

BY-LAWS OF ADACROFT COMMONS ASSOCIATION
REVISED 3.99 and 3.07 and 2.08

PREAMBLE

The purposes for which this association is formed are:

1. To promote community benefits and to establish rules and regulations encouraging and promoting the mutual interests of persons owning properties situated in Adacroft Commons Plats (as hereinafter defined).
2. To hold legal title to such real estate as may be conveyed to the association for use in developing recreational facilities for the members of the association.
3. To promote, develop, operate and maintain recreational parks and facilities on the real estate, which may be from time to time conveyed, to the association.
4. To do such other things as may be deemed beneficial and in the mutual interests of the members thereof.

“Adacroft Commons Plats” is defined as the recorded plats of Adacroft Commons No. 1 to 8, any other lands in the vicinity of Adacroft Commons No. 1 to 8 platted by Maryland Development Company, and three parcels known as 6369, 6380 and 6384 Dunbarton. After the building was completed on plat 8, the association was turned over completely to the homeowners within the association.

ARTICLE I.

NAME AND LOCATION

This association shall be known as: ADACROFT COMMONS ASSOCIATION.

The official address of the Association is:

Adacroft Commons Association
P.O. Box 184
Ada, MI 49301

ARTICLE II.

MEMBERSHIP

Section 1. Eligibility: All owners of lots numbered 1 to 25 inclusive Adacroft Commons No. 1 shall automatically be members of this association, provided however, if the record owner of a lot is selling the lot upon land contract, then the land contract purchaser shall be the member of the association. All owners of lots in any other plats in the vicinity of Adacroft Commons No. 1 to 8, which are platted by Maryland Development Company, shall automatically become members of this association upon the recording of a deed to them or upon the execution of a land contract wherein they are buying an interest in a lot.

Section 2. Active members: All members who shall pay their dues and assessments, if any, shall be active members.

Section 3. Inactive members: All members who shall fail to pay their dues and assessments, if any, on or before the due date, shall be inactive members. Inactive members also include all members designated as such under Article III, Section 5 of these by-laws.

Section 4. Limitations on membership: There shall be only one membership for each of the lots or portion thereof in Adacroft Commons Plats or for any of the lots or portion thereof in any future plats dedicated in the vicinity by Maryland Development Company and said membership shall attach to and at all times remain with the owner or land contract purchaser of the lot, and said membership shall not be transferred apart therefrom. Any owner of a lot and portion of an adjoining lot, shall have only one membership.

ARTICLE III.

RIGHTS, PRIVILEGES, AND PROPERTY OF THE ASSOCIATION

Section 1. Office and Voting: The right to hold office and the privilege and power to vote for Directors, or any matter before this association, is vested only in members. Only one vote shall be cast and accepted for each membership, and only active members may vote. The record owner of the lot shall be entitled to vote the membership if present, and if not present, the voting of that membership may be made by proxy. If the record owner of a lot holds title to the lot as a co-ownership or form of joint tenancy any co-owner or joint tenant may vote the membership. Maryland Development Company shall have one (1) vote for each lot that it owns.

Section 2. Family Privileges: The privilege of use of the facilities of this association shall extend to all legal resident members of the association member's household. In addition, each member shall be entitled to have guests use the facilities of the association in accordance with the terms and conditions as determined by the association from time to time. All guests must be accompanied by a member or someone entitled to family privileges.

Section 3. Regulations: The board of Directors shall have the power and authority to make all rules and regulations as the board may deem expedient and consistent with the purposes of the association set forth in the Preamble. In addition, the following regulations shall apply:

A) The property of the association broken or damaged by a member or their guest shall be promptly paid for by such member, with reasonable wear and tear excluded. No person shall take any article belonging to the association. All property of the association shall be subject to the terms and conditions of Chapter X of the Ada Township Zoning Ordinance and any amendments thereto.

B) The association assumes no responsibility, and members or their guests can have no claim against the association for the property of members or any guests which may be brought into or left in any association buildings or on association grounds.

C) The association assumes no responsibility and the members or their guests can have no claim against the association for any accident or injury to any person on association property, provided, however, the association shall carry liability insurance in such amounts as the board of Directors

shall determine to protect the association from any loss including damage due to any occurrences upon the association's property.

D) The association shall not sell, transfer, grant, mortgage, encumber, or otherwise dispose of any real property that is association property including, without limitation, commons areas, without: 1) at least two-thirds approval of the board of Directors and 2) two-thirds approval of the association members. The association shall not acquire, purchase, commit to purchase or otherwise consent to additional ownership of any real property that will become association property, including without limitation, commons areas, without: 1) at least two-thirds approval of the board of Directors and 2) two-thirds approval of the association members. The association shall not change, modify or alter the use and the purpose of any real property that is association property classified as commons areas from the use and purpose originally intended without: 1) at least two-thirds approval of the board of Directors and 2) two-thirds approval of the association members.

