

Valley Stream Subdivision Association Bylaws

VALLEY STREAM SUBDIVISION ASSOCIATION

Michigan Non Profit Corporation

Rochester Hills, Michigan

Revised on November 24, 2014 with the approval of the majority (61 yes votes in favor of changes and 24 votes in opposition) of association members per Article IX, Section 1.

ARTICLE I – NAME AND PURPOSE

Valley Stream Subdivision Association (VSSA)

This Association is formed to encourage and promote high standards of maintenance, preservation and administration for Valley Stream Subdivision a residential subdivision. The VSSA is also formed to promote the health, safety and welfare of the VSSA residents. In furtherance of all of the forgoing, the specific purposes of the association include, but are not limited to:

- a.) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Bylaws;
- b.) Enforce the restrictions set forth in the Bylaws for the common benefit of all Lot Owners in the Subdivision;
- c.) Hold title to all of the common areas and improvements located thereon;
- d.) Cause the Common Areas to be maintained in reasonable condition in accordance with the nature of said Common Areas within the purpose stated in the Bylaws;
- e.) Provide information, guidance and services to all members of the Association and to the owners of the residential areas within the Subdivision;
- f.) Represent all members of the Association on matters of mutual interest before all governmental and administrative bodies, boards, and agencies;
- g.) Construct, maintain and improve Entrance and Common Areas for the benefit of the members of the Association;
- h.) Establish and enforce rules and regulations for utilization of the Common Areas, if any, and improvements located thereon by members of the Association and all other lawful users and for such other purposes as are permitted under the Bylaws;
- i.) Fix and levy against and collect from the members of the Association dues, fee, charges and assessments relative to the ordinary and regular maintenance, repair, replacement and administration of the Common Areas and for all administrative costs pertinent to the exercise of the power and duties of the Association; further to enforce against the members of the Association the Lien to secure payment thereof as provided in the Bylaws;
- j.) Acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, license, transfer, dedicate for public use or otherwise

- dispose of real or personal property in fulfillment of the purposes of and in connection with the lawful affairs of the association;
- k.) Borrow money and mortgage, pledge, secure, or hypothecate any and all of its real or personal property as security for money borrowed or debts incurred in fulfillment of the purposes of and in connection with the lawful affairs of the Association;
 - l.) Provide coordination and assistance to all governmental authorities having jurisdiction over fire protection, police protection and other governmental activities with respect to all property within the subdivision and any other areas over which the Association may acquire jurisdiction;
 - m.) Arrange and contract for maintenance, landscaping, security, management and maintenance services and any other functions on behalf of members of the Association to the extent specifically delegated by said members; provided, however, that such services or functions provided for the benefit of less than all of the members shall be borne solely by the members benefitted thereby, as the case may be;
 - n.) In general, do all acts necessary to perform, enforce and administer any duties, powers and rights conferred upon the Association by the Bylaws and to have and exercise any and all powers, rights and privileges conferred upon it by applicable law as an Association organized under the Non-profit Corporation Act of the State of Michigan.

ARTICLE II - MEMBERSHIP, DUES, SPECIAL ASSESSMENTS, ADMINISTRATIVE FEES AND LIEN RIGHTS

Section 1. Eligibility of Members: Every person or entity who is a record owner of a fee or undivided fee interest in any lot which is subject by covenants of record to assessment by the Corporation, including contract sellers, shall be a member of the Corporation. The foregoing shall not include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Corporation.

Section 2. Initiation Fee: There shall be no initiation fee.

Section 3. Membership Dues: The dues of all members in the amount of \$125.00 per year is hereby established for each and every lot in the VSSA, commencing on June 15, 2013 and shall be payable annually and shall become due on the first day of May. Any member who fails to pay their annual dues thirty (30) days or more is in default and subject to a \$50.00 late fee and, in addition, a monthly administrative fee will accrue thereafter until all outstanding dues and fees have been paid in full.

Should the Board recommend a dues increase to the membership, approval by a simple majority of the lot owners eligible to vote is required for that dues increase to be adopted. Upon adoption, an amendment to this document and the Building and Use Restrictions for Valley Stream Subdivision, is to be filed with Oakland County; which amendment will include (1) the dollar amount of the increased dues, (2) the "effective with" date for the increased dues, (3) the date of the membership vote and the numerical vote totals obtained for approval, and (4) the notarized signatures of both the current President and the current Secretary of the Valley Stream Subdivision Association.

