

BYLAWS  
OF  
BAILEY'S GROVE PROPERTY OWNERS ASSOCIATION

ARTICLE I.

SECTION 1. Registered Office. The first registered office and place of business of the corporation in the State of Michigan shall be 2130 Enterprise, Kentwood, Kent County, Michigan 49508.

SECTION 2. Offices. The corporation may have offices or meetings at such other place or places within the State of Michigan as the Board of Directors may from time to time appoint or the business of the corporation may require.

ARTICLE II.

SECTION 1. Membership.

(a) Subject to the provisions of Article VIII, Section 1, membership in this corporation shall include all title holders or land contract vendees of any real property constituting a part of the property described in Exhibit A, which is intended to describe all present and future phases of Bailey's Grove platted subdivisions and designated condominium projects.

(b) If two or more persons own a qualifying parcel of real estate, the two shall constitute one member. Each member shall have one vote per parcel at any membership meeting.

(c) Membership shall be transferred at the same time as any transfer of title or land contract interest to qualifying parcels of real estate.

SECTION 2. Annual Meeting. The annual meeting of the membership for the election of directors and for the transaction of such other business as may come before the meeting shall be held at the office of the corporation, or at such other place as may be designated by the Board of Directors, on or before the 30th day of November of each year; and notices thereof shall be given by written notices served upon each member entitled to vote, either personally or by mailing such notice, addressed to him at the proper post office address as such address shall appear on the records of the corporation, at least fifteen days prior to the holding of the meeting. No notice of the annual meeting of the membership shall be required as to any member who shall attend such meeting in person or by proxy, nor shall any notice be required as to any member who shall, in person or by attorney duly authorized, waive notice of any meeting, whether before or after such meeting.

SECTION 3. Special Meetings. Special meetings of the membership shall be held at such place within Kent County as may be designated in the notice thereof and shall be called at any time by the Secretary or any other officer, whenever directed by the Board of Directors, or by the President, or upon the written request of 25% of the members of the association entitled to vote on the business to be transacted at such meeting, delivered to such officer. Notice of every special meeting shall be given in the same manner as stated in Section 2.

SECTION 4. Quorum. At all meetings of the membership, in order to constitute a quorum, there shall be present, either in person or by proxy, one tenth (1/10) of the members then entitled to cast a majority in number of votes, but if at any regularly called meeting of the membership there be less than a quorum present, the membership present may adjourn the meeting.

SECTION 5. Proxies and Absentee Ballots. At all meetings of members, each member may vote in person, by absentee ballot or by proxy as follows:

(a) Proxies - A "proxy", for purposes of these by-laws, shall be a writing which authorizes another member to vote on behalf of the member who is giving the proxy. All proxies shall be in writing and filed with the Secretary. A proxy shall be signed by the member giving the proxy and shall list the date on which it commences. No proxy shall be valid for longer than sixty (60) days, provided, however, that the member giving the

proxy may indicate on the proxy that it is valid for a shorter period of time. Every proxy shall be revocable upon the filing of a written notice with the Association by the member who gave the proxy stating that the proxy is revoked. A proxy shall automatically be revoked upon conveyance by the member of his or her lot. No proxy shall be valid unless it shall be in proper form approved by the Board of Directors and has been filed with the Association at least 48 hours prior to the meeting at which it will be utilized.

(b) **Absentee Ballots** - For purposes of these by-laws, an absentee ballot shall be a writing whereby a member votes on a particular issue or for member(s) of the Board of Directors by executing and filing the absentee ballot ahead of time and in accordance with the applicable rules and regulations. All absentee ballots shall be in writing and filed with the Secretary. An absentee ballot shall be valid for only one (1) meeting. Once a valid absentee ballot is filed with the Secretary, it shall not be revocable except due to a transfer or conveyance of the lot involved. An absentee ballot shall automatically be revoked if the member conveys his or her lot before the meeting involved. No absentee ballot shall be valid unless it shall be in proper form approved by the Board of Directors and it has been filed with the Association at least twelve hours prior to the meeting at which it will be utilized.

