

KEATINGTON HOMEOWNERS' ASSOCIATION

BY-LAW

(AS REVISED AND ADOPTED BY THE ASSOCIATION
BOARD OF DIRECTORS ON 11/10/75)

INCLUDED REVISIONS:

1. ARTICLE THIRTEEN ON APRIL 12, 1976
2. ARTICLE EIGHT (8.2) ON MARCH 21, 1979
3. ARTICLE FOUR (4.1) and ARTICLE SIX (6.1) ON
JANUARY 21, 1980
4. ARTICLE SIX (6.1, 6.9, & 6.10) and ARTICLE
SEVEN (7.1 (B), 7.1 (G), 7.1 (H), and 7.1(I) on
JANUARY 20, 1981.
5. ARTICLE FIFTEEN on JULY 28, 1981

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KEATINGTON HOMEOWNERS' ASSOCIATION
BY-LAWS
(AS REVISED AND ADOPTED BY THE ASSOCIATION
BOARD OF DIRECTORS ON)

Article One

NAME

1.1 The Name of the Corporation is the KEATINGTON HOMEOWNERS' ASSOCIATION, hereinafter referred to as the "Association".

Article Two

OFFICES

2.1. The registered office of the Association shall be at such place in the State of Michigan as the Board of Directors of the Association shall from time to time determine.

Article Three

PURPOSES AND OBJECTS

In amplification of the purposes for which the Association has been formed as set forth in the Articles of Incorporation, the purposes and objects are as follows:

3.1 To develop a community designed for safe; healthful, and harmonious living.

3.2 To promote the collective and individual property and civic interests and rights of all persons, owning property in all subdivisions described in Article 4.1 below.

3.3 To care for the improvements and maintenance of any community center, gateways, entranceways, public easements, parkways, grass plots, parking areas, and any other facilities of any kind dedicated to the community use and other open spaces and other ornamental features of the above-described subdivision known as Keatington, which now exist or which may hereafter be installed or constructed therein.

3.4 To cooperate with the owners of all vacant and unimproved lots and plots now existing or that hereafter shall exist in the subdivisions in keeping them in good order and condition, in preventing them from becoming a nuisance and a detriment to the beauty of the subdivisions and to the value of the improved property therein, and to take any

action with reference to such vacant and unimproved lots and plots as maybe necessary or desirable to keep them from becoming such nuisances and detriments.

3.5 To aid and cooperate with the members of this Association and all property owners in the Subdivisions in the enforcement of such conditions, covenants, and restrictions on and appurtenant to their property as are now in existence, as well as any other conditions, covenants, and restrictions as shall hereafter be approved by a majority vote of the members of the Association and to counsel with the Planning Commission of Orion Township, having jurisdiction in relation to any zoning that may affect any portion of the subject property.

3.6 To acquire, own, or lease such real and personal property as may be necessary or convenient for the transaction of its business and the fulfillment of its purposes and objects, and to exercise all rights, powers, and privileges of ownership to the same extent as natural persons might or could do.

3.7 To arrange social and recreational functions for its members.

3.8 To exercise any and all powers that may be delegated to it from time to time by the owners of real property in any of the Subdivisions.

3.9 To generally, but in connection with the foregoing, do any and all things necessary to promote the general welfare of the residents and owners of any portions of the Subdivisions and their property interests therein.

Article Four

MEMBERSHIP

4.1 Qualifications: Any persons who own, either individually or jointly, one or more lots in the Keatington Subdivisions as recorded with the Oakland County Register of Deeds in the following Oakland County Records, to-wit:

- (1) Liber #116, Pages 39-41 (Hereinafter referred to as "Sub 1")
- (2) Liber #126, Pages 12-13 (Hereinafter referred to as "Sub 2")
- (3) Liber #129, Pages 41-42 (Hereinafter referred to as "Sub 3")
- (4) Liber #129, Pages 43-46 (Hereinafter referred to as "Sub 4")
- (5) Liber #132, Pages 15-17 (Hereinafter referred to as "Sub 5")
- (6) Liber #757S, Pages 878-882 (Hereinafter referred to as "Sub 7")

(all of which subdivisions are hereinafter collectively referred to as the "Subdivisions") shall be eligible to become members of the Association.

4.2 Manner of Admission: Every person, who is eligible to become a member of the Association and who desires to become a member of the Association, may apply by filing a written

application with the Treasurer of the Association in order to be considered for membership in the Association. Said written application shall contain such information as the Board of Directors of the Association shall from time to time require.

