

**PINECREST ESTATES SUBDIVISION
HOMEOWNERS ASSOCIATION**

BY-LAWS

PINECREST ESTATES SUBDIVISION HOMEOWNERS ASSOCIATION, INC. is a non-profit corporation organized to enforce the Declaration of Restrictions, easements and covenants of **Pinecrest Estates Subdivision Declarations of Restrictions and Covenants** which subdivision is an unrecorded plat of lots located in Salem Township, Washtenaw County, Michigan.

ARTICLE I. OFFICES

The principal office of the Association shall be in the State of Michigan. The Association shall designate a registered office in accordance with its By-Laws and shall maintain it continuously.

ARTICLE II. MEMBERS

Section 1. Membership.

There shall be one class of membership which shall consist of the owners of each lot or an approved building site located in Pinecrest Estates Subdivision. The Owners of each lot or building site shall be voting members and shall have one (1) vote.

Section 2. Transfer of Control.

The developer of Pinecrest Estates Subdivision shall transfer control of the Association to the owners pursuant to the Declarations of Restrictions and Covenants dated July 24, 1991.

(A5) In any matter, the provisions of the Declaration of Restrictions and Covenants shall take precedence over those of the By-Laws.

Section 3. Transfer of Membership.

The rights of each owner shall be appurtenant to his/her ownership of a lot or approved building site and may not be separated from said ownership and shall automatically pass to the heirs, successors and assigns of an owner upon the recordation of the change in ownership of the lot or building site with the Washtenaw County Register of Deeds and in the records of the Association.

Section 4. Annual Meetings.

The purpose of the annual meeting of members is to elect directors and to transact such other matters as may properly come before the members. The annual meeting of the member of the Association shall be held at the times and places designated by the Board of Directors of the president of the Association. The annual meeting of members for any years shall be held no later than thirteen (13) months after the last annual meeting of members. However, failure to hold an annual

meeting timely shall in no way affect the terms of officers or directors of the Association or the validity of actions of the Association.

Section 5. Special Meetings.

Special meetings of members may be called by the president or by a majority of the Board of Directors then in office or by members owning one-fourth (1/4) or more of the outstanding votes of the Association. The purpose of each special meeting shall be stated in the notice and may only include purposes which are lawful and proper for members to consider.

Section 6. Place of Meeting.

The Board of Directors may designate any place, within the State of Michigan, as the place of meeting for any meeting of members. If no designation is made, then the place of meeting shall be the principal office of the Association in the State of Michigan.

Section 7. Notice of Meeting.

Written or printed notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered personally or by mail not less than ten (10) days nor more than sixty (60) days before the date of the meeting. Notice shall be given by or at the direction of the president or the secretary of the persons calling the meeting to each member of record entitled to vote at the meeting. If mailed, such notice shall be deemed to have been delivered when deposited in the United States Mail addressed to the member at his address as it appears on the records of the Association with postage thereon prepaid.

Section 8. Waiver of Notice.

A written waiver of notice signed by a member, whether before or after a meeting, shall be equivalent to the giving of such notice. Attendance of a member at a meeting shall constitute a waiver of notice of such meeting, except when the member attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Section 9. Action Without Meeting.

Any action of the members may be taken without a meeting, without prior notice and without a vote, if a consent in writing setting forth the action so taken is signed by a majority of members of the Association. Within ten (10) days after obtaining such authorization by written consent, notice must be given to those members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action.

Section 10. Voting Record.

If the Association has six (6) or more voting members of record, the officers having charge of the membership records of the Association shall make, at least

three (3) days before each meeting of the members, a complete list of the members entitled to vote at such meeting or any adjournment thereof. The list shall be kept on file at the registered office of the Association or at the principal place of business of the Association and any member shall be entitled to inspect the list at any time during usual business hours. The list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any member at any time during the meeting. If the requirements of this section have not been substantially complied with, they upon demand of any member in person or by proxy, the meeting shall be adjourned until the requirements are complied with. If no such demand is made, failure to comply with the requirements of this section shall not affect the validity of any action taken at such meeting.

Section 11. Member Quorum and Voting.

