

RAVINES OF NORTHVILLE HOMEOWNERS ASSOCIATION

AMENDED AND RESTATED BY-LAWS

**ARTICLE I
ADOPTION OF OTHER DOCUMENTS**

SECTION 1. DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS. The Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of The Ravines of Northville Declaration, Northville Township, Wayne County, Michigan, recorded among the Wayne County Records, State of Michigan, as may be amended from time to time as therein provided (the "Declaration"), together with the Open Space Community Development Agreement entered into by Fairchild and Northville Township and recorded in the Wayne County Records (the "Open Space Agreement") are hereby incorporated by reference and adopted in their entirety as part of the By-Laws of The Ravines of Northville Homeowners Association (the "Association").

SECTION 2. ARTICLES OF INCORPORATION. The Articles of Incorporation of this Association filed with the Michigan Department of Consumer and Industry Services on February 18, 1999, as may be amended from time to time, are hereby incorporated by reference and adopted in their entirety as part of the By-Laws of this Association.

SECTION 3. DEFINITION OF TERMS. Capitalized terms used in these By-Laws and not otherwise defined herein, shall have the meanings ascribed to such terms in the Declaration.

SECTION 4. CONFLICT OF TERMS AND PROVISIONS. In the event there exists any conflict among the terms and provisions contained within the Declaration, the Articles of Incorporation or these By-Laws, the terms and provisions of the following documents, in their stated order of priority, shall control: (i) the Open Space Agreement; (ii) the Declaration; (iii) the Articles of Incorporation of this Association; and (iv) the By-Laws of this Association.

**ARTICLE II
NAME AND REGISTERED OFFICE**

SECTION 1. NAME. The name of the corporation is The Ravines of Northville Homeowners Association.

SECTION 2. REGISTERED OFFICE. The registered office of the Association shall be as set forth in the Articles of Incorporation of the Association, as may be amended from time to time.

**ARTICLE III
MEMBERS**

SECTION 1. MEMBERSHIP. Every person or entity who is a record Owner of a fee interest in any Lot subject to the Declaration shall be a mandatory Member of the Association. All membership rights and obligations shall be appurtenant to and may not be separated from ownership of any Lot. Notwithstanding anything to the contrary herein, any person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member of the Association. Where the Owner of a Lot is more than one (1) person or entity, said multiple owners shall be collectively one (1) Member, even though all of said co-owners shall be jointly and severally liable for the assessments levied against the Lot collectively owned by said co-owners, pursuant to Article V of the Declaration. Only Owners in good standing, and their legal representatives, may speak at meetings of the Association or address the Board of Directors or other Members at any such meetings. Any person in violation of this provision or the rules of order governing the meeting, which are incorporated herein by reference, may be removed from such meeting without any liability to the Association or its Board of Directors.

SECTION 2. PLACE OF MEETING. Meetings of the Members of the Association shall be held at a suitable place convenient to the Members as may be designated by the Board of Directors. Meetings of the Members of the Association shall be conducted in accordance with generally accepted rules of parliamentary procedure, when not otherwise in conflict with the Articles of Incorporation, these By-Laws or the laws of the State of Michigan.

SECTION 3. ANNUAL MEETING OF MEMBERS. The annual meeting of the Members shall be held at such time as shall be determined from time to time by the Board of Directors of the Association, unless the action to be taken at the annual meeting is taken by written consent, as provided in Section 12 below. At said meeting, the Members shall elect Directors and shall transact such other business as may be properly brought before the meeting. If the annual meeting is not held on the date designated therefore, the Board of Directors shall cause the meeting to be held as soon thereafter as convenient.

SECTION 4. SPECIAL MEETING OF MEMBERS. The Board of Directors of Association or the Members representing a majority of the total number of outstanding votes of all Members of the Association may call a special meeting of the Members of the Association at any time. The method by which such meeting may be called is as follows: Upon receipt setting forth the date and objects of such proposed special meeting, signed by the Board of Directors or by a majority of the Members, the Association shall prepare, sign and mail the notice requisite to such meeting.

