

SPRINGBROOK HILLS HOMEOWNERS ASSOCIATION

BYLAWS

ARTICLE I

Purpose

The purposes for which this corporation is organized shall be those specific and general purposes set forth in the Articles of Incorporation of the Association. 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 of the members located within the Springbrook Hills Development (as defined in the Articles of Incorporation).

The Association is organized to represent its members with respect to matters now or hereafter concerning one or more of its members regarding property located within the Springbrook Hills Development.

ARTICLE II

Members

Section 1. Eligibility. Every person or entity owning legal or equitable title to any real property included in the Springbrook Hills Development shall be a member of the Association, and no other person or entity shall be eligible for membership. In the event the Springbrook Hills Development is expanded by adding additional platted land to the Development, owners of lots in the additional phases of the Development shall become members of the Association. Notwithstanding the foregoing, members of the family of an eligible Association member who live with the Association member in the Springbrook Hills Development shall enjoy the benefits of Association membership if the eligible member is an active member.

Section 2. Active Members. Notwithstanding Section I of this Article II, 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 an 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.

ARTICLE III

Dues and Assessments

Section 1. Dues and Assessments. Subject to the Declarations, as hereinafter defined, the Board of Directors shall determine the amount of dues and/or assessments to be levied from time to time. Such dues and/or assessments shall be levied on-a reasonable and uniform basis, as deemed appropriate by the Board of Directors for the intended purpose of such levy.

Section 2. Notice of Dues and Assessments. The Board of Directors shall cause a notice of any assessments of members to be delivered by first-class mail or by personal delivery. Except in the case of Association assessments to be used for the general purpose of defraying costs incurred by the Association in the normal conduct of its business, the notice shall state the purpose of the levy and the method used to determine the amount of assessment.

Section 3. Payment of Assessments. Each member shall pay the amount of assessments levied within the time period granted by the Board of Directors. The time period shall not be less than thirty (30) days from the date of notice, unless otherwise required by unavoidable circumstances.

Section 4. Default in Payment. If assessments or other charges ("Charges") are not paid within the required time period set by the Board of Directors, they shall be considered as being in default. A member whose Charges are in default shall no longer be an active member of the Association and shall lose the privileges of active membership; as set forth in Section 2 of Article II. The Board of Directors may foreclose the lien granted by the Declaration of Covenants and Restrictions for Springbrook Hills Subdivision (the "Declaration") when a member is in default. If a Director or officer of the Association loses the privileges of active membership, he or she shall immediately be relieved of the duties of such position. A member may again become an active member by paying to the Association all Charges in default (including those levied while a member but not an active member), with interest at the maximum legal rate from the due date of each obligation in default, to the date of payment. The Board of Directors, in its sole discretion, may waive any or all of the Charges, and/or interest thereon, in the event of special circumstances; provided, however, that such waiver shall be made only upon a seventy-five percent (75%) vote of the Board of Directors then in office.

If a member has been relieved of his or her 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 IV

Meetings

Section 1. Procedure. Meetings of the Association shall be held at a suitable place convenient to the members, as may be designated by the Board of Directors. Each member shall have one vote for each parcel owned within the Springbrook Hills Development. Where a parcel is owned by more than one person, there shall be no more than one vote. Meetings of the Association shall be conducted in accordance with Roberts Rules of order, when not otherwise in conflict with the Articles of Incorporation, these Bylaws or the laws of the State of Michigan.

Section 2. Meetings. Annual meetings of members of the Association shall be held on the first Tuesday in February of each year, at such time and place as shall be determined by the Board of Directors. At such meetings there shall be elected by ballot of the members a Board of Directors in accordance with the requirements of these Bylaws. The members may also transact at annual meetings such other business of the Association as may properly come before them.

Section 3. Special Meetings. Special meetings of the members of the Association may be called by either the President, the Board of Directors or the holders of twenty-five percent (25%) or more of the total votes in the Association. The notice of any special meeting shall set forth the business to come before the members, and only such business shall be transacted.

