies. The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of statutory lien that secures payments of assessments. In event of default by any member in payment of any dues of the annual assessment levied against their property or lot, the Association shall have the right to declare all unpaid annual assessments for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any services to a property or lot owner in default upon seven (7) days' written notice to such owner/s of its intention to do so. Any owner in default shall not be entitled to utilize any of the Common Elements of the Residential Project and shall not be entitled to vote at any meeting of the association so long as such default continues; provided, however, this provision shall not operate to deprive any owner of ingress or egress to and from their property or lot. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the property or lot from the owner thereof or any persons claiming under them. The Association may elect to recover any additional legal fees associated with these remedies.

b) Foreclosure Proceedings. Each owner, and every other person who from time to time has any interest in the property, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosures of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each owner and every other person who from time to time has any interest in the properties, shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the property with respect to which the assessment (s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each member acknowledges that at the time of acquiring title to such property or lot, they were notified of the provisions of this subparagraph and that they voluntarily, intelligently, and knowingly waived notice of any proceedings brought by the Association to foreclosure by advertisement the lien for nonpayment of assessment (s) and a hearing on the same prior to sale of subject property.

c) Notice of Action: Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent owner (s) at their last known address, of a written notice that one or more assessments of the annual assessment levied against the

pertinent owner is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing or such other plan agreed by the Association Board of Directors. Such written notice shall be accompanied by written affidavit of an authorized representative of the Association that sets forth (i), the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding ( exclusive of interest, costs, attorney fees, and future assessments), (iv) the legal description of the subject property (s), and (v) the name (s) of the property owner (s) of record. Such affidavit shall be recorded in the office of the Register of Deeds in the county in which the project is located prior to commencement of any foreclosure proceedings, but in need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the delinquent owner and shall inform them that they request a judicial hearing by bring suit against the Association.

d) Expenses and Collection: The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the owner in default and shall be secured by the lien on their property or lot.

**Section 8.** Liability of Mortgagee: Notwithstanding any other provisions of the Residential Documents, the holder of any first mortgage covering any property in the residential project which comes into possession of the property pursuant to the remedies provided in the mortgage or deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged property which became due after to the acquisition of title to the property ( except for assessments that have priority over the first mortgage, and claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all owners including the mortgaged property).

**Section 9.** Property Taxes and Special Assessments: All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act, as amended.

**Section 10.** Personal Property Tax Assessment of Association Property: The Association shall be assessed as the person or entity in possession of any tangible personal property of the residential owned or possessed in common by the Homeowners, and personal property taxes based thereon shall be treated as expenses of administration.

**Section 11.** Mechanic's Lien: A mechanic's lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act, as amended.

**Section 12.** Statement as to Unpaid Assessments: The purchaser of any property may request a statement of the Association as to the amount of any unpaid Association assessments thereon, whether regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire the property, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon payment of that sum within the period stated, the Association's lien for assessments as to such property shall be deemed satisfied, provided, however, that the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of such property shall render any unpaid assessments and the lien securing same fully enforceable against such purchaser and the property itself. Unpaid assessments constitute a lien upon the property and the proceeds of the sale thereof prior to all claims except real property taxes.

**Section 13.** Default of Director: if a member has been relieved of their position as a Director or Officer by virtue of a default hereunder, and such vacancy has not been filled, upon reinstatement as an active member such person shall again hold such position. If such vacancy has been filled, reinstatement as an active member shall not entitle such person to such prior position.

## **Article V**

### **Arbitration**

**Section 1.** Scope and Election. Disputes, claims or grievances arising out of or relating to interpretation of the application of the Residential Documents, or any disputes, claims or grievances arising among or between the member and the Association, upon the election and written consent of the parties to any such disputes, claims or grievances (which consent shall include an agreement of the parties that the judgment of any Circuit Court of the State of Michigan may be rendered upon any award pursuant to such arbitration), and upon written notice to the Association, shall be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding. The Commercial Arbitration Rules of the

American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration.

**Section 2.** Judicial Relief: In the absence of the election and written consent of the parties pursuant to Section 1 of this act, no homeowner or the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances.

**Section 3.** Election of Remedies: Such election and written consent by homeowner or the Association to submit any such dispute, claim or grievance to arbitration shall preclude such parties from litigating such dispute, claim or grievance in the courts.

