



HARBOR HILLS ASSOCIATION OF ORCHARD LAKE BYLAWS

ARTICLE I - Purpose

The purposes for which this Association is organized shall be those specific and general purposes set forth in these Bylaws. The Association is organized for the purpose of maintaining the common property and protecting the civic, cultural, social and economic interests, of the property owners of Harbor Hills Association of Orchard Lake to the end that it will promote sound planning, development and continued progress of the area.

ARTICLE II - Members

Section 1 • Eligibility

Membership in the Association shall be confined to every person or entity owning legal or equitable title to any real residential property included in the Harbor Hills Subdivision and West Bloomfield Park Subdivision, Orchard Lake, Oakland County, Michigan. Members of the family of eligible Association members who live with the Association member in the Harbor Hills Subdivision or West Bloomfield Parks Subdivision shall enjoy the benefits of Association membership if the member is an active member.

Section 2 • Active Members

Notwithstanding Section 1 of this Article II, only members who have (i) currently paid any and all dues and/or assessments levied by the Association within the time period for making such payments; (ii) have abided by and are in compliance with the Bylaws and any rules and regulations of the Association including, without limitation, Outlot regulations or Boat Dock and Operating Rules, and (iii) have maintained their dock space to the standards of repair, safety and appearance as determined by the Board of Directors shall be considered active members of the Association. Only active members shall (i) be eligible for election or appointment as directors or officers of the Association; (ii) or for membership



on an Association committee; (iii) shall have access to the Outlot; (iv) use of the Outlot swimming and beach facilities; (v) the right to utilization of dock space or (vi) use of the Outlot lagoon for any boating or recreational purposes. Only active members shall be eligible to vote on any matter coming before the Association for decision.

Section 3 • Suspension of Rights and Privileges

A person who fails to maintain his or her status as an active member shall be suspended from the rights and privileges of membership, including but not limited to:

- A. Voting rights.
- B. Any and all access to the Outlot.
- C. Use of Outlot swimming and beach facilities.
- D. Forfeiture of dock space to the Association.
- E. Use of the Outlot for any boating purposes.

The Board shall notify a member of their pending suspension and reason for suspension by regular mail. That member shall be responsible to address the Board of Directors' concern to avoid suspension.

Section 4 • Renters/Lessees (Tenants)

Residents of Harbor Hills Subdivision and West Bloomfield Parks Subdivision who do not own the property on which they reside, but instead rent or lease the property which they occupy as a residence, may have the privileges and responsibility of membership in the Association with the exception of voting and use of dock spaces, provided that:

- A. All charges, including but not limited to dues, assessments and miscellaneous charges, recorded against the property on which they reside are paid in full.
- B. The owner of the property has given permission, in writing, to the tenants extending such privileges and responsibilities, a copy of which shall be recorded with the treasurer of the Association and shall include the term of the lease or rental agreement, as applicable.

Tenants receiving such permission are subject to the Bylaws, Outlot Rules, and any other rules and restrictions as may be in force from time to time as any other active member. Such privileges and responsibilities pertaining to the tenant terminate at the end of the applicable lease or rental agreement, by written revocation from the owner of the property or by provisions as set forth in these Bylaws.



ARTICLE III - Dues, Charges and Assessments

Section 1 • Dues, Charges and Assessments

The Board of Directors shall propose the amount of dues, charges and/or assessments to be levied from time to time for presentation to and approval by the Association. The proposed amount of dues, charges and/or assessments will be based on the annual budget approved by the Association. Such dues, charges and/or assessments shall be levied on a reasonable and uniform basis where applicable, as deemed appropriate by the Board of Directors and approved by the Association. The Board of Directors has the right to collect all dues, charges and/or assessments on behalf of the Association. All dues are nonrefundable; assessments are refundable only when the project for which the assessment was made is cancelled. In this document, "approved by the Association" herein and hereafter means approved by a majority vote of the active members of the Association at any duly constituted Association meeting.

Section 2 • Notice of Dues and Assessments

The Board of Directors shall cause a notice of any dues and/or assessments of members to be delivered by first-class mail or by personal delivery no later than five (5) days after the annual meeting. Except in the case of Association dues to be used for the general purpose of defraying costs approved by the Association in the normal conduct of its business, the notice shall state the purpose of the charge and/or assessment and the method used to determine the amount.