SECTION 5. NOTICE OF MEETING OF MEMBERS. Except as otherwise provided in the Nonprofit Corporation Act, Act 162 of the Public Acts of 1982, (the "Act"), written notice of the time, place and purposes of a meeting of Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, not less than ten (10) nor more than sixty (60) days before the date of the meeting, to each Member of record entitled to vote at the meeting, by hand delivery or by mailing a copy of such notice, postage prepaid, addressed to the Member's address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice. Such notice may also be given by electronic transmission in any such manner authorized by the person entitled to receive such notice. Such notice shall specify the place, day and hour of the meeting and, in case of special meeting, the exact purpose of the meeting, including the text of any proposals to be

voted on at such special meeting. When a meeting is adjourned to another time or place, it is not necessary to give notice of the adjourned meeting if the time and place to which the meeting is adjourned is announced at the meeting at which the adjournment is taken and at the adjourned meeting only such business is transacted as might have been transacted at the original meeting. However, if after the adjournment, the Board of Directors fixes a new record date for the adjourned meeting, a notice of adjourned meeting shall be given to each Member. If a Member attends a meeting of the Members, that Member waives any objection to (a) lack of notice or defective notice of the meeting, unless the Member at the beginning of the meeting objects to the holding of the meeting or transacting business at the meeting; and (b) consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Member objects to considering the matter when presented.

SECTION 6. QUORUM OF MEMBERS. Except to the extent otherwise provided in the Articles of Association, the Declaration or these By-Laws, the presence in person or by proxy of thirty percent (30%) of the Members qualified to vote shall constitute a quorum.

SECTION 7. REMOTE COMMUNICATION ATTENDANCE; REMOTE COMMUNICATION MEETINGS. A Member may participate in a meeting of the Members by a conference telephone or by other means of remote communication through which all persons participating in the meeting may hear each other, if the Board determines to permit such participation and (a) the means of remote communication permitted are included in the notice of the meeting or (b) if notice is waived or not required. All participants shall be advised of the means of remote communication in use and the names of the participants in the meeting shall be divulged to all participants. Members participating in a meeting by means of remote communication are considered present in person and may vote at such meeting if all of the following are met: (a) the Association implements reasonable measures to verify that each person considered present and permitted to vote at the meeting by means of remote communication is a Member or proxy holder; (b) the Association implements reasonable measures to provide each Member and proxy holder a reasonable opportunity to participate in the meeting and to vote on matters submitted to the Members, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with the proceedings; and (c) if any Member or proxy holder votes or takes other action at the meeting by means of remote communication, a record of the vote or other action is maintained by the Association. A Member may be present and vote at an adjourned meeting of the Members by means or remote communication if they were permitted to be present and vote by the means of remote communication in the original meeting's notice given. Except for the annual meeting of the Members, the Board may hold a meeting of the Members conducted solely by means or remote communication.

SECTION 8. PROXIES. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable, be of a duration of not more than eleven (11) months and shall automatically cease upon conveyance by the Member of their Lot.

SECTION 9. MINUTES. Minutes or a similar record of the proceedings of all meetings of Members and the Board of Directors must be kept by the Association. 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.

SECTION 10. VOTING RIGHTS. When an action is to be taken by vote of the Members, the action shall be authorized by a majority of the votes cast, unless the Articles of Incorporation, the Declaration, these By-Laws or the Act require a greater plurality. Each Member shall be entitled to one vote for each Lot owned in the Subdivision, provided that such Member is in good standing. In the case of any Lot owned jointly by more than one Member, the voting rights appurtenant to that Lot may be exercised only jointly as a single vote. When an entity or more than one person holds an ownership interest in a Lot, such Owners 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 such Owners. All Owners must sign and date such notice, which shall state the name and address of the individual representative designated, the number of the Lots owned by the Owners, and the name and address of each person, firm, corporation, limited liability company, partnership, association, trust or other entity who are the Owners. The Owners may change the designated representative at any time by filing a new notice in the manner provided herein. The Owners shall determine how they exercise their vote for such Lot, but in no event shall the Owners cast more than one vote with respect to any one Lot. Except as otherwise set forth herein or in the other Subdivision Documents, when reference is made to a majority or specific percentage of Owners or Members, such reference shall be deemed to be reference to a majority or specific percentage of the votes of Owners or Members in good standing.

