

**BYLAWS  
OF  
SOUTHPOINTE TRAILS HOMEOWNERS ASSOCIATION**

**A Michigan Non-Profit Corporation**

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**PREAMBLE**

These Bylaws are adopted in order to carry out the provisions of the Articles of Incorporation ("Articles") of Southpointe Trails Homeowners Association (the "Association") and the Declaration of Restriction for Southpointe Trails recorded at Liber 3296 Pages 175-186 of the Allegan County records (the "Declaration"). The terms used in these Bylaws, unless otherwise defined, shall have the same meanings as contained in the Articles and Declaration.

**ARTICLE I**

**MEMBERSHIP, VOTING AND QUORUM**

**Section 1. Membership.** Each owner of a lot ("Lot") in Southpointe Trails (the "Subdivision") shall be a member of the Association, including Balwat, L.L.C., a Michigan corporation, whose address is 5071 Gull Road, Kalamazoo, Michigan, 49048 (the "Developer"), during the term of such ownership, and no other person or entity shall be entitled to membership. Membership shall be established upon presentation of evidence of ownership satisfactory to the Board of Directors under Section 3 of this Article I, below. Neither Association membership nor the share of a member in the Association funds and assets shall be assigned, pledged or transferred in any manner, except as an appurtenance to a Lot, and any attempted assignment, pledge or transfer in violation of this provision shall be wholly void.

**Section 2. Voting Rights; Suspension.** Except as limited in these Bylaws, the members owning each Lot shall collectively be entitled to one vote for each Lot owned when voting on any Association matter. However, the Developer shall be entitled to ten votes for each Lot owned by the Developer until the Developer no longer has an ownership interest in any Lot within the Subdivision. The right to vote shall be suspended for any member who has failed to pay all or any portion of the dues or any assessment required to be paid as determined by the Board of Directors.

**Section 3 Persons Entitled to Vote.** If one person owns a Lot, he shall establish his right to membership in the Association and his right to vote by presenting evidence of his ownership. If more than one person owns a Lot, all of the record owners of the Lot shall sign and file with the Secretary of the Association a certificate designating the person entitled to exercise the Lot's membership in the Association, to cast the vote for the Lot and to receive all notices and other communications from the Association. Such certificate shall state the name and address of the individual representative designated, a description of the Lot or Lots owned,



the name and address of each person, firm, corporation, partnership, association, trust or other legal entity who is a co-owner thereof, and shall be signed and dated by all co-owners of record. All certificates shall be valid until revoked, until superseded by a subsequent certificate, or until a change occurs in the record ownership of the Lot concerned.

**Section 4. Method of Voting.** Votes on a specific issue may be cast in person or by action in writing as authorized by the Articles. In addition, any person entitled to vote at any meeting may also appear and vote via telecommunications equipment, as provided by Article II, Section 6, of these Bylaws, or appear and vote (either specifically on an issue or by the general designation of a person to cast a vote) by written proxy. Proxies may be made by any person entitled to vote. They shall be valid only for the particular meeting designated, and any adjournment thereof, and must be filed with the Association before the appointed time of the meeting.

**Section 5. Majority.** At any meeting of the members at which a quorum is present, a majority shall consist of the vote of more than fifty percent (50%) in number of the votes cast whether in person, by telecommunications or by proxy, on any particular matter, except as otherwise required herein, by law or by the Articles. For an action by written consent of the members, a majority shall consist of the approval by members representing more than fifty percent (50%) in number of the votes of all members entitled to vote.

**Section 6. Quorum.** The presence in person or by proxy of members qualified to cast at least fifty percent (50%) in number of all possible votes shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required herein to require greater percentage. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

## ARTICLE II

### MEETINGS

**Section 1. Procedure.** 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. Meetings of the Association shall be conducted in accordance with Roberts Rules of Order or some other procedure to be established by the Board of Directors, when not otherwise in conflict with the Articles, these Bylaws, or the laws of the State of Michigan.

**Section 2. Meetings.** The first meeting of members of the Association shall be held on such date and at such time and place as shall be set by the Board of Directors, and at least ten (10) days' written notice thereof shall be given to each member. Thereafter, annual meetings of members of the Association shall be held during the month of June in each succeeding year at such time and place as shall be determined by the Board of Directors. At such meetings, there shall be elected by the owners a Board of Directors in accordance with the



requirements of Article III of these By-Laws. The members may also transact at annual meetings such other business of the Association as may properly come before them.