Receipt of said written application as well as the payment of an Entrance Fee in the amount of Five (\$5.00) Dollars to the Treasurer of the Association shall confer member status in the Association to said applicants.

4.3 Rights and Privileges of Members: Membership shall include an undertaking by the member to comply with and be bound by the Articles of Incorporation, these By-Laws and amendments thereto, and the policies, rules, and regulations at any time adopted by the Association in accordance with these By-Laws.

4.3(A) Voting Privileges: Each member in good standing, as hereinafter defined, shall be entitled to vote on each matter submitted to a vote of the members as outlined in Article Five below. A member in good standing shall have one vote for each residential building site owned by him individually within any of the Subdivisions. Where two or more members in good standing own one or more residential building sites within any of the Subdivisions, only one vote for each such residential building site owned shall be allowed, and such joint owners shall designate and register with the Secretary of the Association the name of that owner entitled to cast such single vote for each such residential building site jointly owned.

4.3(B) Payment of Dues: Every member shall have the right to pay dues as described in Article 5.2(C) below. When any member shall be in default in the payment of said Dues for a period of sixty (60) days from the date on which such Dues become due and payable, he shall not be considered as a member in good standing of the Association and as such shall not be entitled to vote in any Association election held during the period when said Dues remain delinquent. In addition, such member shall be dropped from active membership and placed on an inactive list. Such member shall not be reinstated until he has paid Dues in full, and until such time as such member is reinstated, he shall have no rights of any kind arising out of a membership in the Association.

4.3 (C) Nature of Membership Rights: No member shall have any vested right, interest, or privilege of, in, or to the assets, functions, affairs, or franchises of the Association, or any right, interest, or privilege which may be transferrable or inheritable, or which shall continue after his membership ceases, or while he is not in good standing.

4.4 No Transfer of Membership: No membership may or shall be sold, assigned, or transferred either voluntarily, by Will, or by operation of law.

4.5 Termination of Membership: Membership in this Association shall terminate on such member's ceasing to be an owner of any residential building site within any of the subdivisions.

Article Five

MEMBERSHIP MEETINGS

5.1 Annual Meeting: Beginning on the second Monday of October, 1981, there shall be an annual meeting of the members in good standing of the Association at such place as may be designated by the Board of Directors, at eight o'clock p.m. on the second Monday of October of each year or at such other time as the Board of Directors of the Association shall select. The purpose of such annual meeting shall be for the transaction of such business as may come before the meeting. Ten (10) days written notice shall be required for any such annual meeting, however, publication of said meeting date in an Association publication such as a newsletter which is distributed to all members in good standing of the Association at least ten (10) days prior to said annual meeting date, shall constitute valid notice for purposes of this Article Five.

5.2 Special Meetings: Special meetings of the members in good standing of the Association may be held whenever called by the Board of Directors of the Association or by at least ten (10%) percent of the members in good standing of the Association. Notice of such special meeting, stating the time, the place, and the purpose or purposes thereof, shall be delivered to the last known address of all members in good standing at least ten (10) days prior to the date of said special meeting.

5.3 Meetings within Orion Township: Meetings of the members of the Association shall in no event be held outside of the limits of the Township of Orion, County of Oakland, State of Michigan.

5.4 Proxy: Every member in good standing of the Association may cast one (1) vote either in person or by proxy for each residential building site owned within any of the Subdivisions by that particular member in accordance with Article 4.1 above. However, any proxy, to be considered valid and eligible to be counted, must contain the signature and lot number of said member.

5.5 Quorum: At any meeting of the members in good standing of the Association, a quorum shall consist of those members in good standing present at the meeting, either in person or by proxy. A simple majority of those present and eligible to vote shall decide any question which may come before the meeting, except any vote on a Special Assessment shall require the affirmative vote of two-thirds (2/3) of those present and eligible to vote in order to pass.

5.6 Order of Business: The President of the Association shall preside at any Annual or Special meeting of the membership. The order of business for the Annual Meeting shall be as follows: Roll call, Approval of Minutes of Previous Meeting, Report of Treasurer, Report of the Board of Directors, Old Business, New Business, Report of the Judges of the Election. The order of business for any Special Meeting of the membership of the Association shall be determined by the call of the Special Meeting.

