

BY-LAWS OF
YORKTOWNE HOMEOWNERS ASSOCIATION

ARTICLE I
NAME

The name of the corporation is the Yorktowne Homeowners Association (the “Association”).

ARTICLE II
LOCATION

Section 1. The registered office of the Association shall be located in the State of Michigan at such place as may be fixed by the Board of Directors from time-to-time.

ARTICLE III
PURPOSES

The purpose of the Association shall be as follows:

Section 1. Preservation of rights, privileges and opportunities attendant to the ownership of property in Yorktowne Commons Subdivision (the “Subdivision”), City of Rochester Hills, Oakland County, Michigan.

Section 2. To establish, preserve, maintain and enhance for the benefit of the community at large and for its Members, the social and general welfare, community consciousness, educational opportunities, recreational resources, the development of the natural beauty of the community and any other worthwhile purpose that shall be in the best interest of the Membership in the support of the common good.

ARTICLE IV
POWERS AND DUTIES OF THE ASSOCIATION

Section 1. Association Duties. The Association shall have the obligation, subject to and in accordance with the Declaration of Restrictions covering the Subdivision, as recorded in the Oakland County Register of Deeds in Liber 10869, Pages 697 through 712, to perform each of the following duties for the benefit of the Owners of each lot within the Subdivision.

- A. Association Property To accept and exercise jurisdiction over all property, real and personal, conveyed free and clear of all liens and encumbrances to the Association, including: (1) common areas such as “Yorktowne Park”; (2) easements for operation and maintenance purposes over any common areas; and (3) easements for the benefit of Association Members within the common areas.
- B. Title to Property Upon Dissolution. To convey, upon dissolution of the Association, the assets of the Association to an appropriate public agency or agencies to be used for purposes similar to those for which the Association was created, or to a non-profit corporation, association, trust or other organization organized and operated for such similar purposes.
- C. Operation of Common Areas. To operate and maintain, or provide for the operation and maintenance of all common areas designated on the final plat for the Subdivision (such as “Yorktowne Park”) or in which it owns easements either for operation and maintenance purposes or for the benefit of Association Members; and to keep all improvements of whatever purpose from time to time located thereon in good order and repair.
- D. Payment of Taxes. To pay all real property taxes and assessments levied upon all property conveyed, leased or otherwise transferred to the Association, to the extent not assessed to the owners thereof Such taxes and assessments may be contested or compromised by the Association; provided, however, that they are paid or a bond insuring payment is posted prior to the sale or other disposition of any property to satisfy the payment of such taxes.
- E. Insurance. To obtain and maintain in force at all times those policies of insurance which the Association deems necessary.
- F. Enforcement of Restrictions. To enforce the Restrictions set forth in the Declaration of Restrictions.
- G. Legal and Accounting Services. To retain and pay for legal and accounting services necessary or proper in the operation of the Association, enforcement of the Declaration of Restrictions, or in performing any of the other duties or rights of the Association.
- H. Rule Making. To make, establish, promulgate, amend and repeal the Subdivision rules including these By-Laws.

Section 2. Rules. The Board may adopt such rules as it deems proper for the use and occupancy of the Association Property. A copy of said rules, as they may from time to time be adopted, amended or repealed, must be mailed or otherwise delivered to each Owner, and may, but need not be, recorded. Upon such mailing, delivery or recordation, said rules shall have the same force and effect as if they were set forth in and were a part of the

Declaration of Restrictions. In addition as to any Owner having actual knowledge of any given rules, such rules shall have the same full force and effect and may be enforced against such Owner.

Section 3. Liability of Board Members. No members of the Board shall be personally liable to any Owner, or to any other party, for any damage, loss or prejudice, suffered or claimed an account of any act or omission of the Association, the Board, the Manager or any other representatives or employees of the Association, provided that such Board Member has, upon the basis of such information as may be possessed by him or her, acted in a reasonable and prudent manner. Nothing contained herein shall be construed to limit the liability of the Association.

ARTICLE V MEMBERSHIP

Section 1. Every person or entity who is record owner of a fee interest in any Lot within the Subdivision (“Owner”) shall be a Member of the Association, provided that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member.

Section 2. The rights of Membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each Owner of and shall become a lien upon the property against which such assessments are made.