Section 3 • Payment of Dues, Charges and Assessments

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

Section 4 • Default in Payment

If dues, charges and/or assessments (hereafter referred to as "Charges") are not paid within the required time period set by the Board of Directors, they shall be considered as being in default and a penalty of 10 percent of the outstanding Charges in default will be assessed. A member whose Charges are in default shall no longer be an active member of the Association and shall lose the privileges of active membership, as set forth in Sections 2 and 3 of Article II. A member may again become an active member by paying to the Association all charges and penalties in default including those levied while a



member but not an active member. The Board of Directors, in its sole discretion, may waive any or all of the Charges, and/or penalty thereon, in the event of special circumstances.

If a Director or officer of the Association loses the privileges of active membership, he or she shall immediately be relieved of the duties of such position. If a member has been relieved of his or her position as a Director or officer by virtue of a default hereunder, and such vacancy has not been filled, upon reinstatement as an active member such person shall again hold such position. If such vacancy has been filled, reinstatement as an active member shall not entitle such person to such prior position.

ARTICLE IV - Meetings

Section 1 • Procedure

Meetings of the Association shall be held at a suitable place convenient to the members, as may be designated by the Board of Directors. Each member shall have one vote for each parcel owned within the Harbor Hills Subdivision and West Bloomfield Parks Subdivision. Where a parcel is owned by more than one person, there shall be no more than one vote. Where an active member owns more than one lot, there shall be one vote per lot owned. Meetings of the Association shall be conducted in accordance with Roberts Rules of Order, when not otherwise in conflict with the Articles of Incorporation, these Bylaws or the laws of the State of Michigan.

Section 2 • Meetings

Annual meetings of members of the Association shall be held in April or May of each year on a date set by the Board of Directors, at such time and place as shall be determined by the Board of Directors. At such meetings there shall be elected by the active members a Board of Directors in accordance with the requirements of these Bylaws. The active members may also transact at annual meetings such other business of the Association as may properly come before them.

Section 3 • Special Meetings

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



Section 4 • Notice

It shall be the duty of the Secretary (or other Association officer designated by the President in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each member of record, at least ten (10) days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to a member at the address filed with the Association, or a personal delivery of such notice, shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

Section 5 • Quorum; Adjournment

Presence at a meeting of twenty-five percent (25%) or more of the active members of the Association shall constitute a quorum. If any meeting of members cannot be held because a quorum is not in attendance, the active members who are present may adjourn the meeting for not more than thirty (30) days.

Section 6 • Order of Business

The order of business at the annual meeting shall be:

- A. Meeting called to order.
- B. Roll call of members present.
- C. Reading of minutes of previous meeting.
- D. Communications.
- E. Reports of Officers and Committee Chairman.
- F. Unfinished business.
- G. New Business.
- H. Nominations from floor.
- I. Voting for Directors.
- J. Program.
- K. Adjournment.

The order of business of all other meetings, insofar as possible, of the Association shall be the same except H through I inclusive.



ARTICLE V - Board of Directors

Section 1 • Number

The affairs of the Association shall be governed by a voluntary Board of five (5) Directors, all of who must be active members of the Association. Directors shall serve without compensation.

Section 2 • Election; Terms

The first Board of Directors shall be elected at the first meeting of members of the Association. Of the first Board of Directors two members shall serve two years and three shall serve three years, unless they sooner resign or are removed. Thereafter, Directors are elected for a term of two years, with three new Directors being elected one year and two new Directors the alternate year. The Directors shall hold office until their successors have been elected and hold their first meeting.

Section 3 • Powers

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

Section 4 • Vacancies

Vacancies on the Board of Directors caused by any reason other than the removal of a Director by a vote of the members of the Association shall be filled by vote of the majority of the remaining Directors. Each person so elected shall be a Director and fill the remainder of the term of the position vacated.

Section 5 • Removal

At any regular meeting of the Association duly called, and at any special meeting of the Association called in whole or in part for such purpose, any one or more of the Directors may be removed with or without cause by a two-thirds (2/3) vote of active members in attendance. At that time a successor shall be elected to fill the vacancy thus created. A successor Director so elected shall serve until the end of the term of the person he was elected to replace. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting prior to any vote being taken.



