



12370 Tower Hill Rd, Sawyer, MI 49125

**SHOREWOOD HILLS HOMEOWNERS ASSOCIATION
By-Laws**

Adopted at August 24, 2013 Annual Meeting

And as amended at August 26, 2017 Annual Meeting

ARTICLE I

Fiscal Year and Meetings

Section 1: The fiscal year of the Shorewood Hills Homeowners Association (the "Association") shall commence September first of each year.

Section 2: The Annual Meeting of the members shall be held three weekends before Labor Day weekend of each year. Members shall be notified of the time and place at least thirty (30) days in advance. This meeting shall be held in a place decided upon by the First Vice President, who shall arrange all details of the meeting with the approval of the Board of Directors.

Section 3: The order of business at the Annual Meeting shall be:

- a) Reading of minutes of previous meeting.
- b) Report of Officers and Committee Chairpersons.
- c) Election of Officers (two-year intervals).
- d) Unfinished and new business.
- e) Installation of Officers (two-year intervals).

Section 4: Forty (40) voters shall constitute a quorum at all membership meetings of the Association.

Section 5: The President shall call a Special Meeting of the Association when directed to do so by a resolution of the Board of Directors or upon written application of twenty-five (25) voting members. The President shall then set the time and place of said meeting and the Secretary shall notify the membership at least thirty (30) days before the meeting. Such notice shall



specify the object or objects of the meeting and no business shall be transacted except that specified in the notice to members.

ARTICLE II

Dues

Section 1: The amount of members' annual dues, as recommended by the Board of Directors, shall be determined by vote at the Annual Meeting.

Section 2: Annual notice and the amount of membership dues shall be billed to each member at the beginning of the Association's fiscal year, September 1, and must be paid by December 1 for a member to remain a member in good standing. The name of any member delinquent after December 1 shall be brought before the Board of Directors for determination of action. Failure to pay dues, fees or assessments or failure in general to obey rules and regulations established by the Board shall cause a member not to be in good standing. A member not in good standing shall have no voting rights and no right to Association property and services, The Board may also determine such other sanctions as are appropriate, including the assessment of interest, pursuit of court action and the placement of liens for unpaid dues, fees or assessments.

ARTICLE III

Duties of Officers

Section 1: **PRESIDENT** – The President shall preside at all meetings of the Association and Board of Directors and coordinate the work of the Officers and Committee Chairpersons, appoint and terminate Chairpersons of all Committees except the Nominating Committee and shall be an ex-officio member of all Committees except the Nominating Committee.

Section 2: **FIRST VICE PRESIDENT** – The First Vice President shall, in the absence of the President, preside and perform all duties required of the President, arrange for the meeting place of the Association Annual Meeting and shall make arrangements for the program as required. He/She shall also manage or be liaison for communications with the membership, including the bulletin boards, print media, email/internet-based contact and other forms of communication.

Section 3: **EXECUTIVE VICE PRESIDENT** – The Executive Vice President shall, in the absence of both the President and First Vice President, preside and perform all duties required of the President. Shorewood Hills Homeowners Association shall be his/her place of principal residence. He/She shall act as liaison between Association members, the Board of Directors, and interested outside organizations; receive suggestions, complaints and other matters of interest and consequence to the Association, reporting them to the proper Officer or Committee Chairperson, He/She shall act as custodian of all Association property and

coordinate with the Property Committee and the Community Welfare Committee and with the Property Manager as appropriate in connection with its security. He/She shall be the direct contact party for the Property Manager and shall direct and check upon the Property Manager's duties. He/She shall be the registered representative of the Association in the State of Michigan and perform such other duties assigned to him/her by the President or Board of Directors.

Section 4: SECRETARY — The Secretary shall keep an accurate record of the minutes of all Association and Board of Directors meetings; read or distribute minutes at all meetings; prepare and send out notices of all meetings; in conjunction with the Financial Secretary keep a correct list of Association members and addresses, together with any corrections which may occur from time to time, furnishing such information to other Officers and Committee Chairpersons when required; maintain the Association's archives and perform such other duties as may be assigned by the President or the Board of Directors.