Section 4. Delinquent Dues:

A) No member or its guests may use the association facilities until the annual dues and any assessments are paid. Any members failing to pay annual dues and any assessments prior to the date fixed for payment shall forfeit the right to use the facilities of the association, and shall be considered inactive members. Inactive members forfeit their rights under these by-laws, their right to vote on association or board matters and any right to request variances from the association's building and deed restrictions.

B) Inactive members may achieve active status after an inactive period by paying all dues and assessments, plus interest at the rate of six percent (6%) per annum, from that due date. Inactive members may not have the guest privileges to use any of the facilities of the association, nor may they attend as a guest of an active member.

C) In the event a member becomes delinquent in the payment of annual dues or any assessments, the association shall file a notice of claim of lien against the individual member's property in accordance with the provisions of Articles VIII, Section 2 of these by-laws.

Section 5. Suspension of Membership:

A) Any member may, for just cause and after having been given an opportunity for hearing, be suspended for cause, for a period of not exceeding thirty (30) days by a two-thirds vote of the members of the board of Directors present at any meeting thereof. Cause of suspension shall consist of violations of these by-laws, building restrictions or of the rules of the association. During such period of suspension the member shall be considered an inactive member.

B) Suspension of the membership of any member for cause shall not relieve such member of the obligation to pay all dues or assessments owing or levied to the end of the period for which they were made and during which such termination or suspension may occur.

Section 6. Transfer of Interest: When a member transfers their interest in real estate, either by deed or land contract, their membership shall be deemed transferred to their successor in interest as of the date of delivery of said deed or land contract. Such member shall give written notice thereof to the secretary of the association.

ARTICLE IV.

MEETINGS

Section 1. Annual Meeting: The annual meeting of the members shall be held in the Township of Ada at such place as may be designated by the board of Directors. The annual meeting shall be held in February of each year on the date and time set by the board. The purpose of the meeting shall be for the election of Directors, approval of the budget, approval of the upcoming year's dues and any assessments and for the transaction of such other business as may be indicated in the notice or properly brought before the meeting.

Section 2. Special Meetings: Special meetings of the members may be held at such time and place as may be fixed by the board of Directors, or by the President of the board, upon written request of ten percent (10%) of the membership entitled to vote, or upon the request of the President, or upon request of any two (2) Directors in writing.

Section 3. Notice of Meetings: The secretary shall give fourteen (14) days written notice of the time and place of all membership meetings, except that no such notice shall be necessary for meetings that are merely adjournments of any previous meetings. The notice of any special meeting shall state the purpose of such meeting.

Section 4. Quorum: At all meetings of the members of the association, one third (1/3) of those members entitled to vote, including written proxies of those entitled to vote, shall constitute a quorum.

Section 5. Order of Business at Annual Meeting: The order of business at the annual meeting shall be determined by the President or the presiding officer. The Secretary shall take minutes at each meeting. The minutes shall be made available to the membership in written form and on the association's internet site, if the association maintains an internet site.

Section 6. Waiver of Notice: Any member or Director may waive in writing any notice to which they may be entitled under these by-laws.

Section 7. Meeting of the Board: The board of Directors shall hold regular meetings, at least quarter annually. The location, date and time of regular board meetings shall be published in the minutes of the board. The annual meeting of the board of Directors shall be held immediately after the annual meeting of the membership, unless another later time and place is agreed upon by all the Directors in writing. (Which time shall not be later than seven (7) days after such annual meeting of the membership). The purpose of such meeting shall be for the election of officers and for such other business as may be indicated in the notice or properly brought before the meeting. Special meetings of the board may be called at any time by order of the President or upon request of any two (2) members of the board. The Directors shall be provided with at least four (4) days written notice of all special board meetings. A majority of the Directors shall constitute a quorum at any meeting of the board.

Section 8. Membership Voting: Voting by the members at the annual meeting shall be by written ballot. Ballots will be sent to the members along with the notice of the annual meeting. Completed ballots may be mailed to the association prior to the annual meeting or delivered to

the Secretary at the annual meeting. The Treasurer and Secretary shall determine if a quorum exists for the annual meeting. The Treasurer and Secretary shall count the ballots of active members voting at the annual meeting and shall report the results of the annual meeting. The ballots will be retained as association records, either in their original form or as copied to microfiche, electronic or digital medium and maintained by the Secretary for a period of one year after the annual meeting. Election records are available for review or examination by any member but only under such terms and conditions set by the board to ensure that the integrity of the records shall be preserved.

ARTICLE V.