Section 6 • Attendance

Directors are expected to attend all meetings of the Board and Association. Any director who fails to attend three (3) consecutive meetings, or fifty percent (50%) of the meetings held in a twelve (12) month period, may be subject to removal.

Section 7 • Initial Meeting

The first meeting of a newly elected Board of Directors shall be held within thirty (30) days after its election at such time and place as shall be fixed by the Directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 8 • 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, but at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail or telephone at least ten (10) days prior to the date named for such meeting.

Section 9 • Special Meetings

Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director, given personally or by mail or telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in a like manner and at like notice on the written request of three Directors.

Section 10 • Waiver of Notice

Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be deemed a waiver of notice of the time and place thereof unless the appearance is for the purpose of protesting the holding of such meeting. If all the Directors are present at any meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.

Section 11 • Quorum

At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors, unless otherwise set forth herein. If, at



any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting.

Section 12 • Bonding

The Board of Directors may require that all officers, agents and/or employees of the Association handling or responsible for Association funds or assets shall furnish adequate fidelity bonds. The premiums on such bonds may be deemed expenses of the Association.

Section 13 • Fiscal Responsibility

The Board of Directors shall oversee the implementation of the budget, including each line item within it, as approved by the Association. In the event of an unusual or unforeseen circumstance, the Board of Directors is empowered to use the emergency contingency fund when it is deemed to be in the best interest of the Association.

ARTICLE VI - Officers

Section 1 • Designation

The officers of the Association shall be a President, Vice President, Harbor Master, Secretary and Treasurer, who shall all be members of the Board of Directors. With the exception of President, one person may hold more than one office.

Section 2 • Appointment

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

Section 3 • Reassignment

Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be reassigned, either with or without cause, at any special or regular meeting of the Board called in whole or in part for such purposes.



Section 4 • President

The President shall be the chief executive officer of the Association. The President shall preside at meetings of the Association and of the Board of Directors. The President shall sign all contracts and instruments which have been first approved by the Board of Directors, The President shall call the Directors together whenever he deems it necessary, and shall have, subject to the advice of the Directors, direction of the affairs of the Association and generally shall discharge such other duties as may be required of him by these Bylaws or by the Board. The President shall have the power to appoint committees from among the members of the Association from time to time as the President may deem appropriate to assist in the conduct of the affairs of the Association. The President shall keep sufficient written and organized records and/or notes to be passed on to his/her successor within one week of the first meeting of the new board.

Section 5 • Vice President

If at any time the President shall be unable to act, the Vice-President shall take his place and perform his duties; and if the Vice President shall be unable to act, the Board shall appoint a Director to do so. The Vice President shall serve as the liaison between the Board of Directors and all committees and shall report on the activities of each committee at each Board of Directors meeting. The Vice President shall keep sufficient written and organized records and/or notes to be passed on to his/her successor within one week of the first meeting of the new board. The Vice-President is responsible to maintain the historical records (e.g. minutes, financial reports, all important documents, etc.) in good order.

Section 6 • Harbor Master

The Harbor Master shall oversee the following:

1. Recording of dock assignment, placement, etc., as required by the rules.
2. The establishment and enforcement of specifications for dock size, construction, maintenance and appearance.
3. Placement and conditions of any and all signage on the Outlot grounds.
4. Lagoon lighting maintenance and use, and the repair, installation and removal of beach docks, swimming rafts and swim equipment and area markers.
5. Arranging for and supervising cutting of the grass, weed control, and weed elimination in the lagoon.
6. Any and all actions necessary to maintain the appearance, use and enjoyment of the Outlot, its equipment and features.
7. Maintain boat accessibility from the lagoon to Cass Lake.



The Harbor Master shall keep sufficient written and organized records and/or notes to be passed on to his/her successor within one week of the first meeting of the new board.

Section 7 • Secretary

The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; the Secretary shall have charge of such books and papers as the Board of Directors may direct; and shall, in general, perform all duties incident to the office of the Secretary. The Secretary shall keep the Association's book of minutes. The Secretary shall execute and sign contracts, note papers and documents which have been first approved by the Board of Directors.

The Secretary shall keep sufficient written and organized records and/or notes to be passed on to his/her successor within one week of the first meeting of the new board.