SECTION 11. VOTING GENERALLY. Votes may be cast by mail, fax, delivery, electronic transmission in any such manner authorized by the person entitled to receive such notice, or any other method approved by the Association in advance of the vote. Any proxies, written votes or other votes cast by means allowed hereunder must be filed with the Secretary of the Association or the Association's management agent at or before the appointed time of each meeting of the Members of the Association or voting deadline if no meeting is to be held. Cumulative voting shall not be permitted. As used in these By-Laws, "electronic transmission" means transmission by any method not directly involving the physical transmission of paper, which creates a record that may be retrieved and retained by the Association and may be directly reproduced in paper form by the Association through an automated process.

SECTION 12. CONSENT OF MEMBERS IN LIEU OF MEETING. Any action required or permitted by the Act to be taken at any other meeting of Members may be taken without a meeting, without prior notice and without a vote, if consents in writing, setting forth the action so taken, are signed by the Members having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all Members entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to Members who have not consented in writing.

SECTION 13. EVIDENCE OF OWNERSHIP. No Member may vote at any meeting of the Association until he or she has presented evidence of ownership to the Association.

SECTION 14. SPECIAL MEETING FOR PURPOSE OF ESTABLISHING

SPECIAL ASSESSMENTS: QUORUM REQUIREMENTS. In accordance with Article V of the Declaration, special assessments shall not be levied unless first approved by sixty-six and two-thirds percent (66-2/3%) of the Members in good standing, cast in person or by proxy at a meeting of the Association Members duly called for such a purpose. Written notice of such meeting shall be sent by the Board of Directors to all Members at least thirty (30) days in advance of the meeting, which notice shall set forth the purpose of the meeting. The presence in person or by proxy of sixty-six and two-thirds percent (66-2/3%) of the Members in good standing shall constitute a quorum for the any meeting called for the purpose of considering a special assessment.

ARTICLE IV BOARD OF DIRECTORS

SECTION 1. **GENERAL POWERS.** The right to manage the affairs of the Association shall be exclusively vested in the Association's Board of Directors.

SECTION 2. **QUALIFICATION AND NUMBER.** The Board of Directors shall consist of at least five (5) Directors, all of whom shall be Members of the Association and shall be in good standing. For purposes of these By-Laws, good standing shall be deemed to include a Member who is current in all financial obligations owing to the Association and who is not in default of any of the provisions of the Subdivision Documents. Any Director who is delinquent in any financial obligation owed to the Association, including late fees, shall pay in full the amount due within sixty (60) days of the delinquency. During the period of delinquency, the Director shall not be permitted to vote on any delinquency matter of another Member, including matters that may affect the Director's own Lot. If the Director does not comply with the delinquency cure time period, and notwithstanding the provisions of Section 5, the Director shall be deemed removed from the Board of Directors for the remainder of the Director's term and the vacancy shall be filled in accordance with Section 6. No two occupants of the same Lot may serve on the Board of Directors at the same time.

SECTION 3. **TERM.** Each Director shall hold office for two (2) years and until his or her successor is elected and qualified, or until his or her resignation or removal.

SECTION 4. **NOMINATION.** Nomination for election to the Board of Directors may be made from the floor at the annual meeting of the Members or by written submittal of a willing candidate's name.

SECTION 5. **REMOVAL OF DIRECTORS.** At any regular or special meeting of the Association duly called and held, any one or more of the Directors may be removed with or without cause by the affirmative vote of more than two-thirds (2/3) of all Members in good standing (and not merely two-thirds (2/3) of all Members present at the meeting), and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting.

SECTION 6. **VACANCIES.** Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Members shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum.