(c) No member who has filed or cast an absentee ballot may authorize a proxy for the same vote. If there is a conflict between an absentee ballot and a proxy for a given vote, the absentee ballot shall govern.

(d) The Board of Directors shall be empowered to adopt reasonable rules and regulations regarding the form of the proxies and absentee ballots, as well as the procedures for their utilization. If a conflict or ambiguity arises regarding the use of a proxy or absentee ballot, the Board of Directors shall be the final judge.

(e) Proxies and absentee ballots shall count towards a quorum of members as provided in Article II, Section 4 hereof.

**SECTION 6. Chairman.** The President, or in his or her absence, any executive officer of the corporation, shall call all meetings of the membership to order, and unless otherwise ordered by the membership, shall act as Chairman of such meeting.

**SECTION 7. Secretary.** The Secretary of the corporation shall act as Secretary of all meetings of the membership, or in his or her absence, the presiding officer may appoint any person to act as Secretary.

### ARTICLE III.

**SECTION 1. Board of Directors.** The property and business of the corporation shall be managed by a Board of Directors consisting of not less than three nor more than seven persons. The first Board of Directors shall be elected by the Incorporator/Developer, Eastbrook Development Company, at the first meeting of the members. The Developer shall continue to elect the Board of Directors until such time as 500 single family homes have been built and occupied within the benefitting property. Thereafter, the directors shall (except as hereinafter provided for the filling of vacancies), be elected by a plurality vote of the membership entitled to vote at said election, and shall hold office for two year or three year terms and until their successors are respectively elected and qualified.

**SECTION 2. Term of Office.** At the first meeting for the election of the Board by a plurality vote of the membership, the members shall elect directors for two and three year terms. For example, if seven (7) directors are elected, four shall serve for a term of three years and three shall serve for a term of two years.

**SECTION 3. Board Meetings.** The Board of Directors shall meet for the election of officers and for the transaction of any other business as soon as practicable and in any event within thirty (30) days after the adjournment of the annual meeting of the membership, at a time fixed by unanimous consent of the directors, and other regular meetings of the Board of Directors shall be held at such times as the Board may from time to time determine. No notices need be given of regular meetings of the Board.

**SECTION 4. Board Quorum.** A majority of the directors shall constitute a quorum for the transaction of business.

**SECTION 5. Removal or Vacancy.** Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his

successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

SECTION 6. Compensation. No director shall receive compensation for any service he may render to the Association, except that the treasurer may be compensated, upon unanimous approval of the Board of Directors, if he or she is personally responsible for the collection of dues and payment of expenses. Also, any director may be reimbursed for his or her actual expenses incurred in the performance of association duties.

SECTION 7. Action Taken Without A Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

#### ARTICLE IV.

SECTION 1. Powers. The Board of Directors shall have the power to:

(a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties and/or fines for the infraction thereof.

(b) Suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for infraction of published rules and regulations.

(c) Within the provisions of the budget adopted by the membership, exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws or the Articles of Incorporation;..

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

(e) Foreclose the lien against any property for which assessments are not paid within ninety (90) days after due date or to bring an action at law against the member personally obligated to pay the same.

(f) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

(g) Contract for trash removal for all residents and require all residents to participate if implemented.

(h) Do all other lawful acts incident to the purposes of this corporation.

SECTION 2. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members.

(b) Supervise all officers, agents and employees of this Association, and to see that their duties are property performed.

(c) Adopt an annual budget (including a budgeted amount for asset replacement) and the amount of the annual fee against each lot in advance of the annual meeting of the members.

(d) Send written notice of each assessment to every member subject thereto in advance of each annual assessment period.