Members shall be able to vote by returning an appropriate ballot to the current Secretary of the VSSA Board in person, or by proxy, via U.S. Mail or by electronic conveyance directed to the current Secretary. Each lot is allowed one vote. The right to vote in the VSSA is a privilege extended to Homeowners that have paid the Annual Membership Dues, any Assessments, and any Late or Administrative fees. Elections shall be decided by a simple majority of those who have cast qualified ballots. The Secretary shall implement a method of tracking and compiling votes as necessary to ensure the integrity of all elections and votes. A vote shall not be effective unless it is received by the Secretary within the specified time permitted for such vote.

Section 4. Special Assessments: No special assessments shall be levied against the members by the Corporation without having approval of at least two thirds of the total ballots cast in person or by proxy, via U.S. Mail or by electronic conveyance directed to the current Secretary at a special meeting called in accordance with the Article III Section 6 of these by-laws. The pro rata share of assessments relative to each Lot shall be determined by dividing the total amount of expenses determined by the number of Lots in the Subdivision. Assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis or at such other intervals as may be established by the VSSA Board.

Any member who fails to pay their Special Assessments thirty (30) days or more is in default and subject to a \$50.00 late fee and, in addition, a monthly administrative fee will accrue thereafter until all outstanding assessments and fees have been paid in full.

Section 5. Failure to Pay Dues, Special Assessments, Late or Administrative Fees - Loss of Membership: Any member who shall be thirty (30) days or more in default in payment of annual dues or special assessments, late or administrative fees may, by vote of the Board of Directors, be suspended from all privileges of membership, and if, after notice, such default be not cured within a period of sixty (60) days, the membership of such member shall automatically cease and terminate.

Valley Stream Subdivision Association has the authority to impose such dues and assessments as are deemed necessary to pay for the cost of maintaining and improving Valley Stream Park, Oakstone Park and the VSSA cul-de-sacs. Dues and assessments shall be due and payable within thirty (30) days after billing. In the event any lot owners shall fail to pay such dues or assessments when due, the Developer or succeeding homeowners association; the VSSA may record a statement in the Office of the Register of Deeds of Oakland County against the lot showing the amount due which shall be a lien in the form eligible for recording shall be given the lot owner. Any and all such liens for the dues and assessments herein provided shall be subordinate to the lien of any first mortgage.

Section 6. Area Embraced by Corporation: The area to which membership shall be limited is those portions of Avon Township, Oakland County, Michigan known as “Valley Stream” a subdivision of part of the Southeast 1/4 of Section 9, Town 3 North, Range 11 East, Avon Township, Oakland County, Michigan, according to the plat thereof recorded in Liber 164 of Plats, pages 21, 22 and 23, Oakland County Records, subject to the incorporation of additional lands in accordance with the building and use restrictions and open space plan.

ARTICLE III – MEETINGS

Section 1. Place of Meeting: Any or all meetings of the members of this Corporation may be held at such place within the Township of Avon, Oakland County, Michigan, as shall be specified in the notice thereof. Any and all meetings of the Board of Directors of this Corporation may be held at such place as the Board of Directors shall from time to time determine.

Section 2. Meetings of Members: A minimum of one meeting shall be held each year. This meeting shall be the Annual Meeting. It shall be held in May or June of each year and the election of the Board of Directors shall be conducted at this meeting. Other meetings shall be called at the discretion of the Board of Directors. Additional or Special meetings may be called by the President, Board of Directors, or on presentation of a petition signed by five members of the Corporation upon written request to the Secretary stating the intended purpose hereof.

Section 3. Notice of Meetings of Members: At least five (5) days prior to the dates fixed by Section 2 of this Article for the holding the annual or special meetings of members, written notice of the time and place of such meetings shall be mailed and sent via electronic conveyance, as hereinafter provided, to each member entitled to vote at such meetings.

Section 4. Delayed Meeting: If, for any reason, the annual or other meetings of the members shall not be held at the time hereinbefore designated, such meeting may be called and held as a special meeting, and the same proceedings may be had thereat as at any meeting, provided, however that the notice of such meeting be not less than a five-day notice stating the time and place of such meeting.

Section 5. Order of Business at Annual Meeting: The order of business at the annual meeting of the members shall be as follows:

- (a) Roll call,
- (b) Reading notice and proof of mailing,
- (c) Reading of minutes of last preceding meeting,
- (d) Report of President,
- (e) Report of Secretary,
- (f) Report of Treasurer,
- (g) Election of Directors,
- (h) Transaction of other business,
- (i) Adjournment,

provided, that, in the absence of any objection, the presiding officer may vary the order of business at his discretion.

