

BYLAWS  
OF  
FOX RUN ASSOCIATION, INC.

ARTICLE 1  
ORGANIZATION

1. Name and Location. The name of the corporation (the “Association”) is FOX RUN ASSOCIATION, INC. The principal office of the Association shall be located at such place within the State of Michigan designated by the Board of Directors of the Association (the “Board”) Meetings of the Members, and of the Board, may be held at such places within the State of Michigan, County of Oakland, or County of Wayne, as may be designated by the Board.

2. Organization. The Association has been organized as a nonprofit corporation under and pursuant to the provisions of Act 162, Public Acts of 1982, as amended (the “Michigan Nonprofit Corporation Act”), upon a non-stock, membership basis.

3. Purpose. The Association has been organized for the purpose of acquiring title to, owning, operating and maintaining parcels of land in Canton, Township, Wayne County, Michigan, in a plat of premises known as FOX RUN SUBDIVISION, a subdivision of part in the southeast quarter of Section 8 Town 2 North, Range 8 East and part of Section 17, Town 2 Range 8 East, and part of Section 17, Town 2 South Range 8 East, Canton Township, Wayne County, Michigan, containing lots numbered 1 through 175 inclusive, including certain open space or park areas and water retention facilities. The Subdivision and Common Areas will be governed by a Declaration of Covenants and Restrictions pertaining thereto (the “Declaration”), which shall be binding upon, and shall inure to the benefit of, each Lot, each owner of a Lot, (the “Owners”), the Association, and the successors and/or assigns of each Owner and the Association. In accordance with the Declaration the Association will levy annual assessments upon each Lot (the “Annual Assessments”), pursuant to an annual budget (the “Budget”) adopted by the Board for the purpose of operating, maintaining, improving, repairing and replacing the Common Areas, including, without limitation, the Storm Drainage Facilities.(either directly, or through a management agent or maintenance contractors engaged by the Association) Each Budget adopted by the Board shall include an adequate allowance for the maintenance of the Common Areas, including the Storm Drainage Facilities. The Board is also empowered to levy special assessments upon each Lot (the “Special Assessments”) as and when required for the maintenance of the Common Areas, including the Storm Drainage Facilities. The Declaration applies uniformly to each Lot. Each Lot shall bear (and be assessed) an equal share of each Annual Assessment and Special Assessment. Each Owner will be personally liable for each Annual Assessment and Special Assessment upon such Owner’s Lot.

ARTICLE II  
DEFINITIONS

"Articles" shall mean and refer to the Articles of Incorporation of the Association filed with the Michigan Department of Commerce, as the same may be hereafter amended.

"Association" shall mean and refer to FOX RUN ASSOCIATION, INC., a Michigan nonprofit corporation, and any successor thereto.

"Common Areas" shall mean and refer to (i) Fox Run Properties and Parks, which are intended to be owned by the Association and devoted to the common use and enjoyment of the residents in the Subdivision, together with any and all improvements now or hereafter located thereon, including, without limitation (a) the Storm Drainage Facilities situated upon Fox Run Subdivision, and (b) the entrance monuments, walks, landscaping, irrigation systems, lighting facilities and established grades within Fox Run, and (ii) the boulevard, cul-de-sacs and eyebrow islands within the Subdivision.

"Declarant" shall mean and refer to Fox Run Associates, a Michigan general partnership, or any successor thereto, or any Person to whom or which it may expressly assign any one or more of its rights, or delegate any of its authority, under the Declaration, in the manner described in the Declaration.

"Declaration" shall mean and refer to the Declaration of Covenants and Restrictions regarding the Lots, recorded (or to be recorded) among the Wayne County Records, as the same may be hereafter amended.

"Lot" shall mean and refer to any numbered parcel of land shown as such upon the recorded Flat of the Subdivision, whether vacant, partially improved or fully improved. "Members" shall mean and refer to all those Persons entitled to membership in the Association, as provided in the Declaration, including each Owner.

"Owner" shall mean and refer to the record owner, whether one or more Persons, of the fee simple title to any Lot, including, for such purpose, any land contract vendee in regard to any Lot, (rather than the land contract vendor), but not including any mortgagee unless and until such mortgagee shall have acquired such fee simple title pursuant to foreclosure, or any proceeding or conveyance in lieu of foreclosure; and "Owners" shall mean and refer, collectively, to all of the Owners of the Lots. Where more than one Person has an interest in the fee simple title to any Lot, the interests of all such Persons collectively shall be that of a single Owner for purposes of voting on all matters

involving the Association (on a one vote per Lot basis), subject to the terms and provisions of the Declaration.