Unless otherwise required in the Articles of Incorporation, a majority of the members appearing in person or by proxy shall constitute a quorum at a meeting of members. When a specified item of business is required to be voted on by a class of members, unless otherwise required in the Articles of Incorporation, a majority of the members of such class shall constitute a quorum for the transaction of such items of business by that class. If a quorum is present, unless otherwise provided by law or in the Articles of Incorporation, the affirmative vote of a majority of the members at the meeting entitled to vote on the subject matter shall be the act of the members. After a quorum has been established at the members' meeting, the subsequent withdrawal of members, so as to reduce the number of members entitled to vote at the meeting below the number required for a quorum, shall not affect the validity of any action taken at the meeting or any adjournment thereof. If a quorum is not present when a meeting starts, then a majority of the members at the meeting may adjourn the meeting from time to time without further notice until a quorum is present.

Section 12. Votes.

Each voting member shall be entitled to one (1) vote on each matter submitted to the members; provided however, there shall only be one vote per lot or building site as defined in the Declaration of Restrictions and Covenants of the Pinecrest Estates Subdivision. If a lot or building site is owned by two or more voting members, then the owners of that parcel shall designate in writing one owner as its proxy to cast its vote and shall represent the lot or site owner. If a lot or building site is owned by a corporation, trust or other non-natural person who is a voting member, then it shall designate in writing one owner as its proxy to cast its vote and shall represent the lot or site owner. If a lot or building site is owned by a corporation, trust or other non-natural person who is a voting member, then it shall designate in writing a natural person as its proxy to cast its vote and represent the lot or building site.

Section 13. Proxies.

Every member entitled to vote at a meeting of members or to express consent or dissent without a meeting may authorize another person to act for that

member by proxy. Every proxy shall be in writing and shall be signed by a member or his otherwise duly authorized attorney-in-fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the member executing it, except as otherwise provided by law.

Section 14. Board Membership.

(A1) Each voting membership/entity is entitled to place a maximum of one person within the Board and/or as an Officer of the Association, subject to all of the specified terms and conditions otherwise applied to inclusion in these positions and/or groups.

ARTICLE III. BOARD OF DIRECTORS

Section 1. General Powers.

Subject to the limitations of the Articles of Incorporation, these By-Laws, and the Michigan Non-Profit Corporation Act concerning corporate action that must be authorized or approved by the members of the Association, all corporate powers shall be exercised by or under the authority of the Board of Directors, and the management and affairs of the Association shall be controlled by the Board of Directors.

Section 2. Number, Qualification, Election and Tenure.

The number of directors shall be the number of directors elected from time to time in accordance with these By-Laws, but shall never be less than three (3). The number of directors may be increased or decreased from time to time by election in accordance with these By-Laws. The directors must be members of this Association. Directors shall be elected by the voting members at the annual meeting of members and shall serve until the next succeeding annual meeting and until their successors have been elected and qualified.

Section 3. Annual Meetings.

(A4) The Board shall hold an annual meeting for the transaction of such business as may come before the meeting. If a majority of the directors are present at the annual meeting of members, no prior notice of the annual meeting of the Board of Directors shall be required. However, another place and time for such meeting may be fixed by written consent of all the directors.

Section 4. Regular Meetings.

Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall be determined from time to time by the Board of Directors.

Section 5. Special Meetings.

Special meetings of the Board of Directors may be called by the chairman of the Board (if there is one), the president or any director. The person or persons authorized to call special meetings of the Board of Directors may fix a reasonable time and place for holding them.

Section 6. Telephone Meetings.

Directors may participate in meetings of the Board of Directors by means of a conference telephone or similar communications equipment by which all persons participating can hear each other at the same time, and participation by such means shall constitute presence in person at such a meeting.

Section 7. Action Without Meeting.

Any action of the Board of Directors may be taken without a meeting if a consent in writing setting forth the action so taken signed by all of the directors is filed in the minutes of the Board of Directors. Such consent shall have the same effect as a unanimous vote.

Section 8. Notice and Waiver.