Section 3. The Membership rights of any Member may be suspended by action of the Board of Directors as follows:

- A. If any Member shall fail to pay dues or annual or special assessments within thirty (30) days of the due date thereof, such rights may be suspended during the period when the dues or assessment remain unpaid, but, upon payment of same, such Members’ rights and privileges shall be automatically restored.
- B. If any Member shall violate these By-Laws and/or the Declaration of Restrictions, and such violation is continuing, then such Membership may be suspended during the period when the violations continue, but, upon such violation ceasing, such Member’s rights and privileges shall be automatically restored thirty (30) days after such violation shall have ceased, or, at such earlier time as the Board of Directors may determine; or
- C. If any Member shall violate, in any manner, these By-Laws, or Declaration of Restrictions or such other published rules and regulations adopted by the

Directors governing behavior within the Subdivision of the use of common properties and facilities, the Board of Directors, in their discretion, may suspend the rights of any such Member for such violation for a period not to exceed sixty (60) days.

ARTICLE VI VOTING RIGHTS

Section 1. Every owner of a Lot in the Subdivision shall be a mandatory Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. Association Members shall be entitled to one vote for each Lot in which they hold the interest required for Membership by Article V. When more than one person holds any such interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any one Lot.

Section 3. Until such time as the fee simple title to at least sixty-five (65%) percent of the Lots, subject to the Declaration of Restrictions, shall have vested in parties other than Pulte Homes of Michigan Corporation, a Michigan corporation, James H. Patterson and Mary C. Patterson (collectively "Declarant"), or four (4) years from date of the recording of the plat of the Subdivision, whichever occurs earliest, the Directors of the Association shall be the only parties entitled to a vote in the affairs of the Association. Further, provided, however, said Directors may elect to grant to said Members their full voting rights prior to the happening of either of the aforesaid events.

ARTICLE VII DUES AND ASSESSMENTS

All expenses arising from the management, administration and operation of the Association in pursuance of its authorizations and responsibilities as set forth in the Declaration of Restrictions shall be levied by the Association against all Lots and the Owners thereof in accordance with the following provisions:

Section 1. General Assessments. Annual general assessments or charges shall be paid in advance in accordance with the provisions set forth in the Declaration of Restrictions.

Section 2. Special Assessments. Special assessments for capital improvements may be levied by the Association in any assessment year for the purpose of defraying the cost of any construction, repair or replacement of any improvement upon the Common Area,

provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the Membership at a meeting duly called for this purpose.

ARTICLE VIII MEETINGS

Section 1. Site of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors either within the Properties or as convenient thereto as possible and practical.

Section 2. Annual Meetings. The first annual meeting of the Association, whether a regular or special meeting, shall be held within one year from the date of incorporation of the Association. Meetings shall be of the Voting Members or their alternates. Thereafter, the annual meetings shall be held once each calendar year at such time and place determined by the Board of Directors. For purposes of the annual meeting, a quorum is defined as twenty-five percent (25%) of the voting members, in person or by proxy.

Section 3. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by Voting Members representing at least one-third (1/3) of the Members of the Association. The notice of any special meeting shall state the date, time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. Written or printed notice stating the date, time and place of any meeting of the Voting Members shall be delivered, either personally or by mail, to each Voting Member entitled to vote at such meeting, not less than fifteen (15) nor more than (30) days before the date of such meeting. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the voting Member at his address as it appears on the records of the Association, with postage thereon prepaid.

Section 5. Waiver of Notice. Waiver of notice of a meeting of the Voting Members shall be deemed the equivalent of property notice. Any voting Member may, in writing, waive notice of any meeting of the Voting Members, either before or after such meeting. Attendance at a meeting by a Voting Member or alternate shall be deemed waiver by such Voting Member of notice of the time, date and place thereof, unless such Voting Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper

notice was not given, is raised before the business is put to a vote.

Section 6. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the Voting Members who are present at such meeting, either in person or by alternate, may adjourn the meeting to a time not less than five (5) nor more than sixty (60) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Voting Members in a manner prescribed for regular meetings.

ARTICLE IX BOARD OF DIRECTORS

Section 1. Within the limitations stated in these By-Laws, the Board of Directors shall be the managing body of the Association and shall be authorized to grant to committees and other agents as it deems advisable, the authority to conduct specific activities.

Section 2. The first Board of Directors shall be composed of two persons and such first Board of Directors shall manage the affairs of the Association until a successor Board of Directors is elected by the Members of the Association.