Each person so appointed shall be a Director until the end of the term of the Director who they replaced and a successor is elected at such annual meeting of the Association.

SECTION 7. COMPENSATION. No Director shall receive compensation for any service they may render to the Association in the capacity of Director. However; any Director may be reimbursed for their actual expenses incurred in the performance of their duties.

SECTION 8. POWERS AND DUTIES. The Board of Directors shall have power:

A. *Management*. To fulfill all responsibilities and duties, and exercise all rights and privileges, set forth in the Declaration, these By-Laws, and any Rules and Regulations of this Association;

B. *Collecting Assessments*. To levy and collect assessments from the Members and to use the proceeds thereof for the purposes of the Association in accordance with the Declaration;

C. *Insurance*. To carry insurance relative to all Association property and the Common Areas, and to collect and allocate the proceeds thereof;

D. *Rebuild Improvements*. To rebuild improvements after casualty, subject to the terms of the Declaration;

E. *Contract and Employ Persons*. To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Association, its property, and any areas of responsibility set forth in the Declaration and the Common Areas;

F. *Real or Personal Property*. To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association;

G. *Taxes*. To pay real and personal property taxes and governmental; special assessments which are or may become a lien on the Association property or the Common Areas;

H. *Borrow Money*. To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge, or other lien on property of the Association, provided, however, that any action to borrow an amount greater than the average annual expenditures of the Association over the preceding three full fiscal years shall require the approval of sixty-six and two-thirds percent (66-2/3%) of the Members in good standing;

I. *Rules and Regulations*. To make rules and regulations in accordance with the Declaration;

J. *Committees*. 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 Association property and the Common Areas and to delegate to such committees, or any specific Officers or Directors of the Association any functions or responsibilities which are not by law or the Declaration or Articles of Incorporation required to be performed by the Board;

K. *Representative Duties.* To represent Members of the Association on matters of mutual interest before any governmental and administrative bodies, boards and agencies;

L. *Enforce Documents.* To enforce the provisions of the Declaration, the Articles of Incorporation and these By-Laws; and

M. *Other.* In furtherance of the foregoing purposes, to enter into any kind of activity, to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of the Subdivision, the Common Areas and property under the jurisdiction of the Association.

ARTICLE V MEETINGS OF DIRECTORS

SECTION 1. 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 the Directors. At least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director personally or by mail, facsimile, electronically or telephone at least ten (10) days prior to the date of the meeting, unless waived by said Director. Meetings of the Directors, excluding executive sessions, shall be open to the Members. Electronic transmission of such notice may also be given in any such manner authorized by the Director entitled to receive the notice.

SECTION 2. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the president or any two (2) Directors upon at least ten (10) days' notice to each Director given personally, or by mail, facsimile, electronically or by telephone, which notice shall state the time, place and purpose of the meeting. Electronic transmission of such notice may also be given in any such manner authorized by the Director entitled to receive the notice. Special meetings of the Board of Directors shall be called by the president or secretary in like manner and on like notice on the written request of two Directors.

SECTION 3. WAIVER OF NOTICE. Before or at any meeting of the Board of Directors, any Director may in writing or orally 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 that Director of the time and place thereof, unless the Director at the beginning of the meeting, or upon his arrival, objects to the meeting or the transaction of business at the meeting and does not thereafter vote for or assent to any action taken at the meeting. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

SECTION 4. QUORUM AND REQUIRED VOTE OF BOARD OF DIRECTORS. At

all meetings of the Board of Directors, a majority of the members of the Board of Directors then in office shall constitute a quorum. The vote of the majority of Directors present at a meeting at which a quorum is present constitutes the action of the Board of Directors, unless a vote of a larger number is required by the Act, the Articles of Incorporation, the Open Space Agreement, the Declaration, or these By Laws. A Director will be considered present and may vote on matters before the Board by proxy, by teleconference, electronically or by any other method giving the remainder of the Board sufficient notice of the absent Director's vote and position on any given matter, provided however, that any vote not in writing is confirmed in writing not later than the next meeting of the Board. If a quorum shall not be present at any meeting of the Board of Directors, a majority of the Directors present at such meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

SECTION 5. CONSENT OF DIRECTORS IN LIEU OF MEETING. Any action required or permitted to be taken pursuant to authorization voted at a meeting of the Board of Directors may be taken without a meeting if, before or after the action, all members of the Board of Directors then in office consent thereto in writing. The written consents shall be filed with the minutes of the proceedings of the Board of Directors. The consent has the same effect as a vote of the Board of Directors for all purposes.