## **Article VI**

### **Insurance**

**Section 1.** Extent of Coverage:

a) The Association shall, to the extent appropriate in light of the nature of general common elements of the project, carry insurance for liability. Any and all such persons or companies contracted to perform maintenance, construction, and repair of any common property under the control of the association per the Master deed shall responsible to carry any and all insurance as required by the laws of the State of Michigan. Each member shall be obligated and responsible for obtaining fire and extended coverage, vandalism, and malicious mischief insurance with respect to the residence and all other improvements constructed or to be constructed within the perimeter of the residential site and personal property located therein or thereon, or elsewhere on the residential project. Each member also shall be obligated to obtain insurance coverage for their personal liability for occurrences within the perimeter of their site or the improvements located thereon, and also for any other personal insurance coverage that the member wishes to carry. The Association shall under no circumstances have any obligation to obtain any of the insurance coverage required to be carried by a member.

b) Insurance of Common Property: All common property of the residential project shall be insured by the association against perils, in an amount equal to current insurable replacement value as determined annually by the Board of Directors of the Association in consultation with the Association's insurance carrier. It shall be each member's responsibility to determine the necessity for and to obtain insurance coverage for all buildings and other improvements constructed or to be constructed within the perimeter of their residential property site and for any of their personal property.



**Section 2.** Indemnification. Each individual member shall indemnify and hold harmless every other member and the Association for all damages and costs, including attorney's fees, which such other member, or the Association may suffer as a result of defending any claim arising out of an occurrence on or within such individual member property and shall carry insurance to secure this indemnity if so required by the Association or other claim against any individual member.

**Section 3.** Premium Expenses: All premiums upon insurance purchased by the Association pursuant to these bylaws shall be expenses of administration.

**Section 4.** Proceeds of Insurance Policies: Proceeds of all insurance policies owned by the Association shall be received by the Association, held in the Association's account and distributed to the Association, provided, however, whenever repair or reconstruction shall be required as provided in Article VII of these bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied to such repair or reconstruction.

**Section 5.** Authority of Association to Settle Insurance Claims: Each member, by ownership of a property or lot in the residential project shall be deemed to irrevocably appoint the Association as their true and lawful attorney-in-fact to act in connection with all matters concerning the Association's extended coverage and or liability insurance and other coverage, if applicable, pertinent to the residential project and common elements appurtenant thereto, with each insurer as may, from time to time, provide such insurance for the residential project. Without limitation on the generality of the foregoing, the Association, as said attorney, shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums thereof, to collect proceeds, to settle claims and to accept insurance proceeds on the behalf of the Association, subject always to the residential documents, to execute releases of liability and to execute all documents and to do all things on behalf of the Association and residents as shall be necessary or the convenient to accomplishment of the foregoing.

## **Article VII**

### **Reconstruction or Repair**

**Section 1.** If any part of the premises shall be partially or completely destroyed, the property shall be rebuilt or repaired, unless it is determined by a vote of at least eighty percent (80%) of all of the members in the residential project entitled to vote that the project shall be terminated.

**Section 2.** Anything to the contrary notwithstanding any roads not dedicated to the public, the storm drainage system, water system or if applicable, the sewage system must be repaired or rebuilt if damaged as described in this section, unless otherwise agreed by Monroe Charter Township, Monroe County, Michigan.

## **Article VIII**

### **Restrictions**

All of the sites in Southpointe Square Plat 1,2,3, and 4 shall be held, used and enjoyed subject to the Declaration of Restrictions of Southpointe Square Plats 1, 2, 3, and 4 as recorded with the Monroe County, Michigan Register of Deeds.

## **Article IX**

### **Voting**

**Section 1.** Vote: Except as limited in these bylaws, each member without outstanding dues, liens, or other expenses owed the association shall be entitled to one vote for each residential property or lot owned.

**Section 2.** Eligibility to Vote: No member shall be entitled to vote at any meeting of the Association until they have presented evidence of ownership of the site in the residential project to the Association. The vote of each homeowner or lot owner may be casted only by the individual representative designated by such owner in the notice required in section 3 of this Article X below or by proxy given by such individual representative.