**Section 3. Special Meetings.** It shall be the duty of the President to call a special meeting of the members upon a petition signed by members representing one-third (1/3rd) of the votes of all members presented to the Secretary of the Association or upon the direction of a majority of the Board of Directors. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof and shall be given at least ten (10) days prior to such meeting. No business shall be transacted at a special meeting except as stated in the notice.

**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, special or other 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. The mailing, postage prepaid, of a notice to the representative of each member at the address shown in the notice required to be filed with the Association under Article I, Section 3, of the these Bylaws 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. Adjournment.** 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.

**Section 6. Attendance Via Conference Telephone or Similar Communications Equipment.** A member may attend and participate in a meeting of members via a conference telephone or similar communications equipment by which all persons participating in the meeting may hear each other; provided that all participants are advised of the communications equipment and the name of the participants in the conference are divulged to all participants. Such participation by a member in a meeting shall constitute presence in person at the meeting.

### ARTICLE III

#### BOARD OF DIRECTORS

**Section 1. Number.** The affairs of the Association shall be governed by a Board of Directors composed of three (3) members. All Board of Directors members shall be members of (or members, directors, officers or partners of members of) the Association. Directors shall serve without compensation.

**Section 2. Election.** The First Board of Directors designated in the Articles shall manage the affairs of the Association until a successor Board of Directors is elected at the first meeting of the Association convened at the time required Article II, Section 2, of these By-Laws. At such first meeting, the members shall elect all of the Directors. The term of office of each Director shall be one year. However, the Directors shall hold office until their successors have been elected and hold their first meeting. Vacancies in 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, even though they may constitute less than a quorum.

**Section 3. Powers.** In addition to any other powers conferred as to the Board of Directors by law or the Articles, the Board of Directors shall have the power to exercise all rights and powers granted to the Association under the Declaration.

**Section 4. Initial Meeting.** The first meeting of a newly appointed Board of Directors shall be held within ten (10) days after its appointment at such place as shall be fixed by the Directors at the meeting at which such Directors were appointed, 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 5. Regular Meetings.** Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least ten (10) days prior to the date named for such meeting.

**Section 6. 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 like manner and on like notice on the written request of one Director.

**Section 7. 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 of Directors shall be deemed a waiver of notice by him of the time and place thereof unless his 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 8. Quorum.** At all meetings of the Board of Directors, two (2) of the Directors shall constitute a quorum for the transaction of business. If only two (2) Directors are present at a meeting, the acts agreed upon by a majority of the Directors present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the Director or Directors present at a meeting 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 9. 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.



**Section 10. Action by Written Consent.** If and when all the Directors shall severally or collectively consent in writing to any action to be taken by the Association, either before or after the action, such action shall be as valid corporate action as though it had been authorized at a meeting of the Board.

**Section 11. Rules and Regulations.** The Board of Directors may establish rules and regulations respecting the use and enjoyment of any improvement or facility established for the benefit of the members. Any such rules and regulations may be rescinded by action of a majority vote of the members.

## **ARTICLE IV**

### **OFFICERS**

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

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

**Section 3. Removal.** Upon the 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 purpose.

**Section 4. President.** The President shall be the chief executive officer of the Association. He shall preside at meetings of the Association and of the Board of Directors. He 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 he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association.

**Section 5. Secretary.** The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he shall have charge of the corporate seal and of such books and papers as the Board of Directors may direct; and he shall, in general, perform all duties incident to the office of the Secretary, including handling of all Association correspondence, including notification of meetings.

**Section 6. Treasurer.** The Treasurer shall have responsibility for the Association funds and investments 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. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, and in such depositories as may, from time to time, be designated by the Board of Directors. He shall ensure that expenditures by the Association for maintenance as provided in the Declaration and other expenses are properly recorded.

**Section 7. 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 V**

### **SEAL**

**Section 1. Description.** If so determined by the Board of Directors, the Association shall have a seal which shall have inscribed thereon the name of the Association, and the words "Corporate Seal" and "Michigan."

## **ARTICLE VI**

### **FINANCE**

**Section 1. Handling.** The finances of the Association shall be determined by the Board of Directors.

**Section 2. Finances.** The Board of Directors shall establish a budget for each year and a schedule of dues and/or assessments to be levied and collected from the members in order to defray the costs of the Association's operations, including without limitation, the maintenance and repair of any improvements and facilities established for the benefit of the Subdivision and the exercise and enforcement of the rights and responsibilities conferred upon the Association by the Developer and/or the Declaration. Dues shall be set at the annual meeting in June, and shall be payable during the third quarter of that year, in advance, for the following year.