Section 5: TREASURER — The Treasurer shall receive from the Financial Secretary a record of all monies received by the Financial Secretary and deposited by the Financial Secretary to the credit of Shorewood Hills Homeowners Association in depositories designated by the Board of Directors. On behalf of the Association, he/she shall pay all bills for expenditures (i) included in the budget and approved by an Officer or (ii) as approved by the Board of Directors. He/She shall furnish the Finance Committee and the Board of Directors a financial report at the end of each fiscal and calendar year and at each meeting of the Board of Directors showing bank balances, certificates of deposit, expenditures and, to the extent requested by the President, the Board of Directors or the Finance Committee, any other financial information. Within 120 days after the Annual Meeting, he/she shall submit a detailed report which has been reviewed and approved by the Finance Committee and shall also submit a report at other times as required by the Board.

Section 6: FINANCIAL SECRETARY – The Financial Secretary shall send out statements for and receive all dues, fees and assessments; keep an accurate record of same, indicating real estate owners and others making payments; issue receipts for monies received, as required; and in conjunction with the Secretary keep a correct list of Association members and addresses together with any corrections which may occur from time to time. He/She shall promptly give the Treasurer a record of all funds collected and deposited in designated depositories to the credit of Shorewood Hills Homeowners Association. His/Her records shall be subject to an annual review by the Finance Committee.

ARTICLE IV

Board of Directors

(formerly the Board of Governors)

Section 1: The Board of Directors (formerly called the Board of Governors) shall function in accordance with the powers given them by the Articles of Association and these By-Laws.

Section 2: The Board of Directors shall meet at least four (4) times a year. The Board shall provide for a reasonable amount of time for members to address the Board at the beginning of each regular meeting provided that such member gives advance notice of the subject of his/her attendance and adheres to uniform procedural requirements reasonably set by the President. Meetings may be called by the President or may be called by a request signed by two-thirds (2/3) of the members of the Board. Upon an emergency declared by the President, a special Board meeting may be called and conducted telephonically. The Board by majority vote may retire to executive session, whose minutes shall remain confidential, in the case of issues involving the purchase, sale or lease of real estate, personnel matters, litigation and claims and other matters considered highly sensitive and confidential.

Section 3: A quorum of the Board of Directors shall consist of eight (8) Board members, with at least four (4) being Officers.

Section 4: The Board of Directors shall confer upon and determine all matters of policy and procedure which may be presented to them and where deemed advisable may recommend to the membership in regular or Special Meetings the adoption, rejection or compromise of such matters.

Section 5: A majority vote of the members of the Board present, including a majority vote of the Officers present, at a valid Board meeting shall be necessary for adoption of any action.

Section 6: The Board of Directors shall appoint by May 15 of each election year a Nominating Committee who shall serve in the election process for that year. The Nominating Committee shall consist of three (3) members in good standing of the Association who are neither Board members nor seeking nomination as Officers that year.

ARTICLE V

Committees

Section 1: The President may appoint such interim special committees as the Board of Directors may require or he/she may deem necessary and he/she shall outline the duties thereof. When the need no longer exists or the objectives have been attained, a special committee will be dismissed by the President or Board of Directors with thanks.

Section 2: The Chairpersons of the following standing committees shall be appointed by the President within sixty (60) days after the Annual Meeting to serve two (2) years concurrent with the President, subject to their approval by at least four (4) officers at a meeting of officers called by the President prior to the appointments. Each Chairperson may appoint members as needed. No Officer may be appointed a Chairperson nor shall anyone serve as Chairperson of more than one standing committee at any one time.