“Person” shall mean and refer to any corporation, partnership, trust, association or natural person, or any combination thereof, as the context may require.

“Storm Drainage Facilities” shall mean and refer to the storm sewer line and storm water sedimentation basin, and related equipment, located upon Fox Run Subdivision. The Storm Drainage Facilities are covered by an easement in favor of the Township, and are the subject of a maintenance agreement between the Township and the Wayne County Department of Public Services, but, anything in the foregoing instruments to the contrary notwithstanding, the Association shall be solely responsible for the permanent maintenance and operation of the Storm Drainage, Facilities, and for the payment of all costs and expenses in connection therewith.

“Township” shall mean and refer to the Charter Township of Canton, Wayne County, Michigan.

### ARTICLE III DUTIES AND FUNCTIONS

The duties and functions of the Association are set forth, at length, in (i) the Articles, and (ii) the Declaration.

### ARTICLE IV MEMBERSHIP AND VOTING RIGHTS

1. Membership. Membership in the Association is a mandatory condition of Lot ownership, and is appurtenant to each Lot. Each Owner, including Declarant (during such time as Declarant shall own any Lot in the Subdivision) shall be a Member of the Association. No other Person except an Owner shall be entitled to membership in the Association, provided, that each Owner may delegate such Owner’s right to use the Common Areas to the members of such Owner’s immediate family.

2. Transfer of Assets. The share of any Owner in the assets of the Association cannot be separately assigned, pledged or transferred in any manner, except automatically to a

subsequent Owner of such Owner's Lot. No Owner shall have any right to the distribution or return of any assets of the Association, except with respect to any overpayment by such Owner of any Annual Assessment or Special Assessment levied by the Association.

3. Membership Classes. There shall be two (2) classes of membership in the Association. Class A membership shall be voting, and Declarant shall be the only Class A Member. Class B membership shall be non-voting until the time specified in the Declaration. Each Owner other than Declarant shall be a Class B Member, and voting by the Class B Members shall be on a one vote per Lot basis (each Lot is entitled to one vote regardless of how many Persons constitute the Owner of such Lot).

4. Voting. The Class A Member shall have the only voting class of membership in the Association, and the consequent right to appoint the Board, until such time as 104 Lots shall have occupied dwellings on them, or at such earlier time as may be designated in writing by Declarant. When 104 Lots have occupied dwellings on them, or at such earlier time as shall have been designated in writing by Declarant, Class B Members in the Association shall have the voting rights specified in the Declaration and herein. Thereafter, the Board shall be elected by the combined vote of Class A and Class B members; provided, voting as to all other matters shall be by class, and for the Association to take any other action, it will be necessary for both Class A and Class B Members to approve such action by the applicable majority requirements established in the Articles, the Declaration, or these Bylaws.

5. Owners. If more than one Person owns a Lot, collectively they shall be entitled to but one vote with respect to such Lot, and such Persons shall designate upon the records of the Association the individual authorized to cast such vote.

6. Votes. Votes of Members may be cast in person, by proxy, or by absentee ballot. Absentee ballots must be cast with respect to specific questions of which the notice required by these Bylaws is given prior to a particular meeting, and any such ballot must be filed with the Secretary of the Association (the "Secretary") at or before the appointed time of such meeting.

7. Majority. A majority shall consist of more than fifty percent (50%) of the votes of those members present in person or by proxy (or absentee ballot, if applicable), at a given meeting of the Association, or of each class of membership present in person, or by proxy (or absentee ballot, if applicable) at such meeting; provided, however, that certain action by the Association may require the super-majority vote of the Members (or of each

class of Members) specified in the Articles and Declaration.

## **ARTICLE V**

### **MEETINGS OF MEMBERS**

***1. Annual Meeting. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month each year thereafter, at the hour of eight o'clock p.m., or at such other time as may be specified by the Board; provided such date will be within ten (10) days of the date the meeting would have been held but for the action of the Board. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following, which is not a legal holiday.***

***2. Special Meetings***. Special meetings of the Members may be called at any time by the President of the Association (the "President"), or by the Board, or upon the written request of eight (8) or more Members.

***3. Regular Meetings***. In addition to the annual meeting, regular meetings of the Members may be held at such times and places as shall be determined from time to time by the Board.

***4. Notice of Meeting***. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary, or other Person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address appearing on

the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, date and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

5. Quorum. The presence at any meeting of Members or proxies entitled to cast one-quarter (1/4) of the eligible votes of the total membership in each Class entitled to vote at the meeting shall constitute a quorum for any action except as otherwise provided in the Articles, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice, other than announcement at the meeting, until a quorum, as aforesaid, shall be present or represented.