Article Six

BOARD OF DIRECTORS

6.1 Number of Board Members: The business and affairs of this Association shall be managed by a Board of Directors, hereinafter referred to as the "Board", to be elected as follows:

- (a) One Board member shall be elected from each of the subdivisions referred to in Section 4.1 above, provided however, that only one director shall be elected to represent subdivisions 2 and 3. Each such Board member elected pursuant to this Article 6.1 (a) shall be known as a "SUBDIVISION DIRECTOR", and shall serve for a term of two (2) years from the date of his election.
- (b) Four (4) Board members shall be elected based upon the vote of the entire Association. Each such Board member elected pursuant to this Article 6.1(b) shall be known as an "AT LARGE DIRECTOR" and shall serve a term of one (1) year from the date of his or her election.

6.2 Regular Meetings: The Board shall meet monthly for the transaction of business at such place and at such time as may be from time to time designated.

6.3 Special Meetings: Special Meetings of the Board may be called by the President or by three (3) members of the Board at any time and place, provided however, reasonable notice of such Special meetings shall be given to each member of the Board. For purposes of this Article, reasonable notice shall be not less than twenty-four (24) hours prior to said meeting unless waived in writing.

6.4 Quorum and Voting: The Directors shall act only as a Board and the individual Directors shall have no power as such. At least sixty (60%) percent of the number of Directors then in office shall constitute a quorum for the transaction of business. However, a majority of those present at the time and place of any regular or special meeting, although less than a quorum, may adjourn the meeting from time to time without notice until a quorum be at hand.

The act of a majority of the directors present at any meeting at which there is a quorum shall be an act of the Board of Directors.

6.5 Action by Unanimous Written Consent: If and when the Directors shall severally or collectively unanimously consent in writing to any action to be taken by the Association, such action shall be as valid as though it had been authorized at a meeting of the Board of Directors.

6.6 Order of Business: The Board of Directors may, from time to time, determine the order of business of its meetings.

6.7 Chairman: At all meetings of the Board, the President or in his absence, the Vice-President, or in the absence both, the Chairman chosen by the Directors present, shall preside.

6.8 Annual Report: The Board, at the close of the fiscal year, shall submit to the members of the Association a report as to the condition of the Association and its property and shall submit also an audited account of the financial transactions of the past year

6.9 Vacancies in the Board: Whenever a vacancy in the membership of the Board shall occur, the remaining members of the Board shall have the power to select a member in good standing of the Association to serve the unexpired term of the vacancy. If the Vacancy is created by the recall, retirement, or any other withdrawal of a Subdivision Director, then said vacancy shall only be filled by a member of good standing of the particular subdivision from which the retiring director was elected. If the vacancy is created by the recall, retirement, or any other withdrawal of anal Large Director, the Board may select any member in good standing of the Association to fill such vacancy. The newly selected member shall hold office only until the next annual election, regardless of the term of the member who vacated the office. In the event that this procedure is employed to fill a vacancy in one of the five Subdivision Directors positions during the first year of that director's term of office, the newly selected member shall hold office only until the next annual election, at which time the member in good standing of that Subdivision shall elect a Subdivision Director to serve the remaining year of the vacated term of office. In the event the vacancy shall occur in the second year of the applicable Subdivision Directors' term of office, the newly selected director shall hold office only until the next annual election, at which time a new director shall be elected in accordance with Article 4 of these By-Laws.

6.10 Recall of Board Members: Petition for recall of any Board member may be initiated by any Association member in good standing. In the case of the proposed recall of a Subdivision Director, not less than ten (10%) percent of the Association members in good standing in the Subdivision from which that director was elected must sign a petition for the recall of the director in order for a Special Recall election to be held. In the case of an At Large Director, not less than ten (10%) percent of the Association members in good standing of the Association must sign a petition for the recall of the director in order for a Special Recall election to be held. A two-thirds (2/3) vote of the members of good standing of the Association in the Subdivision from which that director was elected shall be sufficient to constitute recall of the Subdivision Director, and a vote of two-thirds(2/3) of the members of good standing of the Association shall be sufficient to constitute recall of an At Large Director.