Section 6. Special Meetings of Members: A special meeting of the members may be called at any time by the president, or by a majority of the Board of Directors, of upon the written request of any five members of the association when submitted in writing to the secretary stating the purpose thereof.

Section 7. Notice of Special Meeting of Members: At least (3) days prior to the date fixed for the holding of any special meeting of members, written notice of the time, place, and purposes of such meeting shall be mailed and sent via electronic conveyance, as hereinafter provided, to each member entitled to vote at such meeting; provided, however, that where a matter of a special assessment is involved, ten (10) days notice in writing to each member shall be required.

Section 8. Organization Meeting of Board: At the place of holding the annual meeting of members and immediately following the same, the Board of Directors as constituted upon final adjournment of such annual meeting shall convene for the purpose of electing officers and transacting any other business properly brought before it, provided, that the organization meeting in any year may be held at a different time and place than that herein provided, by consent of a majority of the Directors of such new board.

Section 9. Special Meeting of the Board: Special meetings of the Board of Directors may be called by the president and / or a minimum of three members of the board at any time by means of such notice of the time, place, and purpose thereof to each director as the president and / or the requesting board members in his/her/their discretion shall not be invalidated for want of notice if such notice shall be waived as hereinafter provided.

Section 10. Notices and Mailing: All written notices required to be given by any provision of these by-laws shall state the authority pursuant to which they are issued (as, “by order of the president”, or “by order of the Board of Directors” as the case may be) and shall bear the written, stamped, typewritten, or printed signature of the secretary. Every such notice shall, if mailed, be deemed duly served when the same has been sent via electronic conveyance and deposited in the United States mail, with postage fully paid, plainly addressed to the sendee at his or her or its last address appearing upon the membership record of this association Corporation.

Section 11. Waiver of Notice: Notice of the time, place, and purpose of any meeting of the members or of the Board of Directors may be waived by written and / or electronic conveyance, either before or after such meeting has been held.

ARTICLE IV– QUORUM

Section 1. Quorum of Members: In any meeting of the members as described in Article IV, the members present, in person or by proxy and being in good standing with this Corporation, constitute a quorum. A quorum shall consist of at least 10 eligible members of the Association. Members may attend meetings via electronic means, (eg. conference call, video conference) if prior notice has been given to the board.

Section 2. Quorum of Directors: Four or more members of the Board of Directors shall constitute a quorum. Attendance is permitted by any electronic means, (eg. conference call, video conference) if prior notice has been given to the board.

ARTICLE V - VOTING AND ELECTIONS

Section 1. Voting Rights: An Owner shall be entitled to one (1) vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot

The right to vote in Valley Stream Homeowners Association is a privilege extended to Homeowners that have paid all Annual Membership Dues, Assessments, and Late and Administrative Fees.

Section 2. Inspectors: Whenever any person entitled to vote at a meeting of the members shall request the appointment of inspectors, a majority of the members present at such meeting and entitled to vote thereat shall appoint not more than three inspectors. If the right of any person to vote at such meeting shall be challenged, the inspectors shall determine such right. The inspectors shall receive and count the votes either upon an election of for the decision of any question and shall determine the result. Their certificate of any vote shall be prima facie evidence thereof.

ARTICLE VI - BOARD OF DIRECTORS

Section 1. Number and Term of Directors: The business, property, and affairs of this Corporation shall be managed by a Board of Directors composed of not less than four (4) members nor more than fifteen (15) members who shall be members of the Corporation. The Directors shall be elected at the Annual Meeting of the Members to hold office for a term of two years, or until successors are elected and qualified.

Section 2. Vacancies: Vacancies in the Board of Directors shall be filled by appointment made by the remaining directors. Each person so elected to fill a vacancy shall remain a director until his successor has been elected by the members, who may make such election at their next annual meeting or at any special meeting duly called for that purpose and held prior thereto.

Section 3. Action by Unanimous Written Consent: If and when the directors shall severally or collectively consent in writing at any action to be taken by the Corporation, such action shall be a valid corporate as though it has been authorized at a meeting of the Board of Directors.

Section 4. Power to Elect Officers: The Board of Directors shall select a president, vice-president, a secretary, and a treasurer from the membership of the Board of Directors. The president shall appoint chairmen of the various operating committees from the members of the Board of Directors. All shall hold office for the term of one (1) year or until their successors are elected and qualified.

Section 5. Power to Appoint Other Officers and Agents: The Board of Directors shall have power to appoint such other officers and agents as the Board may deem necessary for transaction of the business of the Corporation.