## ARTICLE VI BOARD OF DIRECTORS

1. Number. The business, properties and affairs of the Association shall be managed by a Board of five (5) members (the "Directors"); provided, the Board may contain between one (1) and five (5) Directors at any time until Class B Members become eligible to vote pursuant to the provisions of the Declaration, and such Director(s) need not be Owners. At the first annual meeting held after Class B Members become eligible to vote, pursuant to the provisions of the Declaration, the Board shall be elected by a combined vote of the Class A and Class B Members and each such Director shall be a natural Person who is an Owner. Prior to such time, the Board shall be elected by the Class A Member.

2. Term of Office. The first Board shall serve until the first annual meeting at which

the Class B Members are eligible to vote. Thereafter, each Director shall serve for a term of two (2) years, unless such Director shall earlier die, resign or be removed.

3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association who were eligible to vote for Directors at the meeting at which the Director was elected.

4. Resignation. Any Director may resign at any time. In the event of a change in the ownership of any Lot owned by a Director (the result of which is the elimination of such Director's interest in such Lot), such Director shall be deemed to have tendered his or her resignation, effective as of the date of such change in ownership.

5. Vacancies. In the event of the death, resignation or removal of a Director, his or her successor shall be selected by the remaining Directors, and such successor Director shall serve for the unexpired term of his or her predecessor; provided, if there are no remaining Directors, the successor Director shall be chosen by a majority vote of the Members of the Association who were eligible to vote for Directors at the meeting at which the former Director was elected. Any successor Director so selected or elected shall hold office until the next election of Directors.

6. Compensation. A Director shall not receive anything of value from the Association for such service other than reimbursement for actual, reasonable and necessary expenses incurred by such Director in connection with the performance of his or her duties in such capacity. Accordingly, each Director shall be considered to be a "volunteer director" as that term is defined in the Michigan Nonprofit Corporation Act. The liability of a Director to the Association, and to the Members and others, has been limited to the extent described in the Articles.

## ARTICLE VII NOMINATION AND ELECTION OF DIRECTORS

1. Nomination. Nominations for election to the Board shall be made at the relevant annual meeting by Members of the Association eligible to vote.

2. Requirements. To be nominated for the position of Director by a Member of the Association other than the Declarant, the nominee must be an Owner who is a Member in good standing of the Association. Prior to the time the Class B Members become eligible to vote, as provided in the Declaration, the Declarant may nominate one or more natural Persons for the position of Director who are not Owners.

3. Election. Election to the Board by the Class B Members shall be by secret written ballot. Election to the Board by the Class A Member may be by secret written ballot or other means specified by the Class A Member, At any election at which Class B Members are entitled to vote, the Members or their proxies, may cast one vote (per Lot) in respect to each vacancy. The nominee receiving the largest number of votes for each vacancy shall be elected. Cumulative voting is not permitted.

## ARTICLE VIII MEETINGS OF DIRECTORS

1. Place of Meetings. Meetings of the Board shall be held at the principal office of the Association or such other place within Wayne County or Oakland County, Michigan, as may, from time to time, be fixed by resolution of the Board. Directors may participate in any meeting by means of conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other, and participation in a meeting in such manner shall constitute presence in person at such meeting.

2. Regular Meetings. Regular meetings of the Board shall be held monthly, without notice, at such place and hour as may be fixed from time to time, by resolution of the Board. Should the meeting fall upon a legal holiday, the meeting shall be held at the same time on the next day which is not a legal holiday.

3. Special Meetings. Special meetings of the Board shall be held when called by the President, or upon the written request of any two (2) or more Directors, stating the purpose of such meeting, upon at least three (3) days prior notice (by mail or telephone) to each Director.

4. Action by Written Consent. The Directors shall have the right to take any action in the absence of a meeting which they could have taken at a meeting, by obtaining the written approval of all of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

5. Waiver of Notice. Whenever notice of any meeting of the Board is required, a written waiver of notice signed by a Director entitled to notice, whether before, at, or after the time of such meeting, shall be deemed equivalent to notice. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except when



the Director attends such meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because such meeting is not lawfully called or convened, Neither the business to be transacted at, nor the purpose of, any meeting need be specified in any written waiver of notice.

6. Quorum. At every meeting of the Board, a majority of the entire Board shall constitute a quorum for the transaction of business. Every act done, or decision made, by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act or decision of the Board. In the absence of a quorum, a majority of the Directors present may adjourn any meeting, from time to time, until a quorum is present. No notice of any adjourned meeting need be given other than by announcement at the meeting that is being adjourned.