(e) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the

issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

- (f) Procure and maintain adequate liability and hazard insurance on property owned by the Association.
- (g) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.
- (h) Cause the Common Areas to be maintained, including but not limited to:
  1. Landscape and maintain the entry areas, common areas, parks, pedestrian trails and green areas to be designated in the plats of Bailey's Grove single family residential development being developed by Eastbrook Development Company and as described in total on Exhibit A.
  2. Acquire real property or easements over real property within the Bailey's Grove plat as needed to operate and maintain the common areas.
  3. Maintain sign(s) identifying Bailey's Grove subdivision at the entry area(s) to the development.
  4. Operate and maintain, including landscaping, a community center, pool and surrounding green area within the Bailey's Grove development.
  5. Maintain the private drives within the Bailey's Grove development.
  6. Maintain the island cul de sacs located in the Bailey's Grove development.
  7. Maintain the designated detention pond(s) within the common areas.
  8. Perform or cause to be performed all grass mowing, cutting and removal of limbs from trees as necessary and removal of noxious weeds within the landscaped common areas of Bailey's Grove subdivision, except that the designated natural areas and wetland areas shall be maintained in their natural state.
  9. Hire a snow plowing contractor for the community building parking lot and the shared private roads owned by the Association.

#### ARTICLE V.

SECTION 1. Officers. The officers of the corporation shall be a President, one or more Vice Presidents, a Secretary and a Treasurer, and such other officers as shall from time to time be provided for by the Board of Directors. Such officers shall be elected at the first meeting of the Board of Directors after the annual election of directors, and shall hold office for one (1) year terms and until their respective successors shall have been duly elected and qualified; provided, however, that all officers, agents, and employees of the corporation shall be subject to removal by the Board of Directors at any time. In its discretion, the Board of Directors may leave unfilled any office except those of President, Secretary or Treasurer.

SECTION 2. President. The President shall be the chief executive officer of the corporation. He shall preside at all meetings of the membership and of the Board of Directors. He shall have general charge and supervision of the business of the corporation.

SECTION 3. Vice President. The Vice President shall possess the power and may perform the duties of the President in his absence or disability. In the event that the Board of Directors shall elect more than one Vice President, such other Vice Presidents shall have such powers and perform such duties as may be from time to time assigned to them by the Board of Directors.

SECTION 4. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the membership. He shall attend to the giving and servicing of all notices of the corporation. He shall have charge of such books and papers as the Board of Directors may direct, all of which shall, at all reasonable times, be open to the examination of any directors, upon application at the office of the corporation.

SECTION 5. Treasurer. The Treasurer shall have the custody of all funds of the corporation which may have come into his hands; when necessary or proper, he shall endorse on behalf of the corporation for collection checks and other obligations, and shall deposit the same to the credit of the corporation in such bank or depository, as the

Board of Directors may designate; he shall sign all receipts and vouchers for payments made to the corporation; he shall render a statement of his cash account; he shall enter regularly in books of the corporation to be kept by him for that purpose, account of the corporation; at all reasonable times exhibit his books and accounts to any director of the corporation upon application at the office of the corporation.

#### ARTICLE VI.

SECTION 1. Checks. All checks, drafts, and orders for the payment of money shall be signed by at least two officers or such other persons as the Board of Directors may from time to time determine.

#### ARTICLE VII.

SECTION 1. Fiscal Year. The fiscal year of the corporation shall be from January 1 through December 31.

#### ARTICLE VIII.

SECTION 1. Voting.

(a) Until there are 500 single family homes built and occupied within the benefitting property, Eastbrook Development Company, or a successor developer, shall be the only voting member of Bailey's Grove Property Owners Association, and shall pay the costs in excess of that collected by the association to maintain the areas noted in Article IV, Section 2. As soon as 500 homes have been built and occupied within the proposed plats, voting rights as set forth in Article II herein shall apply, except that undeveloped lots still owned by Eastbrook Development Company shall not be assessed.

(b) Voting at annual meetings or special meetings may be done in person, by proxy or by mail-in vote duly signed and delivered to the secretary of the corporation.

