

**FRANKLIN COLONY CLUB ASSOCIATION
CORPORATE BYLAWS**

**ARTICLE I
Adoption of Declaration of Restrictions**

The Fourth Amendment to and Restatement of Declaration of Restrictions recorded in Liber 13989, Pages 461 through 507, Oakland County Records, are hereby incorporated by reference and adopted in its entirety as a part of the Bylaws of the Corporation.

**ARTICLE II
Meetings**

Section 1. Meetings of the Association shall be held at a suitable place convenient to the lot owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Robert's Rules of Order when not otherwise in conflict with the subdivision documents or the laws of the State of Michigan. Quorum and voting requirements shall be as stated in the Declaration of Restrictions.

Section 2. The date, time, and place of all meetings of the Association shall be set by the Board of Directors and at least ten days written notice thereof shall be given to each lot owner. The Annual Meeting of the members of the Association shall be held on such day in the Fall as shall be determined by the Board of Directors. At such meetings there shall be elected by ballot of the lot owners, a Board of Directors in accordance with the requirements of Article III hereof. The lot owners may also transact such other business of the corporation as may properly come before them.

Section 3. It shall be the duty of the president to call a special meeting of the lot owners as directed by resolution of a majority of the Board of Directors or upon a petition signed by one-third (1/3) of the lot owners presented to the secretary of the Association. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be conducted at such special meeting except as stated in the notice.

Section 4. It shall be the duty of the secretary (or other Association officer in the secretary's absence) to serve a notice of each annual or special meeting upon each lot owner of record at least ten (10) days but not more than ninety (90) days prior to the meeting. The mailing, postage prepaid, of a notice to the representative of each lot owner at the address shown in the notice required to be filed with the Association by Article III, Section 6 of the Declaration of Restrictions 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 with the records of the Association, shall be deemed due notice.

Section 5. If any meeting of lot owners cannot be held because a quorum is not in attendance, the lot owners who are present may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

ARTICLE III Voting

Section 1. Each lot owner shall be entitled to one vote for each lot owned in Franklin Colony Club Subdivision.

Section 2. If a quorum is not present at any meeting duly called by the Association and the meeting is adjourned as provided in Section 5 of Article II of these Bylaws, the presence in person or by proxy 50% of the lot owners qualified to vote shall constitute a quorum at any such adjourned meeting.

Section 3. Votes may be cast in person or by proxy or by a written vote duly signed by the designated voting representative not otherwise present at a meeting of the Association in person or by proxy. Proxies and/or written votes must be filed with the secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

ARTICLE IV Board of Directors

Section 1. The affairs of the corporation shall be governed by a Board of five directors, all of whom must be members of the Association. Directors shall serve without compensation.

Section 2. At the first meeting of the members of the Association subsequent to adoption of these amended Bylaws, all five positions on the Board of Directors shall stand for election. Those three directors receiving the highest number of votes shall be elected to a two year term and the two directors receiving the next highest number of votes shall be elected to a one year term. Thereafter, directors shall be elected to a two year term. Directors shall hold office until their successors have been elected and hold their first meeting.

Section 3. The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or the subdivision documents prohibited or directed to be exercised by the lot owners.

Section 4. In addition to the foregoing duties imposed by these Bylaws or the subdivision documents, the Board of Directors shall be specifically responsible for the following:

- a. Management and administration of the affairs of and maintenance of the subdivision and the common areas thereof, including easements.
- b. To collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.
- c. To carry insurance and collect and allocate the proceeds thereof.
- d. To rebuild improvements after casualties.
- e. To contract for and employ persons, firms, corporations, or other agents to assist in the management, operation, maintenance and administration of the Association.
- f. To acquire, maintain and improve, and to buy, sell, convey, assign, mortgage, or lease any real or personal property (including easements, rights of way, and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.
- g. To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the business of the Association and to secure the same by mortgage, pledge, assignment, or other lien on property owned by the Association; provided, however, that any such action shall be approved by the affirmative vote of two-thirds of all the members of the Association.
- h. To enforce the provisions of the subdivision documents.
- i. To arrange for the removal and clean up of all snow and ice from streets, driveways, walks and front porches during the Winter season and to provide for mowing, fertilizing, trimming, and otherwise maintaining and landscaping the common areas. As well as mowing and fertilizing of lots during the Summer season.
- j. Performing other services for lot owners as shall be determined by the Board of Directors.