7. Voting. On any question on which the Board shall vote, the names of those voting, and their votes, shall be recorded in the minutes of the meeting when any Director so requests. Each Director shall be entitled to cast one (1) vote on any question before the Board.

#### ARTICLE IX POWERS AND DUTIES OF BOARD

1. Powers. Subject to the terms of the Articles and Declaration, the Board shall have the power to:

(a) prepare and adopt annual Budgets for the Association sufficient to permit the Association

to properly discharge its responsibilities and prerogatives in regard to the Common Areas,

Including, without limitation, the maintenance of the Common Areas (as that term is defined

in the Declaration and Articles);

(b) levy and assess Annual Assessments and Special Assessments, and to establish the terms of payment thereof, as more fully provided in the Declaration;

adopt and publish reasonable and non-discriminatory rules and regulations governing the use of the Common Areas, and the personal conduct of the Owners and their guests thereon, and to establish penalties for the infraction thereof;

suspend the voting rights of, and limit the use of the Common Areas by any Owner during any period in which any Annual Assessment or Special Assessment against such Owner's

Lot shall be in default for more than thirty days;

exercise for the Association all powers, duties and authority vested in, or delegated to, the Association under and pursuant to the Articles, the Declaration, these Bylaws and the Michigan Nonprofit Corporation Act;

employ a management agent, independent contractors, professionals and such other employees, agents or consultants as the Board shall deem necessary to accomplish the purposes and duties of the Association, and prescribe their duties and compensation; and

disburse the -funds of the Association in payment of the costs and expenses in connection with the maintenance of the Common Areas, and for the other purposes permitted hereunder.

2. Duties. The Board shall use good faith efforts to:

(a) cause a current record of Owners to be kept by the Association;

cause the Association to keep a record of all its acts and corporate affairs, and to present a statement thereof to the Owners at least annually, or at a duly called special meeting when such statement is requested;

supervise all officers, agents and employees of the Association, to see that their duties are properly performed;

send written notice of each Annual Assessment and Special Assessment to every Owner subject thereto;

as more fully provided in the Declaration, collect all Annual Assessments and Special Assessments, and enforce and foreclose the lien against the Lot owned by any Owner who is delinquent with regard to any Annual Assessment or Special Assessment against such Lot, or bring an action at law against the Owner obligated to pay the same;

operate, maintain, repair, replace and/or improve the Common Areas, to the extent described in the Declaration and Articles, to the end that the Common Areas are, at all times, kept and maintained in an attractive and good condition;

issue, or to cause an appropriate officer of the Association to issue, upon demand by

any  
Owner, a certificate setting forth whether or not all Annual Assessments and Special Assessments in regard to any Lot have been paid, and to establish a reasonable service charge for each such certificate;

procure and maintain liability insurance with respect to the Common Areas, in such amounts as the Board determines to be appropriate, but in no event less than One Million (\$1,000,000) Dollars per occurrence, and to procure and maintain adequate liability and hazard insurance on all other property owned by the Association, or with regard to other Association matters,

(i) cause all officers or employees of the Association to be bonded, as the Board may deem

appropriate;

perform such other acts as may be reasonably necessary to improve the appearance and/or

atmosphere of the Subdivision; and

exercise for the Association all powers, duties and authority vested in, or delegated to, the Association.

## ARTICLE X OFFICERS

1. Enumeration of Offices. The officers of the Association shall consist of a President and Vice President, who shall at all times be members of the Board, a Secretary and a Treasurer, each of whom shall at all times be an Owner, and such other officers as the Board may, from time to time, by resolution create (each of whom shall hold office for such period, have such authority, and perform such duties, as the Board shall determine).

2. Election of Officers. The election of the initial officers shall take place at the first meeting of the Board.

3. Term. The officers of the Association shall be elected annually by the Board, and each shall hold office for one (1) year unless such officer shall sooner resign, die or be removed, or be otherwise disqualified to serve.

4. Removal and Resignation. Any officer may be removed from office by the Board, with or without cause. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

5. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

6. Duties. The duties of the officers are as follows:

The President. The President shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments; and shall co-sign all checks and promissory notes.

The Vice President. The Vice President shall act in the place and stead of the President in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

The Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board, and of the Members; keep the corporate seal of the Association, and affix the seal on all papers requiring such seal; serve notice of meetings of the Board, and of the Members; keep appropriate current records showing the Members of the Association, together with their addresses; and perform such other duties as may be required by the Board.