**Section 3.** Designation of Voting Representative: Each homeowner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of the member. Such notice shall state the name and address of the individual representative designated, the numbers of residential site or sites owned by the member, the name and address of each person, firm, corporation, partnership, association, trust or entity who is the member. Such notice shall be signed and dated by the member. The individual representative designated may be changed by the member at any time by filing a new notice in the manner herein provided.

**Section 4.** Quorum: The presence in person or by proxy of thirty percent (30%) of the members in number, and entitled to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by these bylaws or the Residential Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

**Section 5.** Voting: Votes may be cast only in person or by a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the Association. Cumulative voting shall not be permitted.

**Section 6.** Majority: A majority, except where otherwise provided herein, shall consist of more than fifty percent (50%) of those qualified and entitled to vote and present or by proxy (written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority herein set forth by proxy, or by written vote, if applicable, at a given meeting of the members of the Association.

## **Article X**

### **Meetings**

**Section 1.** Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the homeowners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Sturgis Code of Parliamentary Procedure, Roberts Rules of Order or some generally recognized manual of parliamentary procedure, when not otherwise in conflict with Residential Documents or the laws of the State of Michigan.

**Section 2.** Annual Meetings. Annual meetings of members of the Association shall be held on a date agreed upon by the Board of the Association each succeeding year after year in which the first annual meeting is held at such time and place as shall be determined by the Board of Directors. At such meetings there shall be elected by ballot of homeowners entitled to vote a Board of Directors in accordance with the requirements of Article XII of these bylaws. The homeowners may transact at the annual meeting such other business of the Association as may properly come before them.

**Section 3.** Special Meetings. It shall be the duty of the President to call a special meeting of the homeowners as directed by resolution of the Board of Directors upon a petition signed by one third ( 1/3) of the homeowners entitled to vote presented to the Secretary of the Association. Notice of any special meeting shall state the date, time, place, and purpose of such meeting thereof. No other business shall be transacted at a special meeting except as stated in the notice.

**Section 4.** Notice of Meetings. It shall be the duty of the secretary ( or other Association officer in the secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the date, time and place where it is to be held, upon each homeowner of record, at least ten (10) days but not more than sixty (60) days prior to such meeting. Notice of such meetings shall be posted on the Association's web site and each homeowner shall receive a written mailing, postage prepaid, of a notice to the representative of each homeowner at the address shown in the notice required be filed with the Association by Article IX of these bylaws shall be deemed notice served. Any member may, by written notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association shall be deemed due notice.

**Section 5.** Adjournment. If any meeting of the members cannot be held because a quorum is not in attendance, the members who are present may adjourn the meeting to a date and time not less than forty eight (48) hours from the time from the original meeting was called.

**Section 6.** Order of Business: The order of business at all meetings of the members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of the minutes of the preceding meeting; (d) reports of officers; (e) reports of committees; (f) appointment of inspector of elections (at annual meetings or special meetings held for purpose of election of Directors or officers); (g) election of Directors (at annual meetings or special meeting held for such purpose); (h) unfinished business; and (i) new business. The meeting of members shall be chaired by the most senior officer of the Association present at such meeting. For purposes of this section, the order of seniority of officers shall be President, Vice President, Secretary, Treasurer, and Director at Large.

**Section 7.** Action Without Meeting: Any action which may be taken at a meeting of the members (except for election or removal of Directors) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in Section 5 for the giving of notice of meetings of members. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice

between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt within the time period specified in the solicitation of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; (ii) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

**Section 8.** Consent of Absentees: The transactions at any meeting of the members, either annual or special, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum be present either in person or proxy; and if, either before or after the meeting, each of the members not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of minutes thereof. All such waivers, consents, or approvals shall be filed with the association records or made a part of the meeting minutes of the meeting.

**Section 9.** Minutes; Presumption of Notice: Minutes or similar record of the proceedings of meetings of members, when approved by the Board of Directors, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

## **Article XI**

### **Board of Directors**

**Section 1.** Number and Qualifications: The Board of Directors shall be comprised of five (5) members in accordance with the provisions of Section 2 herein. The affairs of the Association shall be governed by a Board of five (5) Directors all of whom must be members of the Association. Directors' compensation, if any, shall be set by the affirmative vote of sixty (60%) of all members entitled to vote. Expenses of the Directors, in pursuit of Association business shall be reimbursed as an expense of the Association administration expenses, as directed by the Board of Directors.