Section 6. Removal of Officers and Agents: Any officer or agent may be immediately removed by a majority vote of the full Board of the Board of Directors whenever in the judgment of the Board the business interests of the Corporation will be served thereby.

Section 7. Power to Fill Vacancies: The Board shall have power to fill any vacancy in any office occurring from any reason whatsoever.

Section 8. Compensation: The directors and officers shall receive no compensation for their services as such.

ARTICLE VII – OFFICERS

Section 1. President: The president shall be the chief executive officer of the Corporation. He shall preside over all meetings of the Board and of the members. He shall have general and active management of the business of the Corporation and shall see that all orders and resolutions of the Board are carried into effect. He shall be ex officio a member of all standing committees and shall have the general powers and supervision and management usually vested in the office of president of a Corporation.

Section 2. Vice-President: The vice-president shall attend all meetings and assist the President. He / she shall perform the duties and exercise the powers of the president during the absence or disability of the president.

Section 3. Secretary: The secretary shall attend all meetings of the members and of the Board of Directors, is responsible for the conduct of elections and shall preserve in books of the corporation true minutes of the proceedings of all such meetings. He /she shall give all notices required by statute, by-law or resolution. He / she shall perform such other duties as may be delegated to him or her by the Board of Directors.

In the event there is a scheduling conflict, the Secretary shall prepare a written update on the affairs of the VSSA and designate a Board member to serve as the interim Secretary for the said meeting.

Section 4. Treasurer: The treasurer shall attend all meetings and have custody of all corporate funds and shall keep in books belonging to the Corporation full and accurate accounts of all receipts and disbursements; he / she shall deposit all moneys in the name of the Corporation in such depositories as may be designated for that purpose by the Board of Directors. He / she shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the president and directors at the regular meetings of the Board, and whenever requested by them, and account of all his / her transactions as treasurer and of the financial condition of the Corporation.

In the event there is a scheduling conflict the Treasurer shall prepare a written update on the financial affairs of the Valley Stream Homeowners Association and designate a Board member to serve as the interim Treasurer for the said meeting.

ARTICLE VIII - EXECUTION OF INSTRUMENTS

Section 1. Checks, etc.: All checks, drafts and orders for payment of money shall be signed in the name of the Corporation.

Section 2. Contracts, Conveyances, etc.: When execution of any contract, conveyance or other instrument has been authorized without specification of the executing officers, the president, or the vice-president, and the secretary may execute the same in the name and behalf of this Corporation. The Board of Directors shall have power to designate the officers and agents who shall have authority to execute any instrument in behalf of the Corporation.

ARTICLE IX - AMENDMENT OF BY-LAWS

Section 1. Amendments, How Effected: These by-laws may be amended, altered, changed, added to or repealed at any regular or special meeting of the members by the affirmative vote of a majority of members present, in person, by proxy, via U.S. Mail or by electronic conveyance, provided that proper meeting notice has been given (Article III, Section 3, Notice of Meeting of Members), and provided that such notice contains the proposed amendment, alteration, change, addition or repeal.

ARTICLE X - LIABILITY OF DIRECTORS; INDEMNIFICATION OF DIRECTORS AND OFFICERS; INSURANCE

Section 1. Liability of Directors: A volunteer Director of the Corporation shall not be personally liable to the Corporation or its shareholders or members for monetary damages for a breach of fiduciary duty as a Director, except for liability: (a) for any breach of the Director's duty of loyalty to the Corporation or its shareholders or members; (b) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; (c) for a violation of Section 551(1) of the Michigan Business Corporation Act (MCLA 450.1151(1)); or (d) for any transaction from which the Director derived an improper personal benefit. In the event the Michigan Business Corporation Act or any other Michigan statute is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of volunteer directors, then the liability of a volunteer Director of the Corporation shall be eliminated or limited to the fullest extent permitted by such amendment. Any repeal, modification or adoption of any provision in these Articles shall not adversely affect any right or protection of a volunteer Director of the Corporation existing at the time of such repeal, modification or adoption.

Section 2. Indemnification of Directors and Officers: The Corporation shall indemnify any person who was or is a party to any threatened, pending or completed suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal, by reason of the fact that such person is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another Corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees and other costs) judgments, awards, penalties, fines and amounts paid in settlement, actually and reasonably incurred by such person in connection with such action, suit or proceeding to the

fullest extent permitted and in the manner provided by Section 561 through 565 of the Michigan Business Corporation Act or any other present provisions of the Michigan law relating to indemnification of an individual acting as a director or officer of a corporation. In the event the Michigan Business Corporation Act or any other Michigan statute is hereafter amended to further expand a corporation's ability to indemnify its directors and officers, then such indemnification shall be expanded to the fullest extent permitted by such amendment.