Section 5. The Board of Directors may employ for the Association a management agent at compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to the duties listed in Sections 3 and 4 of this Article. The Board may delegate to such management agent any other duties or powers which are not by law or by the subdivision documents required to be performed by or have the approval of the Board of Directors or the members of the Association.

Section 6. 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 remaining directors, even though they may constitute less than a quorum. Each person so elected shall be a director until a successor is elected at the next annual meeting of the Association to act for the unexpired term of his predecessor.

Section 7. At any regular or special meeting of the Association duly called, any one or more of the directors may be removed with or without cause by a vote of a majority of all lot owners and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the lot owners shall be given an opportunity to be heard at the meeting.

Section 8. The first meeting of a newly elected Board of Directors shall be held within ten days of election at such 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 to constitute such meeting, providing a majority of the Board shall be present.

Section 9. Regular meetings of the Board of Directors may be held at such time and places as shall be determined from time to time by a majority of the Board of Directors, but at least two 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, by mail, by telephone, or by telegraph at least three days prior to the date named for such meeting.

Section 10. Special meetings of the Board of Directors may be called by the president on three days notice to each director, given personally, by mail, by telephone, or by telegraph, 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 like manner and on like notice on the written request of any two directors submitted in writing.

Section 11. 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 by him of the time and place thereof. If all of 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 12. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business. 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. If at any meeting of the Board of Directors there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted

without further notice. The joinder of a director in the action of a meeting by signing or concurring in the minutes thereof shall constitute the presence of such director for purposes of determining a quorum.

Section 13. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of the administration.

ARTICLE V Officers

Section 1. The principal officers of the Association shall be a president, a vice president, a secretary, and a treasurer. All officers shall serve without compensation if they are members of the Board of Directors; otherwise, the compensation for officers shall be determined by the vote of a simple majority of the members of the Association present in person or by proxy at a regular meeting of the Association or a special meeting called for that purpose. The Board of Directors may appoint such other officers as in their judgment may be necessary. Any two offices except that of president and vice president may be held by one person.

Section 2. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board as provided in Section 8 of Article IV above. Officers shall hold office at the pleasure of the Board of Directors.

Section 3. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause and his successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board called for that purpose.

Section 4. The president shall be the chief executive officer of the Association. That person shall preside at all meetings of the Association and of the Board of Directors. He shall have all the general powers and duties which are usually vested in the office of the president of the Association including, but not limited to, the power to appoint committees from among the members of the Association from time to time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association.

Section 5. The vice president shall take the place of the president and perform his duties whenever the president shall be absent or unable to act. If neither the president nor the vice president is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The vice president shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 6. 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. He shall have charge of the corporate seal (if any) and of such books and papers as the Board of Directors may direct. He shall, in general, perform all the duties incident to the office of a secretary of a non-profit corporation.

Section 7. The treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may, from time to time, be designated by the Board of Directors.

Section 8. The officers of the Association shall have such other duties, powers, and responsibilities as shall, from time to time, be authorized by the Board of Directors. All officers who handle Association funds shall be bonded in an amount approved by the Board of Directors.

ARTICLE VI Finance

Section 1. The fiscal year of the corporation shall be an annual period commencing on such date as may be initially determined by the Board of Directors. The commencement date of the fiscal year shall be subject to change by a vote of the majority of the directors for accounting reasons or other good cause.

Section 2. The funds of the corporation shall be deposited in such banks or savings associations as may be designated by the Board of 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. The funds of the Association may be invested from time to time in accounts or deposit certificates of such banks or savings associations as are insured by the federal deposit insurance corporation (or other like government entity) and may also be invested in interest-bearing obligations of the United States Government.