**Section 2.** Election of Directors: The members shall elect a five (5) person Board of Directors. (a) At such meeting all nominees shall stand for election as 1 slate and the three (3) persons receiving the highest number of votes shall be elected for a term of two years, the two persons receiving the next highest number of votes shall be elected to a term of one year. Any tie of votes shall be settled by a flip of a coin or drawing of a cord. At each annual meeting held

thereafter, either two (2) or three (3) directors shall be elected depending upon the number of directors whose terms expire. The Directors shall hold office until their successors have been elected and hold their first meeting. (b) the Board of Directors, annual meetings of homeowners or lot owners to elect Directors and conduct other business shall be held in accordance with the provisions of Article IX.

**Section 3. Powers and Duties:** The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as not prohibited by the Residential Documents or required thereby to be exercised and done by the homeowners.

**Section 4. Other Duties:** In addition to the foregoing duties imposed by these bylaws or any further duties which may be imposed by resolution of the members of the Association, the Board of Directors shall be responsible specifically for the following: (a) To manage and administer the affairs of and maintain the Common Property thereof. (b) to levy and collect assessments from members of the Association and to use the proceeds thereof for the purposes of the Association. (c) To carry insurance and collect and allocate all proceeds thereof. (d) To rebuild Common Property after casualty. (e) to contract for and employ persons, firms, corporations, or other agents to assist in the management, operation, maintenance, and administration of the common areas of the residential project. (f) To acquire, maintain, and improve; and buy, operate, manage, sell, convey, assign, mortgage or release any real or personal property (including any site in the residential easements, rights of way and licenses) on behalf of the Association in furtherance of any of the purposes of the association. (g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes or business of the Association, and to secure the same by mortgage, pledge, or other lien, on property owned by the association; provided, however, that any such action shall also be approved by affirmative vote of seventy five percent (75%) of all of the members of the Association entitled to vote in number. (h) To make rules and regulations in accordance with these bylaws. (i) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the residential project and common areas and to delegate to such committees any functions or responsibilities which are not by law or by the Residential Documents required to be performed by the Board. (j) To enforce provisions of the Master Deed and bylaws set forth.

**Section 5. Management Agent:** The Board of Directors may employ for the Association a management agent at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 3 and 4 of this Article, and the Board may delegate to such management agent any

other duties or powers which are not by law or by the Master Deed required to be performed by or have the approval of the Board of Directors or the members of the Association.

**Section 6.** Vacancies: Vacancies in the Board of Directors which occur by any reason other than the removal of a Director by a vote of the members of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

**Section 7.** Removal: At any regular or special meeting of the Association duly called with due notice of removal action proposed to be taken, any one or more of the Directors may be removed with or without cause by the affirmative vote of more than sixty percent (60%) in number of all of the members entitled to vote and successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal thirty five percent (35%) set forth herein in Article IX, Section 4. Any Director whose removal has been proposed by the member shall be given an opportunity to be heard at the meeting.

**Section 8.** Regular Meetings: Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of Directors, but at least one such meeting shall be held during each fiscal year. Notice of regular meetings of the board of Directors shall be given to each Director, personally, by mail, by email, or telephone at least ten (10) days prior to the date named for such meeting.

**Section 9.** Special Meetings: Special meetings of the Board of Directors may be called by the President on a three (3) days' notice to each Director, given personally, by mail, by email, or telephone, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on written request of two Directors.

**Section 10.** Waiver of Notice: Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meetings of the Board shall be deemed a waiver of notice by them of the time and place thereof. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

**Section 11.** Adjournment: At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors, there be less than a quorum present, the

majority of those present may adjourn the meeting to a subsequent date and time upon twenty four (24) hours prior written delivered to all Directors not present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

**Section 12.** Fidelity Bonds: The Board of Directors shall require that all officers and any employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums for such bonds shall be expenses of administration.

## **Article XII**

### **Officers**

**Section 1.** Officers: The principal officers of the Association shall be the President, who shall be a member of the Board of Directors, a Vice President, a Secretary, and a Treasurer. The Directors may appoint an Assistant Treasurer, and an Assist Secretary, and such other officers as in their judgment may be necessary. Any two officers except that of President and Vice President may be held by one person. All Officers shall be members of the Association.

(a) President. The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and the Board of Directors. They shall have all the general powers and duties which are usually vested in the office of President of an association, including, but limited to, the power to appoint committees from among the members of the Association from time to time as they may in their discretion deem appropriate to assist in the conduct of the affairs of the Association.