Section 3: FINANCE COMMITTEE – Shall advise the Board of Directors on financial matters; shall prepare the new annual budget and submit such budget for approval by the Board of Directors prior to presenting it to the membership for their approval at the Annual Meeting. Perform an annual review Association's financial records and distribute the reports generated by this review to the membership no later than January 31st of the year following the Annual Meeting. The Finance Committee shall consist of at least five (5) members (two of whom shall be the Treasurer and the Financial Secretary).

Section 4: ZONING COMMITTEE — Shall help ensure compliance with Chikaming Township and Lake Township's zoning and Michigan Department of Environmental Quality (DEQ) requirements by representing the Association and undertaking required actions and communications as needed; make recommendations to the Board on variance requests made to the Townships; advise the Board and notify the Financial Secretary regarding building impact fees; monitor all construction projects in conjunction with the Property Manager and advise the Board on the status of such projects.

Section 5: ROAD COMMITTEE — Shall provide maintenance and repair of all community roads, bridges, curbing, retaining walls and roadway drainage facilities; plan and contract for necessary road paving, repaving or repairing to the extent provided in the budget or duly authorized by the Board of Directors or the membership in a regular or Special Meeting. Competitive bids should be obtained from reliable firms, whenever possible; all costs exceeding the budget must have the approval of the Board of Directors. The Road Committee shall cooperate with the Beach Committee on the repair and maintenance of the beach parking lots and drainage thereof; be responsible for speed bumps and speed limit and road signs; and be on the lookout for any hazardous conditions with respect to the roadways of the Association, in conjunction with the members and the Property Manager.

Section 6: BEACH COMMITTEE — Shall inspect the beaches regularly; arrange for debris removal to keep the beaches clean; cooperate with the Road Committee in maintenance of the beach parking lots and drainage thereof; endeavor, with the Property Manager, to maintain order on the beaches and to encourage members to engage in all beach activities in conformance with the Association rules and regulations and the appropriate standards of safety and cleanliness and the consideration of all concerned; and designate as deemed appropriate areas of beach for certain uses, including roping or fencing off areas endangered by public use on Association property.

Section 7: PLAYGROUND COMMITTEE – Shall promote use of and report on the need to repair or replace the playground, basketball court, and equipment therefore, and promote actions to keep the grounds in a clean, neat condition.

Section 8: PROPERTY COMMITTEE – Shall establish location and oversee all Association property, coordinating with the Executive Vice President, who is the custodian, and the Beach, Playground, Tennis and Road Committees; check on conditions in the creek bed; see that no rubbish, including leaves and any other organic matter, is dumped anywhere on Association

property; and help to beautify Association areas as much as possible, making certain areas more available for use of members.

Section 9: REAL ESTATE COMMITTEE - Shall work in conjunction with real estate agencies on property sales; help ensure that no property is put up for tax sale without the owner and Board of Directors being advised of such contemplated action; assist members in the rental or sale of their property wherever possible in order to maintain the high standards expected by the residents in our community; keep records of any property offered for sale; and develop and coordinate welcoming of new members.

Section 10: TENNIS COMMITTEE — Shall check on conditions in and around the tennis courts to see that the facilities and equipment are kept in a secure and good condition; arrange to provide for repairs as needed, keeping within the tennis budget; and see that the courts, nets and fencing are kept in clean, neat condition. Responsible for the spring opening and fall closing of the facilities, and coordinate with the Property Manager for the nightly lockup of the courts during the playing season.

Section 11: SOCIAL COMMITTEE — Shall oversee all Association social events, including activities such as the House Walk, Grill on the Green, SummerFest and other activities for the promotion of the sense of community among members. Coordinate and collaborate with the First Vice President in the use of the media and publicity to communicate and promote such social events with the membership.

Section 12: COMMUNITY WELFARE COMMITTEE – Shall address concerns regarding security, environmental and other issues of welfare of the Association. Shall be proactive in working with Chikaming and Lake Townships, Berrien County and other governmental entities for the well-being of the Association, shall also work with other Board members, the Property Manager, and residents in connection with the welfare of Shorewood Hills.