Section 4. Notice. It shall be the duty of the Secretary (or other Association officer designated by the President in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof As well as the time and place where it is to be held, upon each member of record, at least ten (10) days but not more than sixty (60) days prior to such meeting; provided, however, if the subject matter of the meeting pertains to the Declaration, and the Declaration provides for notice requirements therein, notice of such meeting shall be given as provided therein; The mailing, postage prepaid, of a notice to a member at the address filed with the Association, or a personal delivery of such notice, shall be deemed notice served. Any member may, by written waiver of 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. Quorum; Adjournment. Presence at a meeting of the holders of ten percent (10%) or more of the votes in the Association shall constitute a quorum; provided, however, if the subject matter of the meeting pertains to the Declaration, and the Declaration provides for quorum requirements therein, the quorum requirement for such a meeting shall be as provided therein. If any meeting of members cannot be held because a quorum is not in attendance, the members who are present may adjourn the meeting for not more than thirty (30) days.

ARTICLE V

Board of Directors

Section 1. Number. The affairs of the Association shall be governed by a Board of not less than six directors, who need not be members of the Association. Directors shall serve without compensation.

Section 2. Initial Board of Directors; Terms. The initial Board of Directors shall be appointed by the incorporator and shall consist of two directors for a term expiring in February 1996, two directors for a term expiring in February 1997, and two directors for a term expiring in February 1998, each of whom shall hold office until his/her successor has been elected. Beginning with the Members' Annual Meeting in February 1996, the members shall elect two directors, each of whom shall serve a three year term, unless he/she sooner resigns or is removed.

Section 3. Election.

(A) Election to the Board of Directors shall be by written ballot as hereinafter provided. At such election, the members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to exercise. The names receiving the largest number of votes shall be elected.

(B) Nominations for election to the Board of Directors shall be made by the Nominating Committee which shall be one of the Standing Committees of the Association. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association.

(C) The Nominating Committee shall make as many nominations for the election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members. Candidates may be divided into two (2) or more groups so that the electors must choose at least one (1) out of each group according to the instructions formulated by the Nominating Committee. Nominations shall be placed on a written ballot as provided in Section D and shall be made in advance of the time fixed in Section D for the mailing of such ballots to members.

(D) All elections to the Board of Directors shall be made on written ballot which shall:

- (1) Describe the vacancies to be filled;
- (2) Set forth the names of those nominated by the Nominating Committee for such vacancies;
- (3) Contain a space for a write-in vote by the members, for each vacancy; and
- (4) Contain the voting instructions formulated by the Nominating Committee.

- (5) Such ballots shall be prepared and mailed by the Secretary to the members at least fourteen (14) days in advance of the date set forth therein for a return (which shall be a date not later than the day before the members' annual meeting or special meeting called for elections).

(E) Each member shall receive as many ballots as he has votes. Notwithstanding that a member may be entitled to several votes, he shall exercise on any one ballot only one vote for each vacancy shown thereon. The completed ballots shall be returned as follows: Each ballot shall be placed in a sealed envelope marked "Ballot" but not marked in any other way. Each such "Ballot" envelope shall contain only one ballot, and the members shall be advised that, because of the verification procedures of Section 7, the inclusion of more than one ballot in any one "Ballot" envelope shall disqualify the return. Such "Ballot" envelope, or envelopes (if the member or his proxy is exercising more than one vote), shall be placed in another sealed envelope which shall bear on its face the name and signature of the member or his proxy, the number of ballots being returned, and such other information as the Board of Directors may determine will serve to establish his right to cast the vote or votes presented in the ballot or ballots contained therein. The ballots shall be returned to the Secretary's home address or the address of the Association.

(F) Upon receipt of each return, the Secretary shall note the date it was received on the external envelope and immediately place it in a safe place until the day set for the annual or other special meeting at which the elections are to be held. On that day, the external envelopes containing the "Ballot" envelopes shall be turned over, unopened, to the Nominating Committee who shall then adopt a procedure which shall establish:

- (1) That the number of enveloped marked "Ballot" corresponds to the number of Votes allowed to the member or his proxy identified on the outside envelope Containing them;
- (2) That the signature of the member or his proxy on the outside envelope is genuine; and
- (3) If the vote is by proxy, that a proxy, if applicable, had been filed with the secretary as provided in Article X and that such proxy is valid.