Section 8 • Treasurer

The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements, specifying the operating expenses clearly, in books belonging to the Association. The Treasurer shall be responsible for the deposit of all 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. The Treasurer shall ensure that expenditures for the maintenance and repair of Association property and any other expenses incurred by or on behalf of the Association are properly recorded. The Treasurer shall prepare and make available to each active member the Association financial statement as of the end of the Association's fiscal year, April 30. The Treasurer shall be prepared to present current financial information and a list of members, both active and not, to the Board of Directors at each Board of

Director's meeting. The Treasurer shall prepare and distribute dues and default notices. The Treasurer shall prepare an annual estimated budget for the upcoming year for approval by the Board of Directors and present it to the general membership for approval at the annual meeting. The estimated budget shall include the budget line items attached as Exhibit D. The Treasurer shall keep sufficient written and organized records and/or notes to be passed on to his/her successor within one week of the first meeting of the new board.

Section 9 • 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.



Section 10 • General Operating Schedule

The Board of Directors will follow the schedule set forth in Exhibit A as minimal operating guidelines in conducting the affairs of the Association.

ARTICLE VII - Special Committees

Section 1 • Committees

The President or the Board of Directors may appoint such standing or special committees as deemed necessary, and shall define the duties of each appointed committee. Committees shall meet at the call of the President or the chairperson of each respective committee, and shall report to the Board of Directors as requested.

ARTICLE VIII - Finance/Records

Section 1 • Fiscal Year

The fiscal year of the Association shall be an annual period commencing on May 1 and ending April 30.

Section 2 • Depository

The funds of the Association shall be deposited in such financial institution as may be designated by the Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time.

Section 3 • Signing of Instruments

When the Board of Directors or these Bylaws authorize the signing of a contract, conveyance, or other instrument without specification of the signing officer, the President or the Treasurer may sign in the name and on behalf of the Association. The Board may authorize other officers and agents to sign instruments in the name and on behalf of the Association.



Section 4 • Corporate Books and Records

The Association shall keep books and records of account and minutes of the proceedings of its members, board of directors, and committees, if any. The Association shall keep records containing the names and addresses of all members. Any of the books, records, or minutes may be in written form or in any other form capable of being converted into written form within a reasonable time. The Association shall convert into written form without charge any record not in written form, unless otherwise requested by a person entitled to inspect the record.

ARTICLE IX - Indemnification of Officers and Directors

Section 1 • Indemnification

The Association shall indemnify every Association Director and officer at the Board's discretion to the fullest extent authorized by the laws of the State of Michigan.

ARTICLE X - Amendments

Section 1 • Method

These Bylaws may be amended by the Association, at a duly constituted meeting, by a two-thirds (2/3) vote.

Section 2 • Proposed

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

Section 3 • Distribution

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



Section 4 • Exhibits

The Exhibits referenced in these bylaws may be amended by the Association, at a duly constituted meeting, by a two-thirds (2/3) vote.

ARTICLE XI - Docks

Section 1 • Docks

The Board will make an effort to ensure dock space to accommodate one boat for requesting members. Non-lakefront members shall have priority over lakefront members in dock assignment. Assignments will be based on the following priorities:

- A. From dock space that has been forfeited to the Association for any of the reasons covered in ARTICLE II, Sections 2 and 3 (when reinstatement is not forthcoming).
- B. From members who have two sides of a dock but utilize only one dock side.
- C. From members who have two sides of a dock and utilize both sides.

Under these provisions the Board may request a member who is assigned two dock sides to sell a dock side at a price not to exceed 50% of the replacement cost of the dock.

ARTICLE XII

General Rules and Provisions / Governing

Members' Use of the Outlot

Section 1

The Board of Directors shall exercise the authority and responsibility for the interpretation and enforcement of all Outlot rules and any other matters pertaining to Outlot control, supervision and maintenance. All persons who attempt to use the Outlot who are not members are trespassing and local law enforcement agencies will be notified.



Section 2

The Board shall be responsible for the operation and control of the Outlot and the fair and impartial enforcement of the Outlot Rules and Boat Dock and Operating Rules. The current Outlot Rules and Boat Dock and Operating Rules are attached as Exhibit "B" and "C" respectively.

ARTICLE XIII - Lack of Enforcement

Section 1

Lack of enforcement of, or adherence to, any, or part of any, of these Bylaws' Articles, Sections, Sub- sections, Exhibits, or any portion thereof, does not eliminate, or limit, the enforceability of these Bylaws.