**Section 3. Fiscal Year.** The fiscal year of the Association shall be the calendar year.

**Section 4. Depository.** The funds of the Association shall be deposited in such bank 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.

**Section 5. Audits.** An audit of the Association's finances shall be performed upon the request of two members. Otherwise, an audit will be performed if and when the Directors so elect.

## **ARTICLE VII**

### **INDEMNIFICATION**

**Section 1. Scope of Indemnification.** The Association shall indemnify to the fullest extent authorized or permitted by the Michigan Nonprofit Corporation Act, as amended, any person, or his or her estate or personal representative, who is made or threatened to be made a party to an action, suit or proceeding (whether civil, criminal, administrative or investigative) because such person is or was a director or officer of the Association or serves or served in any



other enterprise at the request of the Association. Persons who are not directors or officers of the Association may be similarly indemnified in respect of services rendered to the Association or at the request of the Association to the extent authorized at any time by the Board of Directors of the Association. The provisions of this Article shall be applicable to directors and officers who have ceased to render such service and shall inure to the benefit of their heirs, personal representatives, executors, and administrators. The right of indemnity provided herein shall not be exclusive, and the Association may provide indemnification to any person, by agreement or otherwise, on such terms and conditions as the Board of Directors of the Association may approve. Any agreement for indemnification of any director, officer, employee or any other person may provide indemnification rights which are broader or otherwise different than those set forth in the Michigan Nonprofit Corporation Act, unless otherwise prohibited by law.

**Section 2. Authorization of Indemnification.** Any indemnification under this Article (unless ordered by a court) shall be made by the Association only after ten (10) days written notice to all members of the facts surrounding the request for indemnification, when authorized in the specific case upon a determination that indemnification of the director, officer, employee, or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in this Article. Such determination shall be made: (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding; or (2) if such a quorum is not obtainable, or, even if obtainable, when a quorum of disinterested directors so directs, by independent legal counsel (who may be the regular counsel of the Association) in a written opinion; or (3) by the members.

**Section 3. Advancing of Expenses.** Expenses incurred in defending a civil or criminal action, suit, or proceeding described in Section 1 of this Article may be paid by the Association in advance of the final disposition of such action, suit, or proceeding as authorized by the Board of Directors upon receipt of an undertaking by or on behalf of the director, officer, employee, or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article.

**Section 4. Insurance.** The Association may purchase and maintain insurance 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 corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

## **ARTICLE VIII**

### **AMENDMENTS**

**Section 1. Method.** These Bylaws may be amended by the Association, at a duly constituted meeting for such purpose, by an affirmative vote of members representing a majority of the votes of all members entitled to vote. Any proposed amendments to these Bylaws shall be presented to all members in writing at least sixty (60) days prior to the meeting at which voting will occur.

**Section 2. Proposed.** Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or members of the Association representing one-fourth or more of the votes of all members whether meeting as members of 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 the provisions of Article III, Section 6, of these Bylaws.

**Section 4. Amendment Prior to Initial Meeting.** Prior to the first meeting of members, these By-laws may be amended only by the Board of Directors of the Association upon the motion of a Director, so long as such amendments shall not increase or decrease the benefits or obligations or materially affect the rights of any member of the Association.

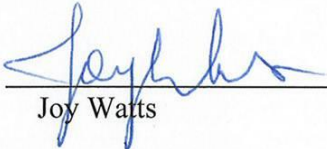
**Section 5. Effective Date.** Any amendment to these Bylaws shall become effective upon adoption of the same in accordance with Section 1 of this Article VIII without approval of by the State of Michigan and without recording in the office of the Register of Deeds.

**Section 5. Distribution.** A copy of each amendment to these Bylaws shall be furnished to every member of the Association after adoption, but failure to make such distribution shall not affect the validity of any amendment otherwise duly adopted.

#### **CERTIFICATE**

I, Joy Watts, certify that the foregoing Bylaws were adopted by the Association on the 24<sup>th</sup> day of March, 2009.

BALWAT, L.L.C.

By:   
Joy Watts

Its: Authorized Agent  
INCORPORATOR

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