(b) Vice President. The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If neither the President or Vice President is able to act, the Board of Directors shall appoint some other member of the Board to so act on an interim basis. The Vice President shall perform such other duties as shall from time to time be imposed upon him or her by the Board of Directors.

(c) Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he or she shall have charge of the corporate seal, if any, and such books and papers as the Board of Directors may direct; and shall, in general, perform all duties incident to the office of Secretary.

(d) Treasurer. The Treasurer shall have the responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and



disbursements in books belonging to the Association. He or she shall be responsible for the deposits of all monies and other valuable effects in the name and to the credit of the Association, and, in such depositories as may, from time to time, be designated by the Board of Directors. The Treasurer shall be responsible for mailing dues and or assessments notices.

**Section 2.** Election. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new board of and shall hold office at the pleasure of the Board.

**Section 3.** Removal. Upon affirmative majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his or her successor elected at any regular meeting of the board of Directors, or at any special meeting of the Board called for such purpose. No such removal action may be taken, however, unless the matter shall have been included in the notice of such meeting. The officer who is proposed to be removed shall be given an opportunity to be heard at the meeting.

**Section 4.** Duties. The officers shall have such other duties, powers, and responsibilities as shall, from time to time, be authorized by the Board of Directors.

## **Article XIII**

### **Seal**

The Association may (but need not) have a seal. If the Board determines that the Association shall have a seal, then it shall have inscribed therein the name of the Association, the words "corporate seal", and "Michigan".

## **Article XIV**

### **Finance**

**Section 1.** Records. The Association shall keep detailed books of account showing all expenditures and receipts of the administration which shall specify the maintenance and repair of the common property any other expenses incurred by or on behalf of the Association and the members. The Association shall prepare and distribute to each member at least once a year present at the annual meeting a financial statement, the contents of which shall be defined by

the Association. Any entitled member may review the financial statement from the Treasurer at any reasonable hour who was not present at such annual meeting. Any institutional holder of a first mortgage lien on any property in the residential project shall be entitled to receive a copy of such annual reviewed financial statement within ninety (90) days following the end of the fiscal year upon request therefore. The costs of any such review and any accounting expenses shall be expenses of administration.

**Section 2.** Fiscal Year. The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the Directors. The commencement date of the fiscal year shall be subject to change by the Directors for accounting reasons or other good cause.

**Section 3.** Bank. Funds of the Association shall be initially deposited in such bank or savings association as may be designated by the Directors and shall be withdrawn only upon the check or order of such officers or agents designated by resolution of the Board of Directors from time to time. The funds may be invested from time to time in accounts or deposits certificates of such bank or savings association as are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and may also be invested in interest bearing obligations of the United states government.

**Section 4.** Checking Account. The funds held by the Association shall be disbursed from account by check cosigned by any two Board officers so designated by the Board from time to time.

## **Article XV**

### **Indemnification of Officers and Directors**

Every Director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees reasonably incurred by or imposed upon them in connection with any proceeding to which they may be a party, or in which they may become involved by reason of their being or have been a director or officer of the Association, whether or not they were a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of their duties; provided that, any claim for reimbursement or indemnification herein shall apply only if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement and

reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least then (10) days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all homeowners and lot owners thereof. Further, the Board of Directors is authorized to carry officers' and directors' liability insurance covering acts of the officers and directors of the Association in such amounts as it shall deem appropriate.

## **Article XVI**

### **Amendments**

**Section 1.** Proposal. Amendments to these bylaws may be propose by the Board of Directors of the Association acting upon the vote of the majority of the Directors or by one third ( 1/3) of the members entitled to vote or by instrument in writing signed by them.

**Section 2.** Meeting. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of these bylaws.

**Section 3.** Voting. These bylaws may be mended by the members at any regular or a special meeting called for such purpose by the affirmative vote of not less than sixty six percent (66%) of all members in number entitled to vote.

**Section 4.** When Effective. Any amendment to these bylaws shall become effective upon recording such amendment in the office of the Monroe County Register of deeds, Monroe County, Michigan.

**Section 5.** Upon recording the amended bylaws, the Secretary of the Board of Directors shall keep a copy of the amended bylaws on file and such shall be posted to the Associations' web site.