Article Seven

ELECTION OF BOARD OF DIRECTORS

7.1 Procedure: The Board members shall be elected by the members in good standing of the Association by secret ballot at the annual meeting of the Association pursuant to the following procedure:

7.1(A) Appointment of Nominating Committee: Not less than thirty (30) days prior to each Annual Meeting of the Association, the Board shall appoint a Nominating Committee consisting of five members in good standing of the Association. Of the five person committee, two appointees shall be members of the Board whose term of office on the Board shall have a year remaining, however, in the event there are not at least two members of the Board whose term of office on the Board shall have a year remaining, the Board shall fill the balance of the positions on the Nominating Committee with members in good standing of the Association. In all cases, at least three appointees shall be members in good standing of the Association who are not Board members.

7.1(B) Nominating Committee Meeting: Not less than twenty-five (25) days prior to the Annual Meeting, the Nominating Committee shall meet for the purpose of selecting names of members of the Association to place on the election ballot for Board of Directors. At that meeting, the Nominating Committee shall select at least two (2) nominees from each Subdivision, which nominees must be members of good standing of the Association. The name of all such selected nominees shall immediately be filed in writing with the Secretary of the Association.

7.1(C) Petition Candidates: Notwithstanding Section 7.1 (B), any member in good standing of the Association may be nominated for the Board and have his name placed upon the election ballot by, not less than twenty (20) days prior to the Annual Meeting, filing with the Secretary of the Association, a petition signed by no less than ten (10%) percent of the members in good standing of the Association in his subdivision. Upon proper certification of the petition by the Secretary, the petitioner's name shall be placed upon the election ballot and he shall be considered a candidate for the Board from the subdivision in which he resides or owns property.

7.1 (D) Write-In Candidates: Write-in candidates are recognized and eligible for election only if said candidates are members in good standing of the Association at the time of the election.

7.1 (E) Annual Meeting Notice: The Secretary shall cause a notice of the Annual Meeting, which notice shall include the names of all candidates for the Board as well as each candidate's subdivision, to be sent to all Association members in good standing not less than ten (10) days prior to the date of the Annual Meeting. However, only members of the Association nominated in accordance with (B) or (C) above shall be eligible to have their name placed upon said election ballot.

7.1 (F) Appointment and Responsibility of Election Judges: The Nominating Committee shall serve as judges of the election with responsibility for properly running the election.

7.1 (G) Election Ballot: There shall be a separate election ballot for each Subdivision comprising the Association. The names of all candidates running for positions on the Board of Directors and their respective Subdivision shall appear on the ballot, each followed by a square. Further, said election ballot shall indicate the number of directors to be elected and shall have a location on the ballot for write-in candidates.

7.1 (H) Voting Procedure: Each member in good standing of the Association may vote in the election at the Annual Meeting, either in person or by proxy. Pursuant to Article 4.3(A) above, where persons jointly own property in the Subdivision, one, and only one, of such persons may cast a vote in the election of Directors for each residential building site owned. Each member in good standing may vote for any candidate and may cast a number of votes equal to the number of positions on the Board of Directors which are to be filled, but a member cannot cast more than one vote for any candidate.

7.1 (I) Election Results: The election ballots shall be counted and tabulated by the election judges. Votes shall be tabulated as follows:

- (1) The total number of votes cast for each candidate shall be counted, and the candidate listed on a roster in descending order of votes received.
- (2) The number of votes cast for each candidate by voters from his or her own Subdivision shall be recorded on the roster as set forth in Subsection 7.1(I) (1) above in a column next to that indicating the total number of votes received by that candidate.
- (3) The vacant Subdivision Director positions on the Board shall be filled first, and shall be filled by the candidate from each Subdivision who received the greatest number of votes from that Subdivision's members in good standing.
- (4) Next, the vacant At Large positions on the Board shall be filled by those candidates not already elected to fill vacant Subdivision Director positions in accordance with Subsection 7.1(I) (3) above who have received the greatest number of total votes from the Association members in good standing.

When the election results have been properly and finally determined by the election judges, said results shall be given in writing to the Secretary of the Association. The Secretary shall, as soon after receiving said results as possible, announce these results at the Annual Meeting, and then cause the results of said election to be placed in the Association minutes and published in a general publication going to all Association members in good standing.

Article Eight

OFFICERS

8.1 Executive Officers: The Executive Officers of the Corporation shall be a President, a Vice-President, a Secretary and a Treasurer. The Board of Directors shall elect from among their number said Executive Officers at the first regular meeting of the Board following each Annual Meeting of the membership.