SUCH PROCEDURE SHALL BE TAKEN IN A MANNER THAT THE VOTE OF ANY MEMBER OR HIS PROXY SHALL NOT BE DISCLOSED TO ANYONE, EVEN THE ELECTION COMMITTEE.

The outside envelopes shall thereupon be placed in a safe place, and the Election Committee shall proceed to the opening of the "Ballot" envelopes and the counting of the votes. If any "Ballot" envelope is found to contain more than one ballot, all such ballots shall be disqualified and shall not be counted. Immediately after the announcement of the results, unless a review of the procedure is demanded by the members present, the ballots and the outside envelopes shall be destroyed.

Section 4. Powers. The Board of Directors shall have the powers and duties normally enjoyed by directors of nonprofit corporations as more fully provided in the Michigan Nonprofit Corporation Act (the "Act").

(A) In addition to the powers of the Board of Directors set forth in the Act, the powers of the Board of Directors shall include:

- (1) To call special meetings of the members whenever it deems necessary, and it shall call a meeting at any time upon written request of one-fourth (1/4) of the voting membership, as provided in Article IV, Section 3.
- (2) To appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these By-laws shall be construed to prohibit the employment of any Member, officer or Director of the Association in any capacity whatsoever.
- (3) To establish, levy, assess, and collect the assessments or Charges referred to in the Declaration and these Bylaws.
- (4) To adopt and publish rules and regulations governing the use of the common properties and facilities and the personal conduct of the members and their guests thereon.
- (5) To exercise for the Association all powers, duties and authority vested in or delegated to this Association, except those reserved to the meeting or to members in the Declaration.
- (6) In the event that any members of the Board of Directors of this Association shall be absent from three (3) consecutive regular meetings of the Board of Directors, the Board may, by action taken at the meeting during which said third absence occurs, declare the office of said absent Director to be vacant.

(B) In addition to the duties of the Board of Directors set forth in the Act, the duties of the Board of Directors shall include:

- (1) To cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members or at any special meeting when such is requested in writing by one-fourth (1/4) of the voting membership, as provided in Article IV, Section 3.
- (2) To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.

- (3) To provide for annual and/or special assessments all in accordance with the provisions referred to in the Declaration and these Bylaws.
- (4) To issue, or to cause an appropriate officer to issue, upon demand by any person a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

Section 5. Vacancies. Vacancies on the Board of Directors caused 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. Each person so elected shall be a Director until a successor is elected to fill the remainder of the term at the next meeting of the Association.

Section 6. Removal. At any regular meeting of the Association duly called, and at any special meeting of the Association called in whole or in part for such purpose, any one or more of the Directors may be removed with or without cause by a vote, of those members entitled to vote in an election of such Director's replacement. At that time a successor shall be elected to fill the vacancy thus created. A successor Director so elected shall serve until the end of the term of the person he was elected to replace. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

Section 7. Initial Meeting. The first meeting of a newly elected Board of Directors shall be held on the second Thursday in February 1995 at such time and place as shall be fixed by the incorporator, and no notice shall be necessary to the newly appointed Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 8. Regular Meetings. Commencing in 1996, regular meetings of the Board of Directors shall be held at 7:30 p.m. on the second Thursday of February, May, August, and November of each year at a place determined by a majority of the Directors. The Directors may, upon resolution, set an alternative date and time of such meeting. The annual meeting of the Board of Directors shall be the February meeting of each year.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director, given personally or by mail, telephone or telegraph, 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 a like manner and at like notice on the 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 meeting of the Board shall be deemed a waiver of notice of the time and place thereof unless the appearance is for the purpose of protesting the holding of such 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 11. Quorum. 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, unless otherwise set forth herein. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for purposes of determining a quorum, but no proxies shall be permitted.

Section 12. Bonding. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

ARTICLE VI

Officers

Section 1. Designation. The officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, who shall all be members of the Board of Directors.

Section 2. Appointment. The officers of the Association shall be appointed annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal. Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called in whole or in part for such purposes.