Section 3. The Association shall keep detailed books of account showing all expenditures and receipts of administration which shall specify the expenses incurred by or on behalf of the Association. Such accounts and all other Association records shall be open for inspection by the lot owners and their mortgagees during reasonable business hours. The Association shall prepare and distribute to each lot owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. Any institutional holder

of a first mortgage lien on any unit in the condominium shall be entitled to receive a copy of such annual audited financial statement within ninety days following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration.

Section 4. Assessment of expenses of the Association shall be assessed against lot owners in accordance with Article IV of the Fourth Amendment to and Restatement of Declaration of Restrictions.

ARTICLE VII Insurance

Section 1. The Association shall carry fire and extended coverage, vandalism, and malicious mischief and liability insurance, and workman's compensation insurance, if applicable, pertinent to the ownership, use, and maintenance of the common areas, including any dwellings and structures located thereon and owned by the Association.

Section 2. All such insurance shall be purchased by the Association for the benefit of the Association and the lot owners and their mortgagees, as their interests may appear. Provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of lot owners. It shall be each lot owner's responsibility to determine by personal investigation or from his own insurance advisors the nature and extent of insurance coverage adequate to his needs and thereafter obtain insurance coverage for all property not covered by the Association's insurance and for his personal liability for occurrences within his dwelling or upon his lot or the common areas of the subdivision and also for alternative living expense in the event of casualty, and the Association shall have absolutely no responsibility for obtaining such coverages. The Association and all lot owners shall use their best efforts to see that all property and liability insurance carried by either of them shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any lot owner or the Association.

Section 3. The proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account, and distributed to the Association and the lot owners and their mortgagees, as their interests may appear; provided, however, the proceeds of any insurance received by the Association as a result of any loss of the property described in Section 2 above shall be applied to the repair or reconstruction of said property.

Section 4. Each lot owner, by ownership of a lot in the subdivision, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance, and workman's compensation insurance, if applicable, pertinent to the subdivision, any lot, and the common areas, with such insurer as

may, from time to time, provide such insurance for the subdivision. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefore, to collect proceeds and to distribute them to the Association, the lot owners, and their respective mortgagees, as their interests may appear, to execute releases of liability, and to execute all documents and to do all things on behalf of such lot owner in the subdivision as shall be necessary or convenient to the accomplishment of the foregoing.

Section 5. The Association may purchase insurance subject to a deductible not to exceed \$1,000.00 per occurrence. In the event of damage to a dwelling owned by a lot owner, the lot owner shall be liable for the amount of the deductible. In the event of damage to property owned by the Association, the Association shall be liable for the amount of the deductible.

ARTICLE VIII Indemnification of Officers and Directors

Each director and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all lot owners thereof. The Board of Directors is authorized to carry officers and directors liability insurance covering acts of the officers and directors of the Association in such amounts as it shall deem appropriate.

ARTICLE IX Amendments

Section 1. 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 members of the Association by instrument in writing signed by them.

Section 2. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of these Bylaws.

Section 3. These Bylaws may be amended by the lot owners at any regular meeting or a special meeting called for such purpose by an affirmative vote of not less than 60% of all lot owners.

Section 4. A copy of each amendment to the Bylaws shall be furnished to each member of the Association after adoption; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the subdivision irrespective of whether such persons actually receive a copy of the amendment.

ARTICLE X Severability

In the event that any of the terms, provisions, or covenants of these Bylaws are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify, or impair in any manner whatsoever any of the other terms, provisions, or covenants of such documents or the remaining portions of any terms, provisions, or covenants held to be partially invalid or unenforceable. In the event that any of the terms, provisions, or covenants of the Bylaws conflict with any law, the law shall control.

EXHIBIT A.