8.2 The President: Subject to the direction of the Board of 'Directors, the President shall be the Chief Executive Officer of the Corporation, and shall perform such other duties as from time to time may be assigned him by the Board. The President shall be an Ex-Officio member of all Committees. It shall be the responsibility of any outgoing President of the Association to call and preside over the first regular meeting of the Board of Directors following each annual meeting of the membership until such time in said meeting when the new President of the Association is elected by the Board of Directors. Immediately upon election of the new President, the outgoing President shall be discharged of his duties and his term of office shall then end.

8.3 The Vice-President: The Vice-President shall have such power to perform such duties as may be assigned to him by the Board of Directors or the President. In the case of the absence or disability of the President, the duties of that office shall be performed by the Vice-President.

8.4 Secretary: The Secretary shall keep the minutes of all proceedings of the Board of Directors and membership meetings and, further shall maintain a file containing copies of all Minutes of the Board of Director meetings, standing and

Ad-Hoc committee meetings and membership meetings, in books provided for that purpose; he shall have custody of such books and papers as the Board may direct, and he shall in general perform all of the duties incidental to the office of Secretary, subject to control of the Board of Directors and the President; and shall also perform such other duties as may be assigned to him by the President or by the Board.

8.5 The Treasurer: The Treasurer shall have the responsibility of all of the receipts, disbursements, funds and securities of the corporation and shall perform all duties incidental to the office of Treasurer, subject to the control of the Board of Directors and the President. He shall perform such other duties as may from time to time be assigned to him by the Board or by the President. If required by the Board, he shall give a bond of faithful discharge his duties in such sum as the Board may require.

8.6 Subordinate Officers: The President, with the approval of the Board of Directors, may appoint such other officers and agents as the Board may deem necessary, who shall hold office at the pleasure of the Board, and who shall have such authority and perform such duties as from time to time may be prescribed by the President or by the Board.

Article Nine

COMMITTEES

9.1 Appointment of Committees: The Board of Directors shall, from time to time as deemed necessary and desirable, appoint committees for the purpose of formulating, carrying out, or furthering the purposes of the Association. In all cases, any committee shall be chaired by a member of the Board Directors, which member shall be responsible for the conduct of the meetings of the committee.

9.2 Standing Committee: Anything above notwithstanding, the following standing committee shall serve the Board and Association on a continuing basis:

- (a) Architectural Control
- (b) Beach
- (c) Ecology
- (d) Roads and Grounds
- (e) Boating

The Chairman of each of the above Standing Committees shall be a member of the Board of Directors and shall be elected by the Board to serve as Chairman of said Committee at the first meeting of the Board next following the annual election of Board members. The Chairman of any Standing Committee shall be responsible for conducting the meetings of that Committee.

9.2(A) Architectural Control Committee: The Architectural Control Committee shall be responsible for advising and assisting the Board of Directors on the preservation of the architectural integrity of the Community. It shall establish architectural control standards and shall be responsible for informing all property owners within the Subdivisions of such standards. The duties of the Architectural Control Committee shall include, but are not limited to the following:

- (1) Informing subdivision property owners that all visible changes to their property must be approved in advance by the Committee;
- (2) Developing and distributing architectural guidelines and standards to subdivision property owners;
- (3) Receiving comments or complaints from property owners within any of the Subdivisions involving matters within its jurisdiction and handling them in accord with the Association legal documents;
- (4) Reviewing and approving or disapproving submitted plans for exterior alterations;
- (5) Making periodic and final inspections of work in progress to insure its timely completion and conformity with approved plans;
- (6) Expending budgeted funds as approved by the members of the Association.

9.2(B) Beach Committee: The Beach Committee shall be responsible for advising and assisting the Board on the safe operation of the Beach and associated areas as described in Section 10.1(B) below, and shall recommend ways and means of encouraging membership use of the Beach and associated areas. In addition, the Beach Committee shall be responsible for management of and disbursements from the Beach Fund for the purposes set forth in Article 10.1 (B) below.

In fulfilling these responsibilities, the Beach Committee shall:

- (1) Recommend Beach rules, regulations, and laws of operation;
- (2) Suggest social programs, swimming instruction programs, competitive swimming programs, and other pool-related activities as indicated by the community and the nature of its facilities;
- (3) Inspect the Beach facilities yearly with professional advice where appropriate and make recommendations to the Board of Directors for

necessary repairs and maintenance;

- (4) Expend budgeted funds as approved by the members of the Association.