SECTION 6. PARTICIPATION IN MEETING BY TELEPHONE. A Director may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in a meeting pursuant to this Section 6 constitutes presence in person at the meeting.

ARTICLE VI COMMITTEES

SECTION 1. ARCHITECTURAL CONTROL COMMITTEE. The powers granted or delegated to the Architectural Control Committee shall be as set forth in the Declaration. The Architectural Control Committee shall consist of no less than three (3) Members and no more than five (5) Members to be appointed by the Board of Directors. If for any reason such Architectural Control Committee is not established or ceases to function, the Board of Directors shall function as the Architectural Control Committee. Members of the Committee shall serve without compensation. The Architectural Control Committee may adopt rules for the performance of its duties and the conduct of its meetings and may appoint one or more persons to act for it between meetings.

SECTION 2. FORMATION OF OTHER COMMITTEES. The Board of Directors of the Association may designate one (1) or more committees, in addition to the Architectural Control Committee, each committee to consist of one (1) or more individuals who are Directors of the Association. The Board of Directors of the Association may designate one (1) or more individuals as alternate members of any committee, who may replace an absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the members thereof present at any meeting and not disqualified from voting, whether or not they constitute a quorum, may unanimously appoint another Director of the Association to act at the meeting in the place of any such absent or disqualified

individual. Any such committee shall exercise all the powers and authority of the Board of Directors of the Association in reference to the matter and in the manner set forth by the Board of Directors in the resolution creating such committee; provided, however, no such committee shall have the power or authority to (i) amend the Articles of Incorporation of the Association, (ii) recommend to the Members a dissolution of the Association, a revocation of a dissolution or a cessation of the Association, (iii) amend the By-Laws of the Association or (iv) fill vacancies in the Board of Directors. Any such committee, and each individual thereof, shall serve at the pleasure of the Board of Directors of the Association.

SECTION 3. REGULAR MEETINGS OF COMMITTEES. Regular meetings of any committee may be held without notice at such times and places as shall be determined from time to time by the members of said committee.

ARTICLE VII OFFICERS

SECTION 1. ENUMERATION OF OFFICES. The officers of the Association shall be President, who shall at all times be a Member of the Board of Directors, Secretary, Treasurer, and such Vice President(s) and other officers as the Board may from time to time by resolution appoint.

SECTION 2. ELECTION OF OFFICERS AND TERM. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members. Each officer shall hold office for one (1) year unless they shall sooner resign, be removed, or be otherwise disqualified to serve.

SECTION 3. SPECIAL APPOINTMENTS. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

SECTION 4. RESIGNATION AND REMOVAL. Any officer may be removed from office, with or without cause, by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 5. VACANCIES. The Board may fill any vacancy in any office. The person appointed to such vacancy shall serve for the remainder of the term of the officer they replace.

SECTION 6. MULTIPLE OFFICES. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 3 of this Article. Notwithstanding the foregoing, the offices of Secretary and Treasurer may be held by the same person.

SECTION 7. DUTIES. The duties of the officers are as follows:

A. *President*. The President shall be the chief executive officer of the Association, and shall preside at all meetings of the Association and of the Board of Directors. The President

shall have all of the general powers and duties which are usually vested in the office of the president of a corporation, including, but not limited to, the power to appoint committees from among the Members of the Association from time to time in the President's discretion as may be deemed appropriate to assist in the conduct of the affairs of the Association. The President shall also see that orders and resolutions of the Board are carried out and in the absence of delegation of such power to another officer, sign all leases, promissory notes, mortgages, deeds and other written legal instruments on behalf of the Association.