Section 3. Immediately after conveyance of fee simple title to at least sixty-five (65%) percent of the Lots to parties other than the Declarant, or four (4) years from date of the recording of the Plat of the Subdivision, whichever occurs earliest, a successor Board of Directors shall be elected by the Members. Thereafter, elections for the Board of Directors shall be held at each annual meeting of the Association. The successor Board of Directors (and all future Board of Directors), not less than five (5) nor more than fifteen (15) in number, shall consist of the four (4) officers of the Association and one (1) non-officer Director elected by the Membership. All officers and the non-officer Director shall serve without remuneration.

Section 4. The president of the Association shall be the presiding officer of the Board of Directors, and the secretary of the Association shall act as secretary of the Board.

Section 5. The Board of Directors shall hold not less than one (1) meeting per year, at times and places determined by such Board. Five (5) days written notice of each Board meeting shall be given to each member of the Board.

Section 6. Each Board Member shall have one (1) vote on each question at the Board meeting. Proxies and action at other than scheduled meetings shall not be valid. Three (3) Board Members shall constitute a quorum at any Board meeting and an affirmative vote of the majority of those present shall be necessary for the transaction of business.

ARTICLE X OFFICERS

Section 1. The principal officers of the Association shall be a president, vice-president, secretary and treasurer. Any two or more offices, except that of president and vice-president may be held by one person.

Section 2. Election. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Regular Term. The officers of the Association shall serve one year terms or until their successors are elected and qualify whichever is later.

Section 4. Partial Term. In the case of a president's inability or unwillingness to complete a term the vice-president shall succeed to the office of president and an appointee of the Board of Directors shall succeed to the office of vice-president. In the event of any other officer's inability or unwillingness to complete a term an appointee of the Board of Directors shall succeed to such vacated office.

Section 5. Succession. All officers shall be eligible to serve consecutively for two (2) years.

Section 6. Removal. The holder of any elective office whether or not succeeding thereto by appointment or otherwise, may be removed from office at a special meeting of the Members after a seven (7) day written notice of intention to remove is given to all Members by first class mail upon an affirmative vote by roll call of two-thirds (2/3) of the voting Members who are present or represented by proxy as hereinabove provided (if quorum is present), the holder of such office shall be removed.

Section 7. The replacement of any officer made necessary by Article X, Section 10.6 shall be filled by procedures contained in Article X, Section 10.4

Section 8. Appointed committees shall make reports in writing at semi-annual meetings and at such times as directed by the president. The chairperson or any Member may be removed from office by appointment of another person by the president. No committee

chairperson shall serve more than three (3) successive years as chairperson of that committee.

Section 9. The president shall be the chief executive officer of the Association and shall preside at all meetings.

Section 10. The vice-president shall preside at meetings in the absence of the president and shall perform such other duties as may be assigned by the president.

Section 11. The treasurer shall collect all dues and other receipts of the Association, and shall have custody of the funds of the Association in a bank approved by the Board of Directors, and shall account for all receipts and disbursements. The treasurer shall maintain complete records for proper durations of time. Expenditures shall be made solely for expenses of the Association and its purposes as outlined in Article II of these By-Laws. At the close of each fiscal year, the treasurer then going out of office shall prepare and sign an annual financial report covering the fiscal year then ending and shall within thirty (30) days after the close of such fiscal year submit such report to the Board of Directors.

Section 12. The secretary shall make and keep accurate records of actions taken at all meetings of Members and directors shall give a written report of the same at the next meeting, shall handle correspondence of the Association and shall issue the notice of meetings. In the absence of the secretary at any meeting, a secretary pro-term shall be appointed by the presiding officer.

ARTICLE XI FINANCES

Section 1. No expenditure from the general fund of the Association shall be authorized by the Board of Directors in excess of the sum of one thousand dollars in any month for non-budgeted items unless such authorization is approved by the Members.

Section 2. Other Monies. Any other monies derived from any other sources shall be placed in the general fund of the Association. These monies may be used in any manner as authorized by the Board of Directors in accordance with Section 11.1 of this Article unless these monies are obtained specifically for a designated purpose, in which case the monies shall be set aside for the purpose and shall be so noted in the treasurer's ledger and in the annual budget accounting.

Section 3. Special Charges or Assessments. In the event that special charges or assessments are placed upon the Membership by the Members themselves, in accordance with these By-Laws, such money shall be placed in a special fund and must be used for such special purposes for which such special funds were collected.

Section 4. Fiscal Year. The fiscal year of the Association shall be set by resolution of the Board of Directors. In the absence of a resolution, the fiscal year shall be the calendar year.

Section 5. The funds of the Association shall be deposited in any bank designated by the Board of Directors and shall be withdrawn only upon the check or order of the officers, employees or agents designated by resolution of the Board of Directors from time-to-time. All checks drawn on any account held in the Association's name shall be signed by both the Treasurer and either the President or Vice-President.