SECTION 2. Fees.

(a) Each purchaser of a detached single family home will pay an annual association fee to run the association and maintain the areas noted in Article IV, Section 2(h). Membership is mandatory for all owners of detached single family homes and lots. The amount will initially be \$180.00 per year, pro-rated to the month of closing at the rate of \$15.00 per month. The annual fee may be adjusted annually by the Board when a new budget is adopted. In addition, each purchaser shall pay an initial fee of \$100.00 at closing to help establish the start-up and replacement reserve for the Association. Thereafter, dues shall be due on February 28 of each year, unless otherwise noted on the billing from the Association. Dues not paid within 30 days of the due date shall accumulate a late fee of \$15.00 per month until paid. The amount of the annual dues may change pursuant to Section 3 hereof, but shall be pro-rated at closing in the same manner as noted above.

(b) Each purchaser of a condominium will pay an annual association fee to maintain the common or green areas noted in Article IV, Section 2(h). The collection of this fee will be included in the condominium maintenance fees, therefore, condominium owners should refer to their condominium association budget. The annual fee for condominium co-owners shall be sixty-six and two-thirds percent (66.23%) of the annual fee paid by detached single family home owners in the platted areas.

(c) Bailey's Grove subdivision will include a swimming pool with membership available to Bailey's Grove residents only. Membership is not included in the annual dues mentioned in (a) or (b) above. Membership is optional and will be billed separately in an amount to be determined by the Board of Directors of the Association.

SECTION 3. Budget. At a regular meeting of the Board to be held on or before November 30 of each year and prior to the annual meeting of the membership, the Board, by majority vote, shall adopt a budget for the following calendar year and shall adopt the amount of membership fees to be paid by each lot owner provided, however, that no fees will be assessed against Eastbrook Development Company or a successor developer with respect to undeveloped lots or land. Members shall be obligated to pay the fees assessed, and fees shall be paid to the Treasurer on or before the 28th day of February next following the meeting.

SECTION 4. Lien. The obligation to pay fees and/or fines shall be the personal obligation of the member and shall constitute a lien on the parcel owned or being purchased by the member. The obligations may be enforced in any manner permitted by law, and specifically including foreclosure of the lien, the same as if the lien were a mortgage on the parcel affected. The obligation may be enforced by the Association or by the owner of any parcel sharing in said cost or by the City of Kentwood.

#### ARTICLE IX.

SECTION 1. City of Kentwood Indemnification. The Association agrees to indemnify, defend and hold harmless the City of Kentwood, Eastbrook Development Company, Eastbrook Builders, Inc., their successors or assigns, their officers, employees and agents from and against any and all damages, claims, losses, liabilities and expenses including, without limitation, reasonable legal and other expenses, which may be asserted against, imposed upon or incurred (i) as a result of personal injury or property damage resulting from activities in or occurring in any private common area or (ii) arising out of or in connection with the performance of duties, obligations or actions called for in these Bylaws.

SECTION 2. Detention Pond Indemnification. The Association agrees to indemnify, defend and hold harmless the County of Kent, the Office of the Kent County Drain Commissioner for the County of Kent, the City of Kentwood, Eastbrook Development Company, Eastbrook Builders, Inc., its officers, employees and agents, successors or assigns, from and against any and all damages, claims, losses, liabilities and expenses including, without limitation, reasonable legal and other expenses, which may be asserted against, imposed upon or incurred as a result of personal injury or property damage resulting from the detention pond areas.

#### ARTICLE X.

SECTION 1. Amendments. The members may at any meeting amend any of these Bylaws by the affirmative vote of a majority of the members provided the substance of the proposed amendment shall have been stated in the notice of the meeting, however, Article IX may not be amended. Additionally, no amendment shall serve to diminish the Association's responsibility or limit the Association's capacity, financial or otherwise, to provide for the purposes stated in Article II of the Articles of Incorporation of Bailey's Grove Property Owners Association.