The right to indemnification herein provided shall extend not only to the individual but also to the estate or the personal representative, conservator or trustee of the estate or any trust of a deceased or former director or officer who would have been entitled to indemnification under Article X.

Such rights of indemnification and reimbursement under this Article X shall not be deemed exclusive or any other rights to which such director or officer may be entitled under any of the provisions of Michigan law or any agreement, vote of shareholders or otherwise.

Section 3. Insurance: The Corporation shall maintain insurance on behalf of any person who is or was a director or officer of the Corporation, or is or was at the request of the Corporation as a director or officer or another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person arising out of such capacity, whether or not the Corporation would have power to indemnify such person against such liability.

ARTICLE XI – TREE POLICY

This Article describes the Association's policy regarding trees that are owned or regularly maintained by the Association. "Tree Categories" are specified to better organize the situations that might occur.

Category-1 trees. These trees are not adjacent to a homeowner's lot, and they are not in the Common Area (the Common Area is defined as the Oakstone Park and the Valley Stream Park), but they are trees that the Association regularly maintains. Specifically, these trees are located at the Livernois entrance and on the cul-de-sacs, and have been maintained by the Association throughout its history. **Action:** The Association will continue to maintain these trees as part of their broad responsibility to provide "maintenance, preservation, and architectural control" throughout the subdivision, apart from member's individual lots. (Refer to Articles of Incorporation of Valley Stream Subdivision Association, Article 2.)

Category-2 trees. These trees are in the Common Area, but are *not* adjacent to a homeowner's lot. There are two cases:

(a) Trees in the two Common Area water retention basins. The Association has a responsibility to maintain these basins to the extent that their intended water basin function is preserved, for example, by ensuring proper water flow and by avoiding excessive silt buildup. **Action:** It may happen from time-to-time that certain trees will need to be removed at

the discretion of the Board. However, removal of any trees is not generally anticipated for this purpose.

(b) Trees in the Common Area not in the water retention basins. The Association's responsibility is to maintain and/or improve these Park areas for use by the membership for "recreation and related uses, including hiking, nature study, picnicking and similar pursuits" (refer to Agreement for Subdivision Open Space Plan, section 5). **Action:** In furtherance of this purpose, it may happen from time-to-time that certain trees will need be removed or replaced at the discretion of the Board.

Category-3 trees. These trees (or large overhanging limbs) are in the Common Area and they *are* adjacent to a homeowner's lot. In particular, these trees are close enough to a homeowner's lot such that if one were to fall toward the homeowner's lot, it appears that it might do damage. There are three cases:

(a) The tree (or large limb) has fallen and was *not* brought to the attention of the Board in writing as a hazard prior to falling, nor should the Board have reasonably known that the tree was a hazard. The Association is not at fault. There are two subcategories:

1. The tree has *not* damaged the homeowner's property. **Action:** The Association will pay an approved professional tree service to remove the tree from the homeowner's lot. The Association will not pay for grinding stumps. Normally the Board, through one of its officers, will contact a professional tree service. However, should the homeowner prefer to directly contact a tree services, the homeowner must first obtain the names of approved tree services from the Board before incurring any charges. The Association must be billed directly.

2. The tree *has* caused damage to the homeowner's property. **Action:** The homeowner, typically through homeowner's insurance, is expected to pay for damages and for removal of the tree up to the Common Area boundary. The Association will not pay for damages, nor for tree removal, nor pay the homeowner's insurance deductible.

(b) A dead, diseased or damaged tree has been brought to the attention of the Board in writing as a hazard, but in the judgment of the Board it is not a hazard at that time. If the situation changes, then that should be brought to the attention of the Board. **Action:** The Board typically would authorize the homeowner to remove the tree or limb at the homeowner's expense. If the homeowner chooses not to take action, the Board could maintain a list of such trees and, at their discretion, remove or replace specific trees at the Association's expense within budgetary constraints.

(c) A dead, diseased or damaged tree has been brought to the attention of the Board in writing that it is a hazard, and the Board agrees that it is a hazard. **Action:** To avoid liability, the Association is required to act expeditiously to hire a professional tree service to remove the hazard at the Association's expense. The method employed (support cable, prune, cut off top, of

cut down entirely) is solely the Board's decision. The Association will not pay for grinding stumps.