BOARD OF DIRECTORS

Section 1. Management: The control and management of the property and affairs of this association shall be vested in a board of three (3) Directors to be exercised under and in accordance with these by-laws. Each Director must be an active member of this association. At such time as there shall be one hundred (100) members, other than Maryland Development Company, the board membership shall be increased to six (6), and when there shall be two hundred (200) members, other than Maryland Development Company, the board membership shall be increased to nine (9). All Directors shall serve without compensation.

Section 2. Terms of Directors: At the first annual meeting of the association three (3) Directors shall be elected. One shall be for a term of one (1) year; the second shall be for a term of two (2) years and the third shall be for a term of three (3) years. At each time as the board of Directors is increased as provided in Section 1 hereof, at the election for such directors, one shall be for a term of one (1) year, the second for a term of two (2) years, and the third shall be for a term of three (3) years. Each director will hold office for their term and until a successor is elected. Thereafter, at each annual meeting of the association, the members shall elect new directors for a term of two (2) years to fill the vacancy for each Director's term that has expired.

Section 3. Voting: Each member of the association shall have one (1) vote for each Director to be elected, and the individual receiving the greatest number of votes shall be considered as elected.

Section 4. Vacancies: Any vacancies on the board of Directors shall be filled by the remaining Directors appointing a substitute to fill the vacancy until the next annual meeting. If any Director shall dispose of their entire interest in their real estate or discontinue their residence thereon, thereby terminating their membership, they shall cease to be a Director.

Section 5. Quorum: A majority of the Directors shall constitute a quorum for the transaction of business.

Section 6. Removal: Any Director or Directors may be removed at any time by the majority vote of the members present or by written proxy, at a regular or special meeting of the members called for that purpose.

Section 7. Limit on Terms: Each Director, except for an officer of Maryland Development Company, shall be limited to three (3) consecutive terms, and shall not be eligible to be a Director for a period of one (1) year after serving three (3) consecutive terms.

Section 8. Powers of the Board: The board of Directors shall exercise all of the powers of the association except such as are by the Articles of Incorporation of the association, or by these by-laws, conferred upon or reserved to the membership of the association.

Section 9. Election of Officers: The board of Directors, within seven (7) days after the annual meeting of the members, shall choose from its members the following officers, whose terms of office shall continue for one (1) year or until successors are elected or appointed and have qualified: President, a Vice-President, a Secretary and a Treasurer. No two (2) offices shall be held by the same person, except in the case of an officer of Maryland Development Company.

ARTICLE VI.

OFFICERS

Section 1. Officers: The officers of this association shall be a President, a Vice-President, a Secretary and a Treasurer, who shall be chosen by the board of Directors as designated in ARTICLE V and who shall serve without compensation. The administrative duties of any officer may be delegated or sub-contracted to professional vendors with prior approval of the board.

Section 2. President: The President, or in the President's absence the Vice-President, shall preside at all meetings of the association and the board of Directors. The President shall have the duty to see that all orders and resolutions of the board of Directors are properly executed, and in so doing shall have the general supervision of the affairs of the association and its property. The President or other officer designated by the board shall execute all contracts and agreements authorized by the board of Directors and shall perform such other duties as are generally delegated by the board of Directors. The President shall, ex officio, be a member of all standing committees appointed by the board of Directors and shall also be a member of any finance committee.

Section 3. Vice-President: The Vice-President shall have duties as may be delegated by the board of Directors and shall act in the absence of, or inability of, the President to act. The Vice-President shall also acquire and maintain a record of building and use restrictions of record.

Section 4. Secretary: The Secretary shall keep the records of the meetings of the members and of the board of Directors, the corporate seal of the association, if any, and the list of members and applicants. The Secretary shall mail all notices provided for in these by-laws or by statute, and shall attend to the making and filing of all corporate reports which are now or hereafter may be required by public authority. The Secretary shall perform such other duties pertaining to the office as may from time to time be fixed by the board of Directors.

Section 5. Treasurer: The Treasurer shall have general supervision and control of the accounts of the association and over its fiscal affairs, including the keeping of the books of the association, the collection, receipts, deposit and disbursements of its monies, and the payment of

its bills when properly approved by the appropriate officer or Director on the specific vouchers, and when in conformity with the approved budget.

The Treasurer at each meeting of the board of Directors shall make available to the board of Directors the books which show the balance left in each budgeted classification of funds as yet unexpended therein, and shall also make a written statement of the bank balance of the association as of that time.

The Treasurer, prior to the February meeting of the members shall submit a detailed report of the financial transactions of the association for the preceding year, with an analysis of such expenditures, item by item, as compared with the preceding year's budget. After the board of Directors has approved the Treasurer's report, the Treasurer shall provide a copy of such report to all members of the association at the annual meeting.