ARTICLE VI

Elections

Section 1: The election of Officers shall take place at the Annual Meeting of the Association.

Section 2: All members seeking to be an Officer of the Board must present their names to the Nominating Committee appointed by the Board of Directors pursuant to Article IV. The Nominating Committee shall also advertise for nominees, seek out members in good standing to be nominees, explain the responsibilities of the offices and obtain a short biographical/candidate statement from each person to be nominated. All members in good standing who have gone through the Nominating Committee's process shall be eligible as candidates for election. The list of all such candidates and their biographical/candidate statements shall be posted on the Association bulletin board (electronic and traditional) at least thirty (30) days prior to the Annual Meeting.

Section 3: Voting on the election of Officers in case of a contest shall be by written or absentee ballot, which are to be received, counted and reported by three (3) election judges appointed by the President at the time meeting. No current Officer or candidate may be an election judge. Any absentee ballots must be received prior to the commencement of the Annual Meeting. The person receiving a simple majority of the votes cast shall be declared elected to the office. If no candidate obtains a majority of the votes cast in the first round, the two candidates with the most votes shall compete in the second round.

ARTICLE VII

Amendments

Section 1: These By-Laws may be amended by a two-thirds (2/3) majority vote at the Annual Meeting or a Special Meeting of the Association, provided that written notice of the proposed amendment shall have been mailed to each member and posted on the Association bulletin board (electronic and traditional) thirty (30) days prior to the meeting.

Section 2: All By-Laws heretofore adopted by this Association are hereby expressly repealed and superseded by these By-Laws.

ARTICLE VIII

Budget

An annual budget must be submitted by the Board of Directors and approved at the annual meeting by simple majority vote of the voters present. The Board shall keep spending within the aggregate amount of such budget unless good cause exists to exceed it, which must be communicated to the membership as soon as possible.

ARTICLE IX

Legal Fees, Indemnification, Insurance, and Survival

Section 1: In the event (i) the Association or the Board or any of its Board members acting in such capacity are sued in court by any member or (ii) the Association brings a lawsuit in court against any member and in either case (i) or (ii) above the Association prevails in such lawsuit by receiving a judgment in its favor, then such member shall pay the Association's and Board members' legal fees, costs and expenses (including expert fees) incurred in such lawsuit.

Section 2: Every Board member shall be indemnified by the Association against all judgments, fines and other expenses, including counsel fees and any amounts paid in settlement incurred by him/her as a consequence of his/her being a party to any threatened or pending action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of his/her being or having been a Board member of the Association, except in such

cases wherein he/she is adjudged guilty of willful and wanton misconduct or gross negligence in the performance of his/her duties or adjudged to have not acted in good-faith, and with respect to any criminal action or proceeding, he/she is adjudged to have had no reasonable cause to believe that his/her conduct was unlawful; provided that, if a Board member claims reimbursement or indemnification hereunder based upon his/her settlement of a matter, he/she shall be indemnified only if an opinion of independent counsel finds such Board member's conduct was not willful and wanton or grossly negligent or without good faith, and in the case of settlement of a criminal matter, did not have reasonable cause to believe his/her conduct was unlawful. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights of the Association such Board member may have. The Board of Directors shall notify all members of an indemnification payment at least fourteen (14) days prior to making such payment.

Section 3: The Board of Directors shall maintain for the Association Commercial General Liability, Property Insurance, Workers Compensation and Directors and Officers Liability Policies. Such insurance policies are to be placed with insurance companies rated "A: Excellent," or better, for financial strength by A.M. Best Company or at an equivalent level by a similar financial rating source. Policy details and limits shall be determined by the Board.

Section 4: In the event any part of these By-Laws is declared invalid by a court having jurisdiction, the remainder of these By-Laws shall nevertheless remain in full force and effect.