9.2(C) Roads and Grounds Committee: The Roads and Grounds committee shall advise and assist the Board in preserving and enhancing the physical environment provided by the developer 'within the Subdivisions and immediately adjacent areas. The Committee's responsibilities shall include:

- (1) Developing a grounds and facilities maintenance program to meet the requirements and desires of the community;
- (2) Preparing maintenance budget recommendations for the Board of Directors;
- (3) Making recommendations to the Board about planting projects, walkway additions, additional lighting, and other improvements to the existing landscaping plan.
- (4) Inspecting the grounds and facilities with professional advice when appropriate and making repairs where necessary;
- (5) Recommending to the Board contracts for land maintenance and facilities maintenance;
- (6) Expending budgeted funds as approved by the members of the Association.

9.2(D) Ecology Committee: The Ecology Committee shall advise and assist the Board in preserving and enhancing the ecological conditions within the subdivisions and the immediately adjacent areas. The Committee's responsibilities shall include:

- (1) Developing a long-range program for ecological preservation and enhancement within the Subdivisions and immediately adjacent areas;
- (2) Securing professional assistance where the Committee deems necessary to pursue the ecological goals of the Committee;
- (3) Expending budgeted funds as approved by the members of the Association.

9.2(E) Boating Committee: The Boating Committee will be responsible for advising and assisting the Board as to the safe operation of the Associations boat launch, boat dock, and use of the Lake Voorheis for boating activities as described in Section 10.1 below and shall further recommend ways and means of

encouraging the Association members to use these facilities. In addition, the Boating Committee shall be responsible for management of and disbursements from the Beach Fund and from the collections for boat dock/shoreline rentals as set forth in Article 10.1 (B) below:

In fulfilling these responsibilities, the Boating Committee shall:

- (1) Recommend boating and dock use rules and regulations; and
- (2) Propose social programs to encourage Keatington Community involvement in boating activities; and
- (3) Inspect the boating facilities yearly with professional advise where appropriate and make recommendations to the Board of Directors for necessary repairs and maintenance of same; and
- (4) Oversee the operation of the Association boat docks and shoreline boat spaces.

9.3 Appeal of Committee Determinations: In the event that any Association member in good standing wishes to contest any Association Committee decision affecting said member, he shall, within thirty (30) days of receiving notice of said Committee decision, appeal said decision to the Board. Said appeal must be in writing and received by the President of the Association within the said thirty (30) days period in order to be considered by the Board. The member appealing the Committee decision shall have a right to make an oral presentation to the Board and shall also have the right to receive a written reply from the Board as to its decision regarding this matter.

Article Ten

FINANCES

10.1 (A) Beach Fund: The owner of each residential building site within the Subdivisions shall pay to the Association an Annual Beach Assessment per residential building site owned as required by the restrictions applicable to the real property so owned by him. The Beach Assessment received by the Association shall be placed into a Beach Fund to be used for the purposes outlined in Article 10.1 (B) below. The amount of said Annual Beach Assessment shall be established by and may be adjusted from year to year by the Board of Directors of the Association, as the needs of the Beach and associated areas, more particularly described in Article 10.1 (B) below, may, in their judgment, require, but in no event shall such Beach Assessment exceed Forty (\$40.00) Dollars per residential building site per year.

10.1 (B) Use of Beach Fund: The Beach Fund shall be used for such of the following purposes as the Board of Directors of the Association shall from time to time determine to be necessary or advisable:

- (a) For lighting, improving, and maintaining the Beach, Boating and associated areas (more particularly described as "Outlot 'C'" as recorded in the plat of "KEATINGTON SUBDIVISION" in Liber 116, Pages 39-41, Oakland County Records, and hereinafter referred to as the "Beach");
- (b) For employing any personnel deemed necessary to the proper operation of the Beach and associated areas;
- (c) For securing any and all insurance deemed necessary to properly and adequately protect the Association and members thereof, including but in no way limited to personal liability, and property damage;
- (d) For promoting the use and enjoyment of the Beach and associated areas by members of the Association and their families;
- (e) For doing any other thing necessary or desirable, in the opinion of the Board of Directors of the Association, to keep the Beach and associated areas neat and in good order or which, in the opinion of the Board of Directors of the Association may be of general benefit to the members of the association.

10.1 (C) Collection of Beach Assessment: On March 1 of each year, the Beach Assessment shall be due and payable. Any owner of property in the Subdivisions shall pay to the Treasurer of the Association the Beach Assessment against his property when said Beach Assessment is due and payable. The Beach Assessment shall be delinquent when not paid within sixty (60) days after it becomes due.