DESCRIPTION OF REAL ESTATE

Land in the Township of West Bloomfield, Oakland County, Michigan,
described as:

Part of the SE 1/4 of Section 36, T 2 N, R 9 E, West Bloomfield Township, Oakland County, Michigan, described as beginning at a point on the E line of said Section 36, distant S 0° 02' W along said E line 659.60 feet from the E 1/4 corner of said Section 36, thence continuing along said E Section line, S 0° 02' W 299.60 feet, thence on a curve to the right, radius equals 779.37 feet, long chord bears S 11° 58' 25" W 324.26 feet, a distance of 326.65 feet, thence south 23° 58' 50" W 428.39 feet thence north 66° 01' 10" W 698.54 feet to a point of traverse along Franklin River, said point later referred to as first mentioned point along said River, thence continuing N 66° 01' 10" W 13.31 feet to a point in the center line of said Franklin River, thence southwesterly along the center line of said River, 530 feet, more or less, to the SE corner of Lot 80 of Franklin Oaks No. 2 Subdivision, said SE lot corner also being located N 44° 24' 50" W 116.13 feet and S 87° 36' 50" W 202.03 feet and S 67° 26' 50" W 210.20 feet and S 2° 16' 30" W 25.0 feet from first mentioned point in said traverse along said Franklin River; thence N 2° 16' 30" E along the E line of Franklin Oaks and Franklin Oaks, No. 2 Subdivision, thence 749.0 feet to the SW corner of Bloomfield Farms No. 1 Subdivision thence N 89° 42' E along the S line of said Bloomfield Farms No. 1 Subdivision, 1327.94 feet to the point of beginning.

Excepting therefrom the easterly 60.0 feet deeded to Oakland County Road Commission.

Drafted by: **BRENNAN & BIBEAU**
ATTORNEYS AT LAW
20070 MIDDLEBELT
BIRMINGHAM, MICH. 48024
851-6111

EXHIBIT B

<u>LOT NO.</u>	<u>ADDRESS</u>	<u>% of value</u>
1	2157 Colony Club Ct.	2.31
2	7226 Suncrest Rd.	2.09
3	7112 Suncrest Rd.	2.31
4	2177 Colony Club Ct.	2.31
5	2020 Waldon's Ct.	2.09
6	2189 Colony Club Ct.	2.31
7	2007 Waldon's Ct.	2.09
8	7220 Suncrest Rd.	2.09
9	2200 Colony Club Dr.	3.20
10	7206 Suncrest Rd.	2.09
11	7163 Suncrest Rd.	2.09
12	2021 Waldon's Ct.	2.09
13	2014 Waldon's Ct.	2.09
14	7193 Suncrest Rd.	2.09
15	7207 Suncrest Rd.	2.09
16	2173 Colony Club Ct.	2.31
17	7130 Suncrest Rd.	2.31
18	7124 Suncrest Rd.	2.09
19	2149 Colony Club Ct.	2.31
20	2161 Colony Club Ct.	2.31
21	7166 Suncrest Rd.	2.31
22	7175 Suncrest Rd.	2.09
23	7145 Suncrest Rd.	2.09
24	2015 Waldon's Ct.	2.09
25	7142 Suncrest Rd.	2.31
26	2185 Colony Club Ct.	2.31
27	7151 Suncrest Rd.	2.09
28	7172 Suncrest Rd.	2.31
29	2141 Colony Club Ct.	2.31
30	7215 Suncrest Ct.	2.09
31	2181 Colony Club Ct.	2.31
32	7169 Suncrest Rd.	2.09
33	2006 Waldon's Ct.	2.09
34	7227 Suncrest Rd.	2.09
35	7187 Suncrest Rd.	2.09
36	7118 Suncrest Rd.	2.31
37	7160 Suncrest Rd.	2.31
38	7139 Suncrest Rd.	2.09
39	2152 Colony Club Ct.	2.31
40	2165 Colony Club Ct.	2.31
41	7136 Suncrest Rd.	2.31
42	2169 Colony Club Ct.	2.31
43	2145 Colony Club Ct.	2.31
44	7106 Suncrest Rd.	2.31
45	7199 Suncrest Rd.	2.09