B. *Vice President.* The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

C. *Secretary.* The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members, serve notice of meetings of the Board and of the Members, keep appropriate current records showing the Members of the Association and their addresses, and perform such other duties as required by the Board.

D. *Treasurer.* The Treasurer shall receive and deposit in appropriate bank accounts all funds of the Association and disburse such funds as directed by resolution of the Board of Directors, keep proper books of account, issue or cause to be issued all requested certificates setting forth whether the assessments applicable to a specific Lot have been paid, cause an annual independent review of the Association books to be made by an independent public accountant at the completion of each fiscal year, prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and, if directed by resolution of the Board of Directors, sign all checks of the Association.

ARTICLE VIII FINANCES, BOOKS AND RECORDS

SECTION 1. INVESTMENT OF FUNDS. Funds of the Association shall only be held in accounts that are fully insured and/or backed by the full faith and credit of the United States Government. Only depositories or instruments where there is no risk of principal loss may be utilized by the Association for investment of its monies.

SECTION 2. BANKING. The funds of the Association shall be deposited in such bank or other depository as may be designated by the Board of Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time.

SECTION 3. INSPECTION OF RECORDS. The books, records and papers of the Association shall, at all times during reasonable business hours, be subject to inspection by any Member or their agent. The Subdivision Documents shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

SECTION 4. FISCAL YEAR. The fiscal year of the Association shall be an annual period commencing on such date as may be determined by the Board of Directors. The commencement date of the fiscal year of the Association shall be subject to change by the

Board of Directors for accounting reasons or other good cause.

ARTICLE IX INDEMNIFICATION

SECTION 1. NON-DERIVATIVE ACTIONS. Subject to all of the other provisions of this Article IX, The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, other than an action by or in the right of the Association, by reason of the fact that the person is or was a Director, officer, committee member, employee, nondirector volunteer, or agent of the Association, or is or was serving at the request of the Association as a Director, officer, employee, nondirector volunteer, or agent of another foreign or domestic corporation, business corporation, joint venture, or other enterprise, whether for profit or not for profit, against expenses including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with the action, suit, or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Association or its members, and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe that conduct was unlawful; provided, that in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director, officer, committee member, employee, nondirector volunteer or agent seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board of Directors (with any Director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interests of the Association.

SECTION 2. DERIVATIVE ACTIONS. Subject to all of the other provisions of this Article IX, the Association shall indemnify any person who was or is a party to or is threatened to be made a party to a threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that the person is or was a Director, officer, employee, nondirector volunteer, or agent of the Association, or is or was serving at the request of the Association as a Director, officer, employee, nondirector volunteer, or agent of another foreign or domestic corporation, business corporation, joint venture, or other enterprise whether for profit or not against expenses, including actual and reasonable attorneys' fees, and amounts paid in settlement incurred by the person in connection with the action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Association or its members. However, indemnification shall not be made for a claim, issue, or matter in which the person has been found liable to the Association unless and only to the extent that the court in which the action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for expenses which the court considers proper.

SECTION 3. LIMITATION ON INDEMNITY. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director, officer, committee member, employee, nondirector volunteer, or agent may be entitled. Notwithstanding anything to the contrary in this Article IX, the Association shall not

indemnify any person against any expenses to the extent arising from such person's willful and wanton misconduct or gross negligence. Ten (10) days' written notice of any proposed action by the Association to indemnify a Director, officer, committee member, employee, nondirector volunteer or agent shall be given to all co-owners. Further, the Board of Directors is authorized to carry directors' and officers' liability insurance covering acts of the directors, officers, committee members, employees, nondirector volunteers, or agents of the Association in such amounts as it shall deem appropriate. The Association shall have no obligations under this Article IX to indemnify any person in connection with any proceeding, or part thereof, initiated by the person without authorization by the Board of Directors.