10.2 (A) Association Fund: Each member shall annually pay to the Association Keatington Homeowners' Association Dues (hereinafter referred to as "Dues") per residential building site owned by said member, which Dues shall be in an amount established by the Board of Directors of the Association from time to time as the needs of the Association may, in their judgment, require but in no event shall the Dues exceed twenty-five (\$25.00) Dollars per residential building site per year. Payments of the Dues shall be used by the Association to create and continue a KEATINGTON HOMEOWNERS' ASSOCIATION FUND, (hereinafter referred to as the "Association Fund") to be used by and for the Association as hereinafter stated in Article 10.2 (B) below.

10.2 (B) Use of the Association Fund The Association Fund shall be used for such purposes as the Board of Directors of the Association shall determine to be advisable and beneficial to any or all of the Subdivisions, including but in no way limited to the following purposes:

- (a) For lighting, improving, and maintaining entranceways, perimeters, and cul-de-sacs in and around the Subdivisions;
- (b) For collecting and disposal of garbage, ashes, rubbish, or other general litter which may be destructive to the natural beauty of the area;
- (c) For control and removal of snow from the roadways in and around the Subdivisions;
- (d) For security services in and around the subdivisions;
- (e) For retaining legal counsel and accounting services in enforcing deed restrictions, developing and reviewing Association contracts and documents, and keeping accurate books and financial records;
- (f) For publishing a newsletter or other such publication or publications for the purpose of informing, educating, and explaining to Association members any actions by the Board of Directors of the Association, community events, and any other news of general interest to the membership.

- (g) For doing any other thing necessary or desirable in the opinion of the Board of Directors of the Association, to keep the property in and around the Subdivisions neat and in good order, or which may be of general benefit to the owners of land within the subdivisions.

However, any single proposed expenditure from the Association Fund in excess of One Thousand (\$1,000.00) Dollars must be approved by the membership either at a Regular or Special Meeting of the membership.

10.2(C) Collection of Dues: On March 1 of each year, the Dues shall be due and payable. Any member of the Association shall pay to the Treasurer of the Association the Dues when said Dues are due and payable. The Dues shall be delinquent when not paid within sixty (60) days after they become due and payable.

10.3 Special Assessments: Special Assessments may be levied by the Board of Directors of the Association in furtherance of the purposes and activities of the Association, provided however, that no Special Assessment shall be levied against the members of the Association without that special Assessment, having been approved by at least two-thirds (2/3) of the members in good standing of the Association present in person or by proxy at a Regular or at a Special Meeting of the Association. In no case shall the total of all Special Assessments exceed the sum of One Hundred (\$100.00) Dollars per residential building site in anyone fiscal year. For purposes of this section, a fiscal year is the fiscal year of the Association being January 1 through December 31.

10.4 Failure to Pay Beach or Special Assessment: The Association shall place a lien on any residential building site in any of the Subdivisions in order to secure the payment of any Beach or Special Assessments which are delinquent. The owner or owners of record of such residential building site or sites shall be personally liable for all Beach or Special Assessments levied. Upon demand, the Association shall furnish to any owner or mortgagee or person interested, a certificate showing the unpaid Beach or Special Assessments against any residential building site or sites within any of the Subdivisions. The Association shall have the power and the right in its own name to take and prosecute all suits which may, in the opinion of the Board of Directors of the Association, be necessary or advisable for the collection of such Beach or Special Assessments and to take other steps as it deems expedient to impose a lien on such residential building site or sites.

10.5 Fiscal Year: The fiscal year of the Association shall begin on January 1 and terminate on December 31 of each calendar year.

Article Eleven

SIGNATORIES OF CONTRACTS, CHECKS AND OTHER INSTRUMENTS

11.1 Signatures on Checks & Other Instruments: All Checks, Drafts, or demands for money, and notes of the Association shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

11.2 Contract Signatures: Any member of the Board of Directors is authorized to and shall have the power to sign any contracts on behalf of the Association for the expenditure of Association membership approved budgeted funds or for the expenditure of funds approved by the Board of Directors.

11.3 Signatory Authority When Not Specified: The Board of Directors of the Association may, in any instance, designate the officers and agents who shall have the authority to execute any contract, conveyance, or other instruments on behalf of the Association or may ratify or confirm any execution. When the execution of any instrument has been authorized without specification of the executing officers or agents, the President and the Secretary or Treasurer may execute the same in the name or and on behalf of this Association.