Section 6. The annual budget will be presented to the Members each year at the annual meeting. The budget will be considered approved upon an affirmative vote of the majority of the voting Members present at the annual meeting.

ARTICLE XII RULES OF ORDER

Section 1. The then most current edition of Roberts Rules of Order shall be the parliamentary authority governing matters of procedure.

ARTICLE XIII AMENDMENTS

Section 1. These By-Laws may be amended at any meeting of Members after a thirty (30) day written notice given by first class mail, of intention to amend, together with the wording of the proposed amendment or amendments delivered to the secretary, upon an affirmative vote of the majority of the voting Members present or represented by proxy as hereinabove provided, quorum being present.

ARTICLE XIV INDEMNIFICATION

Section 1. Third Party Suits. To the extent permitted by Michigan law from time to time in effect and subject to the provisions of this Article, the Association shall 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, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that he or she is or was a director, officer, employee, or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and

reasonably incurred by him in connection with such action, suit, or proceeding, if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association or its directors, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her 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, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Association or its directors and, with respect to any criminal action or proceeding, had reasonable cause to believe his or her conduct was unlawful.

Section 2. Suits By or in Right of the Association. To the extent permitted by Michigan law from time to time in effect and subject to the provision of this Article, the Association shall 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 Association to procure a judgment in its favor by reason of the fact that he or she is or was a director, officer, employee, or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee, against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association or its directors, except that 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 his or her duty to the Association unless and only to the extent that the court in which that action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for those expenses which that court shall deem proper.

Section 3. Indemnification Against Expenses. To the extent that a person who is or was a director, officer, employee, or agent of the Association, has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Sections 14.1 and 14.2 of this Article or in defense of any claim, issue, or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

Section 4. Determination that Indemnification is Proper. Any indemnification under Sections 14.1 or 14.2 of this Article (unless ordered by a court) shall be made by the Association only upon a determination that indemnification of the person is proper in the circumstances because he or she has met the applicable standard of conduct as set forth in Sections 14.1 and 14.2. That determination shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to that action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable, and a quorum of disinterested directors so directs, by independent counsel in a written opinion.

Section 5. Reimbursement of Expenses. Expenses incurred by any person who may have a right of indemnification under this Article in defending a civil or criminal action, suit, or proceeding may be paid by the Association in advance of the final disposition of that action, suit or proceeding as authorized in the manner provided by Section 14.4 of this Article upon receipt of an undertaking by or on behalf of that person to repay that amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Association pursuant to this Article.

Section 6. By-Laws Not Exclusive. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which any person may be entitled under any by-law, agreement, vote of disinterested Directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding his or her office, except to the extent that any indemnification may be contrary to law. The indemnification provided by this Article shall continue 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 a person.

Section 7. Insurance. The Association may purchase and maintain insurance (and pay the entire premium therefor) on behalf of any person who is or was a director, officer, employee, or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee, or agent of another Association, partnership, joint venture, trust, or other enterprise against any liability asserted against him or her and incurred by him or her in any of those capacities or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against liability under the provisions of the Michigan Nonprofit Corporation Act.

Adopted, as amended:

YORKTOWNE HOMEOWNERS ASSOCIATION,
a Michigan nonprofit corporation

APPROVED AMENDMENTS TO
***** Approved January 1998 *****

BY-LAWS OF YORKTOWNE HOMEOWNERS ASSOCIATION

(All proposed changes and/or additions are **highlighted**)

ARTICLE VIII
MEETINGS

Section 2. Annual Meetings. The first annual meeting of the Association, whether a regular or special meeting, shall be held within one year from the date of incorporation of the Association. Meetings shall be of the Voting Members or their alternates. Thereafter, the annual meetings shall be held once each calendar year at such time and place determined by the Board of Directors. **For purposes of the annual meeting, a quorum is defined as twenty-five percent (25%) of the voting members, in person or by proxy.**

***** Original statement was at 50 %**

ARTICLE XI
FINANCES

Section 1. No expenditure from the general fund of the Association shall be authorized by the Board of Directors in excess of the sum of one thousand dollars in any non-budgeted items unless such authorization is approved by the Members.

***** Original statement was \$100.00 a month**

Section 6. **The annual budget will be presented to the Members each year at the annual meeting. The budget will be considered approved upon an affirmative vote of the majority of the voting Members present at the annual meeting.**

***** Statement was added**