SECTION 4. DETERMINATION THAT INDEMNIFICATION IS PROPER. An indemnification under Sections 1 or 2 of this Article IX (unless ordered by a court) shall be made by the Association only as authorized in the specific case (a) when it is determined that Indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in Sections 1 or 2, whichever is applicable, and (b) upon an evaluation of the reasonableness of expenses and amounts paid in settlement. The determination and evaluation shall be made in any of the following ways:

- (i) By a majority vote of a quorum of the Board of Directors consisting of Directors who are not parties or threatened to be made parties to the action, suit, or proceeding.
- (ii) If the quorum described in (i) above is not obtainable, then by majority vote of a committee consisting solely of two (2) or more Directors, duly designated by the Board of Directors, who are not at the time parties or threatened to be made parties to the action, suit, or proceeding.
- (iii) By independent legal counsel in a written opinion, which counsel shall be selected in one of the following ways: (A) by the Board of Directors or its committee in the manner prescribed in (i) or (ii) above; or (B) if a quorum of the Board of Directors cannot be obtained under (i) above and a committee cannot be designated under (ii) above, by the Board of Directors.
- (iv) By a majority of the Members.

SECTION 5. PROPORTIONATE INDEMNITY. If a person is entitled to indemnification under Sections 1 or 2 of this Article IX for a portion of expenses, including attorney fees, judgments, penalties, fines and amounts paid in settlement; but not for the total amount, the Association shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

SECTION 6. EXPENSE ADVANCE. The Association may pay or reimburse the reasonable expenses incurred by a person referred to in Sections 1 and 2 of this Article IX who is a party or threatened to be made a party to an action, suit, or proceeding in advance of final disposition of the proceeding) if all of the following apply: (a) the person furnishes the Association a written affirmation of his or her good faith belief that he or she has met the applicable standard of conduct set forth in Sections 1 or 2; (b) the person furnishes the Association a written undertaking, executed personally or on his or her behalf, to repay the

advance if it is ultimately determined that he or she did not meet the standard of conduct; and (c) a determination is made that the facts then known to those making the determination would not preclude indemnification under Sections 1 or 2. The Association shall authorize any payment in the manner specified in Section 4. The undertaking shall be an unlimited general obligation of the person on whose behalf advances are made, but it need not be secured.

SECTION 7. NON-EXCLUSIVITY OF RIGHTS. The indemnification or advancement of expenses provided under this Article IX is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the Association. However, the total amount of expenses advanced or indemnified from all sources; combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses,

SECTION 8. FORMER DIRECTORS AND OFFICERS. The indemnification provided in this Article IX continues for a person who has ceased to be a Director, officer, committee member, employee, nondirector volunteer, or agent of the Association with respect to acts or omissions taken by them during their tenure as a Director, officer, committee member, employee, nondirector volunteer, or agent of the Association and after the date this Article IX was adopted by the Association and shall inure to the benefit of the heirs, executors, and administrators of the person.

SECTION 9. CHANGES IN MICHIGAN LAW. If there is any change in Michigan law applicable to the Association relating to the subject matter of this Article IX, then the indemnification to which any person shall be entitled under this Article IX shall be determined by the changed provisions, but only to the extent that the change permits the Association to provide broader indemnification rights than the provisions permitted the Association to provide before the change. Subject to Section 10, the Board of Directors may amend these By-Laws to conform to any such changed statutory provisions.

SECTION 10. AMENDMENT OR REPEAL OF THIS ARTICLE IX. No amendment or repeal of this Article IX shall apply to or have any effect on any Director or officer of the Association for or with respect to any acts or omissions of the Director or officer occurring before the amendment or repeal.

ARTICLE X AMENDMENTS

SECTION 1. AMENDMENTS. These By-Laws may be adopted, amended or repealed by the Members of the Association, at a special meeting called for such purpose at which a quorum is present or represented, by the affirmative vote of the Members whose votes constitute sixty-six and two-thirds percent (66-2/3%) of the total votes of all the Members entitled to vote.

(Adopted June 2017)