The Treasurer. The Treasurer (or management agent duly appointed by the Board) shall receive and deposit in appropriate bank accounts all moneys of the Association, and shall disburse such funds as directed by resolution of the Board; provided, however, that a resolution of the Board shall not be necessary for any disbursement made in the ordinary course of business within the limits of the Budget then in effect; shall co-sign (with the President or Vice President) all checks and promissory notes of the Association; keep proper books of the account; cause an annual audit of the Association's books to be made by an accountant at the completion of any fiscal year of the Association, if requested to do so by the Board or any ten (10) Members of the Association; and prepare an annual financial statement regarding the Association, and deliver a copy thereof to each Member.

## ARTICLE XI BOOKS AND RECORDS

1. Inspection. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles and these Bylaws, shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

## ARTICLE XII PROXIES

1. Availability. At all meetings of Members, each Member may vote in person or by proxy.

2. Form and Duration. All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond a period of eleven (11) months, and every proxy executed by a Member shall automatically cease upon the sale by such Member of his or her Lot.

#### ARTICLE XIII INDEMNITY

1. Indemnification. The enumeration of the powers and duties of the Board, and the officers of the Association, set forth in these Bylaws are intended to set forth the authority of such Persons to act, and are not intended to create contractual or other obligations on the part of such Persons to actually accomplish the purposes and duties set forth herein. In no event shall a Director or officer of the Association have liability for any personal injury, death or property damage arising out of the actual or claimed breach of any power or duty specified above, except to the extent such Person is finally judged to have been grossly negligent, or to have acted in bad faith in the performance of his or her duties, and then only to the extent permitted by the Articles. To the fullest extent permitted by law, the Association shall indemnify each Person made or threatened to be made a party to any civil action or proceeding by reason of the fact that he or she, or his or her testator or intestate, is or was a Director, officer or managerial employee of the Association, if the Person acted in good faith and in a manner the Person reasonably believed to be in or not opposed to the best interests of the Association, or its Members, and with respect to any criminal action or proceeding, if the Person had no reasonable cause to believe the conduct was unlawful; provided, if the action is by, or in the right of, the Association, indemnification shall not be made for a claim, issue or matter in which the Person has been found liable to the Association, unless, and only to the extent that the court in which the action or suit was brought has determined in view of all the circumstances that the Person is fairly and reasonably entitled to indemnification for expenses which the court considers proper,

2. Insurance. If authorized by the Board, the Corporation may purchase and maintain insurance against any such risks on behalf of any such Person to the full extent permitted by the Michigan Nonprofit Corporation Act.

#### ARTICLE XIV CORPORATE SEAL

1. Seal. At the direction of the Board, the Association shall have a seal in circular form having the Association's name within its circumference.

2. Affixing and Attesting. The seal of the Association shall be in the custody of the Secretary, who shall have power to affix it to the proper corporate instruments and

documents, and to attest to it.

ARTICLE XV  
MISCELLANEOUS

1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January, and end on the thirty-first day of December of every year, except that the first fiscal year of the Association shall begin on the date of incorporation of the Association.

ARTICLE XVI  
AMENDMENTS

1. Amendments. These Bylaws may be amended as set forth below; provided that the provisions of these Bylaws which are governed by the Articles may not be amended except as provided in the Articles; and provided further that any matter stated herein to be, or which is in fact governed by the Declaration, may not be amended except as provided in the Declaration. Notwithstanding anything contained herein, Declarant reserves the right to amend or modify these Bylaws, in its sole discretion until the time at which Class B Members become eligible to vote. These Bylaws may be amended at any time after the time at which the Class B Members become eligible to vote, provided that the amendment receives the affirmative vote of eighty per cent (80%6) of each class of Association Members entitled to vote, and provided, further, that no such amendment may:

- (a) eliminate the eligibility of any Owner to vote, or change the basis for voting;
- (b) purport to have any retroactive effect;

change the super-majority voting requirement, or the restrictions on amendments contained in this section;

affect or diminish any obligation, responsibility or liability of the Association, or the Owners, which is established in the Declaration or in any contract, agreement or undertaking contemplated by the Declaration, in any case, as such may be amended;

(e) alter the use of the Common Areas, including without limitation, the Storm Drainage Facilities; or

(f) limit or eliminate, generally, the right of Members to use and enjoy the Common Areas,  
as specified and defined in the Declaration.

2. Conflict. In the case of any conflict between the Articles and these Bylaws, the provision of the Articles shall control; and in the case of any conflict between the Declaration and the Articles, or these Bylaws, the provisions of the Declaration shall control.

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