Notice of any special meeting shall be given at least three (3) days prior thereto by written notice delivered personally, by mail or by telegraph to each director at his address. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail with postage prepaid. If notice is given by telegraph, such notice shall be deemed to be delivered when the telegraph is delivered to the telegraph company. Any director may waive notice of any meeting, either before, at, or after such meeting by signing a waiver of notice. The attendance of such director at a meeting shall constitute a waiver of notice of such meeting and a waiver of any and all objections to the place of such meeting or the manner in which it has been called or convened, except when a director states at the beginning of the meeting any objection to the transaction of business because the meeting is not lawfully called or convened.

Section 9. Quorum and Voting.

A majority of directors in office shall constitute a quorum for the transaction of business. The vote of a majority of directors present at a meeting at which a quorum is present shall constitute the action of the Board of Directors. If less than a quorum is present, then a majority of those directors present may adjourn the meeting from time to time without notice until a quorum is present.

Section 10. Vacancies.

Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors even though it is less than a quorum of the Board of Directors, unless otherwise provided by law or the Articles of Incorporation. A director elected to fill a vacancy shall hold office only until the next election of directors by the members. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting of members or a special meeting of members called for that purpose.

Section 11. Removal.

At any meeting of members called expressly for that purpose, any director or directors may be removed from office, with or without cause, by majority vote of the voting members. New directors may be elected by the members for the unexpired terms of directors removed from office at the same meetings at which such removals are voted. If the members fail to elect persons to fill the unexpired terms of removed directors, and if the members did not intend to decrease the number of directors to serve on the Board, then the vacancies unfilled shall be filled in accordance with provisions in these By-Laws for vacancies.

Section 12. Presumption of Assent.

A director of the Association who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless he votes against such action or abstains from voting because of an asserted conflict of interest.

ARTICLE IV. OFFICERS

Section 1. Officers.

(A2) The officers of this Association shall be a President, Secretary and Treasurer. A failure to elect a president, secretary or treasurer shall affect the existence of the Association.

Section 2. Election and Term of Office.

(A3) The Board and Officers of the Association shall be elected bi-annually in an Association membership meeting. Each officer shall hold office until his successor shall have been duly elected and shall have qualified, or until his death, or until he shall resign or shall have been removed in the manner hereinafter provided.

Section 3. Removal.

Any officer may be removed from office at any time, with or without cause, on the affirmative vote of a majority of the Board of Directors whenever, in its judgment, the best interests of the Association will be served thereby. Removal shall be without prejudice to any contract rights of the person so removed, but election of an officer shall not of itself create contract rights.

Section 4. Vacancies.

Vacancies in offices, however occasioned, may be filled at any time by election by the Board of Directors for the unexpired terms of such offices.

Section 5. Duties.

The president shall preside at all meetings of the Board of Directors and of the members. The president shall be the chief executive officer of the Association. Subject to the foregoing, the officers of the Association shall have such powers and duties as usually pertain to their respective offices and such additional powers and

duties specifically conferred by these By-Laws, or as may be assigned to them from time to time by the Board of Directors.

Section 6. Salaries

(A6) The salaries, if any, of the officers shall be fixed from time to time by a majority vote of the membership.

Section 7. Delegation of Duties.

In the absence or disability of any office of the Association or for any other reason deemed sufficient by the Board of Directors, the Board may delegate his powers or duties to any other office or to any other director.

ARTICLE V. BOOKS, RECORDS AND REPORTS

Section 1. Report to Members.

The Association shall send an annual report to the members of the Association not later than four months after the close of each fiscal year of the Association. Such report shall include a balance sheet as of the close of the fiscal year of the Association and a revenue and disbursement statement for the year ending on such closing date. Such financial statements shall be prepared from and in accordance with the books of the Association.

Section 2. Inspection of Corporate Records.

Any person who is a voting member of the Association shall have the right, for any proper purpose and at any reasonable time, on written demand stating the purpose thereof, to examine and make copies of the relevant books and records of accounts, minutes, and records of members of the Association. Upon the written request of any voting member, the association shall mail to such member a copy of the most recent balance sheet and revenue and disbursement statement. If such a request is received by the Association before such financial statements are available for its last fiscal year, the Association shall mail such financial statements as soon as they become available. In any event, the financial statements must be mailed within four months after the close of the last fiscal year. Additionally, balance sheets and revenue and disbursement statements shall be filed in the registered office of the Association in Michigan, shall be kept for at least five years and shall be subject to inspection during business hours by any voting member, in person or by agent.