Section 4. President. The President shall be the chief executive officer of the Association. The President shall preside at 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 as the President may deem appropriate to assist in the conduct of the affairs of the Association. The President shall co-sign with the Treasurer all Association checks in an amount greater than \$200.

Section 5. Vice President. The Vice President shall perform all duties of the President in the President's absence.

Section 6. 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; the Secretary shall have charge of such books and papers as the Board of Directors may direct; and shall, in general, perform all duties incident to the office of the Secretary.

Section 7. Treasurer. The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements, specifying the operating expenses clearly, in books belonging to the Association. The Treasurer shall be responsible for the deposit of all moneys 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 ensure that expenditures for the maintenance and repair of Association property and any other expenses incurred by or in behalf of the Association are properly recorded. The Treasurer shall prepare and distribute to each member at least once per year the Association financial statement.

Section 8. Other 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 VII

Standing and Special Committees

Section 1. Standing Committees. The Standing Committees of the Association shall be:

The Nominating and the Election Committee
The Recreation and Maintenance Committee
The Architectural Control Committee
The Publicity Committee
The Audit Committee

Unless otherwise provided herein, each committee shall consist of a Chairman and two (2) or more members and shall include a member of the Board of Directors for Board contact. The committees shall be appointed by the Board of Directors at the annual meeting until the close of the next annual meeting and such appointment shall be announced at each such annual meeting. The Board of Directors may appoint such other committees as it deems desirable.

Section 2. Nominating and Election Committee. The Nominating and the Elections Committee shall have the duties and functions described in Article V.

Section 3. Recreation and Maintenance Committee. The Recreation and Maintenance Committee shall advise the Board of Directors on all matters pertaining to the recreational programs and activities of the Association, all matters pertaining to the maintenance, repair or improvement of the Common Properties and facilities of the Association, and shall perform such other functions as the Board, in its discretion, determines.

Section 4. Architectural Control Committee. The Architectural Control Committee shall have the duties and functions described in the Declaration of Covenants and Restrictions applicable to the Properties. It shall watch for any proposals, programs, or activities which may adversely affect the residential value of the Properties and shall advise the Board of Directors regarding Association action on such matters.

Section 5. Publicity Committee. The Publicity Committee shall inform the members of all activities and functions of the Association and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interest of the Association.

Section 6. Audit Committee. The Audit Committee shall supervise the annual audit of the Association's books and approve the annual budget and balance sheet statement to be presented to the membership at its regular annual meeting.

Section 7. Subcommittees. With the exception of the Nominations and Election Committee, each committee shall have power to appoint a subcommittee from among its membership and may delegate to any such subcommittee any of its power, duties and functions.

Section 8. Complaints from Members. It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other Committees, Director or officer of the Association as is further concerned with the matter presented.

ARTICLE VIII

Finance

Section 1. 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 2. Depository. The funds of the Association shall be deposited in such financial institution as may be designated by the 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.

ARTICLE IX

Indemnification of Officers and Directors

The Association shall indemnify every Association Director and officer to the fullest extent authorized by the laws of the State of Michigan.

ARTICLE X

Proxies

Section 1. Voting. At all meetings of members, each member may vote in person or by proxy.

Section 2. Form for Proxy. All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond a period of eleven (11) months, and every proxy shall automatically cease upon sale by the member of his home or other interest in the Properties.

ARTICLE XI

Books and Records

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection of any member.

ARTICLE XII

Amendments

Section 1. Method. These Bylaws may be amended by the Association, at a duly constituted meeting, by a majority vote of the total votes in the Association.

Section 2. Proposed. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of a majority of the Directors or by one-third (1/3) or more in number of the active members of the Association whether meeting as active members or by instrument in writing signed by them.

Section 3. Meeting. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with these Bylaws.

Section 4. Distribution. A copy of each amendment to these Bylaws shall be furnished to every active member of the Association after adoption, but failure to make such distribution shall not affect the validity of any amendment otherwise duly adopted.

ARTICLE XIII

Conflicts

In the event any conflict exists between these Bylaws and the Articles of Incorporation or the Declaration, the Articles of Incorporation or the Declaration shall control.

These Bylaws adopted October 5, 1994.

Terry A. Forsberg
The Incorporator