Article Twelve

LOSS OF PROPERTY

12.1 No Liability: The Board of Directors shall not be liable or responsible for the destruction or the loss of or damage to the property of any member or the guest of any member; or visitor, or other person.

Article Thirteen

INDEMNIFICATION OF CORPORATE AGENTS

13.1 Proceedings Against Corporate Agents: The corporation shall have power to indemnify any person \who has or is a party to, or is threatened to be made a party to, any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative(other than an action by or in the right of the corporation)by reason of the fact that the person is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise. The indemnification shall be against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement, actually and reasonably incurred by him in connection with such action, suit, or proceeding. The corporation shall have the power to indemnify the director, officer, employee, or agent

of the corporation, only if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, of itself shall not create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

13.2 Proceedings by or in the Right of the Corporation: A corporation shall have power to indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise. The indemnification shall be against expenses (including attorneys' fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit. The corporation shall have the power to indemnify any person only if that person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders. However, no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of a duty to the corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, though in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

13.3 Corporate Agent Successful in Proceeding: To the extent that a director, officer, employee, or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to above or in defense of any claim, issue, or matter therein, that person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred in connection therewith.

13.4 Determination that Indemnification is Proper: Unless ordered by a court, any indemnification under §561 or §562 of the Michigan Business Corporation Act (hereinafter referred to as the "Act") shall be made by the corporation only as authorized in the specific area upon a determination that indemnification of the director, officer, employee, or agent is proper in the circumstances because that person has met the applicable standard of conduct set forth in those sections. Such determination shall be made in either of the following ways: (a) by the Board upon a majority vote of a quorum consisting of directors who were not parties to such action, suit, or proceeding; (b) if such quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, (c) by the shareholders.

13.5 Expenses Payable in Advance: Expenses incurred in defending a civil or criminal action, suit, or proceeding described in §561 or §562 of the Act may be paid by the corporation in advance of the final disposition of such action, suit, or proceeding, as authorized in the manner provided in §563(2) of the Act, upon receipt of an undertaking by or on behalf of the director, officer, employee, or agent to repay such amount, unless it ultimately shall be determined that the person is entitled to be indemnified by the corporation.

13.6 Rights Not Exclusive: Further provisions may be made to indemnify directors or officers in any action, suit, or proceeding referred to in § 561 or §562 of the Act whether contained in the articles, bylaws, a resolution of shareholders or directors, an agreement or otherwise, so long as such provisions are not in conflict with §561 to §565 of the Act. Nothing contained in §561 to §565 of the Act shall affect any rights to indemnification to which persons other than directors and officers may be entitled by contract or otherwise by law. Moreover, the indemnification provided in §561 to §565 of the Act continues as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person

13.7 Liability Insurance: A corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against that person and incurred by that person in any such capacity or arising out of that person's status as such, whether or not the corporation would have power to indemnify that person against liability pursuant to the Act.

13.8 Constituent Corporations: For the purposes of §561 to § 567 of the Act, references to the corporation include all constituent corporations absorbed in a consolidation or merger and the resulting or surviving corporation, so

that a person who is or was a director, officer, employee, or agent of such constituent corporation or is or was serving at the request of such constituent corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise shall stand in the same position under the provisions of § 569 of the Act with respect to the resulting or surviving corporation as that person would if that person had served the resulting or surviving corporation in the same capacity.

Article Fourteen

PARLIAMENTARY AUTHORITY

14.1 Roberts Rules of Order: The rules contained in the most recent edition of Roberts Rules of Order shall be the parliamentary authority in all cases not covered by these By-Laws.

Article Fifteen

AMENDMENTS TO BY-LAWS

15.1 The Board of Directors of the Association by a majority vote or a majority of the members in good standing of the Association present at a Regular or Special Meeting may alter, amend, repeal or make additions to the By-Laws of the Association. However, alterations or amendments of the following By-Law provisions shall require an affirmative vote of two-thirds (2/3) of the members in good standing of the Association present at a Regular or Special Meeting; 4.3, 5.5, 6.4, 6.8, 6.10, 9.3, 10.1, 10.3, 10.4, 14.1. Further alteration or modification of Article 10.2 shall require an affirmative vote of sixty (60%) percent of the members in good standing of the Association present at a Regular or Special Meeting.