## **Article XVII**

### **Compliance**

The Association of Members, present or future Members, or any other persons acquiring an interest in or using the facilities of the Residential Project in any manner are subject to and shall comply with, and the mere acquisition or occupancy of any site or an interest therein, or the

utilization of or entry upon the premises shall signify that the documents are accepted and ratified.

## **Article XVIII**

### **Definitions**

All terms used herein shall have the same meaning as set forth in the Master Deed to which these bylaws are attached as an Exhibit or as set forth in the Act, as amended.

## **Article XIX**

### **Remedies for Default**

Any default by a member shall entitle the Association or another members to the following relief:

**Section 1.** Legal Action. Failure to comply with any of the terms or provisions of the Residential Documents shall be grounds for relief, which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien if default in payment of dues or assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved member or members.

**Section 2.** Recovery of Costs. in any proceeding arising because of an alleged default by any homeowner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorney fees, (not limited to statutory fees) as may be determined by the court, but in event shall any member be entitled to recover such attorney fees unless otherwise allowed by law.

**Section 3.** Assessment of Fines. The violation of any of the provisions of the Residential Documents by any homeowner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. no fine may be assessed unless in accordance with the provisions of Article XXI of these bylaws.

**Section 4.** Non-waiver of Right. The failure of the Association or any member to enforce any right, provision, covenant, or condition which may be granted by the Residential Documents

shall not constitute a waiver of the right of the Association or of any such member to enforce such right, provision, covenant, or condition in the future.

**Section 5.** Cumulative Rights, Remedies, and Privileges. All rights, remedies, and privileges granted to the Association or any member pursuant to any terms, provisions, covenants, and or conditions of the aforesaid residential documents shall be deemed to be cumulative and exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies, or privileges as may be available to such party at law or equity.

**Section 6.** Enforcement of provisions of Residential Documents. A member may maintain an action against the Association and its officers and directors to compel such persons to enforce the terms and provisions of the Residential Documents. A member may maintain an action against any other member for injunctive relief or for damages or any combination thereof for noncompliance with the terms and provisions of the residential documents.

## **Article XX**

### **Assessments of Fines**

**Section 1.** General. The violation by any member, occupant or guest of any of the provision of the Residential Documents including any duly adopted rules and regulations shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines against the involved member. Such member shall be deemed responsible for such violations whether they occur as a result of their personal actions or the actions of their family, guests, tenants or any other person admitted through such homeowner the residential premises.

**Section 2.** Procedures. Upon any such violation being alleged by the Board, the following procedures will be followed:

(a) Notice. Notice of violation, including the Residential Document provision violated, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will place a member on notice as to the violation, shall be sent by first class United

States mail, postage prepaid, or personally delivered to the member at the address as shown in the notice required to be filed with the Association pursuant to Article IX, Section 3 of these bylaws.

(b) Opportunity to Defend. The member shall have an opportunity to appear before the Board and offer evidence in defense of the alleged violation. The appearance before the Board shall be at its next scheduled meeting, but in no event shall the member be required to appear less than ten (10) days from the date of notice.

(c) Default. Failure to respond to the notice of violation constitutes a default.

(d) Hearing and Decision. Upon appearance by the member before the Board and presentation of evidence of defense, or, in the event of the member's default, the Board shall, by majority vote of a quorum of the Board, decide whether a violation has occurred. The Board's decision is final.

**Section 3.** Amounts. Upon violation of any of the provisions of the Residential Documents and after default of the offending member or upon the decision of the Board as recited above, fines shall be levied in accordance with rules and regulations to be adopted by the Association from time to time.

**Section 4.** Collection. The fines levied pursuant to Section 3 above shall be assessed against the member and shall be due and payable together with the regular residential assessment on the first of the next following month. Failure to pay the fine will subject the member to all liabilities set forth in the Residential Documents including, without limitations, those described in Article X and Article XI of the bylaws.

## **Article XXI**

### **Severability**

In the event that any of the terms, provisions, or covenants of these bylaws or the Residential Documents are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify, or impair in any manner whatsoever any of the terms, provisions, or covenants held to be partially invalid or unenforceable.

By: \_\_\_\_\_

President, Board of Directors

Date: \_\_\_\_\_

Reviewed by:

Peter Fales P.C.

South Monroe St.

Monroe, Michigan, 48161