ARTICLE VII.

COMMITTEES

Section 1. Appointment of Committees: The board of Directors may appoint such committees, from time to time, as it shall deem necessary.

ARTICLE VIII.

DUES AND ASSESSMENTS

Section 1. Dues: No dues shall be charged to any member for the calendar year 1968, and all expenses of the association for said year shall be paid by Maryland Development Company. Beginning with calendar year 1969, the dues for the current calendar year (i.e. January 1 to December 31) shall be fixed and approved by the members at the annual meeting of the members in February, after the budget for such year has been adopted. Such dues shall be sufficient to provide for the necessary operating expenses of the association and the normal maintenance of its property for such year, including payment of all taxes and special assessments which may be levied against the property of the association, all insurance premiums for the protection of the association property and any items required under Chapter X of the Ada Township Zoning Ordinance; provided, however, that the annual dues shall not exceed the sum of Seventy Five and 00/100 Dollars per member, unless a member is entitled to more than one vote, as a result of his ownership of more than one lot (members owning a lot and a portion of an adjoining lot being entitled only one (1) vote in accordance with ARTICLE II, Section 5) except as provided in Section 3 hereof, provided, further, that any one who becomes a member shall pay any unpaid dues or assessments for the current calendar year, pro-rated for the portion of the calendar year remaining of the time of membership. Annual dues shall be due and payable as specified in the annual dues notice to the members.

Section 2. Collection of Dues: On or before April 30th of each year, the Treasurer shall mail to each member a statement for said member's dues for that year. The dues shall be due and payable as specified in the annual dues notice to the members. The Treasurer shall present to the board the names of all members whose dues, assessments and/or violation sanctions are in arrears or have become delinquent, and the board shall then direct the Treasurer to file a notice of claim of lien in the office of the Register of Deeds, Kent County, Michigan, in the amount of said

deficiency in accordance with the provisions of the document recorded in the Deed of Records Kent County, Michigan.

Section 3. Assessments: Special assessments on each member may be approved by a two-thirds (2/3) vote of the members present, in person or by proxy, at a membership meeting called for such purpose, providing notice of such meeting is sent to all members fourteen (14) days prior thereto specifying the proposed special assessment. All special assessments shall be due and payable in accordance with the terms of the motion passed at such meeting. Special assessments for the purpose of this ARTICLE shall be deemed to include any increase in dues to cover the costs described in Section 1 hereof and any capital improvements of the real estate owned by the association.

Section 4. Violation Sanction: Upon report to the board of Directors of the occurrence of an association by-law or building restriction violation committed by a resident of the association, and upon investigation and verification by the board of the alleged violation, the board may conduct a meeting to consider appropriate action to address the resident's by-law or building restriction violation. The board is to give written notice to the resident alleged to be in violation of a by-law or building restriction by US Mail or by personal delivery at last five (5) days prior to the board meeting, informing the resident that his/her alleged violation is to be addressed by the board. Upon a vote of the majority of the board present at such meeting, the board may take action to impose a sanction against the resident found to be in violation of the association's by-laws or building restrictions in an amount to be determined by the board, which amount may not exceed \$5.00 per day that the violation persists. The association may collect such sanctions in the same manner as set forth in section 2 of this article. After imposition of a sanction, it is the resident's responsibility to notify the board when the resident has taken the necessary action to comply with the by-law or building restriction.

Notwithstanding the above, any imposition of the sanction of up to \$5.00 per day for a delinquency in the payment of a member's annual dues may only be imposed if the dues delinquency has existed for more than two years.

ARTICLE IX.

INDEMNIFICATION

Section 1. Indemnification: Each person who acts as a Director or officer of the association shall be indemnified by the association against expenses actually incurred in connection with the defense of any action, suit, or proceeding in which they are made a party by reason of being or having been a Director or officer of the association except in relation to matters as to which they shall be adjudged in such action, suit or proceedings to be liable for gross negligence or willful misconduct, and except any sum paid for the association in an action, suit or proceeding based on gross negligence or willful misconduct in the performance of their duty. The right of indemnification provided herein shall inure to each Director and officer referred to in the preceding paragraph whether or not such Director or officer at the time such loss or expenses are incurred, and in the event of their death, shall extend to their legal representatives.

ARTICLE X.

CALENDAR YEAR

Section 1. The operating year of the association shall be the calendar year beginning on the first day of January of each year.

ARTICLE XI.

AMENDMENTS

Section 1. These by-laws may be amended by a majority vote of the association members present in person or by proxy at an annual meeting of the association or at a special meeting of the member's called for such purpose, with notice of the proposed change being sent to each member, at least fourteen (14) days prior to such special meeting.