ARTICLE VI. NON-PROFIT OPERATION

The Association will not have or issue shares of stock. No dividends will be paid. No part of the income or assets of the Association will be distributed to its members, directors or officers without full consideration. The Association may contract in due course with its members, directors and officers without violating this provision.

ARTICLE VII. DUES

(B1) Section 1. Initial Membership Fee.

Each purchaser of a lot in Pinecrest Estates Subdivision shall be required to join this association and shall pay an initiation fee of 100.

(B2) Section 2. Annual Dues.

Pursuant to the **Declarations of Restrictions and Covenants of Pinecrest Estates Subdivision** dated July 24, 1991, all of the lots included in the subdivision and any building site as approved shall be subject to pay annual dues to the Association at a rate to be established by resolution by the Board of Directors of the Association. The first annual dues must be submitted with the application for membership. Therefore, annual dues are payable in advance on the first day of January. Dues may be pro-rated or be allowed to be paid in periodic installment as may be determined by resolution by the Board of Directors of the Association.

(B3) Section 3. Lien on Property for Non-Payment of Dues.

Pursuant to the **Declaration of Restrictions and Covenants of Pinecrest Estates Subdivision** dated July 23, 1991, and specifically, Paragraph 19 (d), the Association shall have a lien against each lot or building site to enforce the collection of dues not payable by April 1 of each year, and said assessment shall constitute a lien upon the property and said lien may be recorded in the office of the Register of Deeds for the County of Washtenaw, Michigan and the Association may foreclose on said lien pursuant to said Declaration.

ARTICLE VIII. FINANCE

The fiscal year of the Association shall be the period selected by the Board of Directors as the taxable year of the Association for federal income tax purposes.

The HOA shall have a general fund and a discretionary fund. No payments may be made to any entity from the general fund without an explicit and individualized approval from the membership. The discretionary fund is intended for small and ordinary expenses and shall be funded by transferring funds from the general fund (which requires approval of the membership). Payments may be made from the discretionary fund with the approval of the treasurer, and one other board members, and the treasurer shall report an accounting of these payments at regular intervals. HOA funds must be deposited in an accredited financial institution, and funds may not be moved from one account to another without the approval of the treasurer and one other board member.

ARTICLE IX. INDEMNIFICATION

The Association shall indemnify each officer and director, including former officers and directors, to the full extent permitted by the Michigan General Corporation Act and the Michigan Not For Profit Corporation Act.

ARTICLE X. AMENDMENTS

The By-Laws may be altered, amended or replaced and new By-Laws may be adopted by the Board of Directors; provided that any By-Laws or amendments thereto, as adopted by the Board of Directors, may be altered, amended or repealed by vote of the members, or a new By-Law in lieu thereof may be adopted by the members. No By-Law which has been altered, amended, repealed or adopted by such vote of the members may be altered, amended or repealed by a vote of the Board of Directors for a period of two (2) years after the action of the members.

This page is not part of the formal By-Laws and is provided as an informal record of the revision history of the By-Laws.

REVISIONS

IDENTIFICATION	DATE	COMMENTS	DATE APPROVED
A1	3/20/2003	Added Sec. 14	2/12/03 Member Meeting
A2	3/20/2003	Removed Sentence	2/12/03 Member Meeting
A3	3/20/2003	Revised to BiAnnual	2/12/03 Member Meeting
A4	3/20/2003	Rewritten	2/12/03 Member Meeting
A5	3/20/2003	Clarified	2/12/03 Member Meeting
A6	3/20/2003	Revised Vote	2/12/03 Member Meeting
B1	4/3/2004	Added Initial Fee	NR Corrected error
B2	4/3/2004	Renumbered from Section 1 to Sec. 2	NR Corrected error
B3	4/3/2004	Renumbered from Section 2 to Sec 3	NR Corrected error
B4	4/3/2004	Added date	
B5	4/3/2004	Reformatted and adjust pages	
C1	3/16/2014	Revisions voted on at meeting	November 12, 2013