

RESTATED BY-LAWS OF THE FOX HILLS COMMUNITY ASSOCIATION

BY-LAW I DUES AND ASSESSMENTS

SECTION 1 - MEMBERSHIP DUES:

- a. Except as otherwise set forth in these By-Laws, all Members of the Fox Hills Community Association (the "Association") will pay Association membership dues of \$380 per year ("Annual Dues") which includes use of the swimming pools and tennis courts (according to the use rules of each) for each Member in Good Standing and each Resident of a Member in Good Standing's property in the Association. Said dues shall be billed no later than January 15 and are due before April 1 of that calendar year. Dues paid after April 1 of that calendar year shall be subject to a penalty of \$25. These dues may be changed by amendment of these By-Laws in the manner described in By-Law X or By-Law I, Section 1.b.
- b. The Amount of the Annual Dues may be revised by the Board without a vote of the Members, provided, however, that the percentage of any increase in the Annual Dues under this Sub-Section shall not exceed the average of the annual percentage increase(s) in the Consumer Price Index since the most recent revision to the Annual Dues structure. The Board shall not increase Annual Dues under this Sub-Section at any time before January 1, 2020. Following any revision of the Annual Dues under this Sub-Section, By-Law I, Section 1.a. will be updated to reflect the current amount of Annual Dues. For purposes of this Sub-Section, "Consumer Price Index" shall mean the Consumer Price Index for All Urban Consumers: Detroit-Ann Arbor-Flint, MI ("CPI-U") indicator, as published by the U.S. Department of Labor, Bureau of Labor Statistics.
- c. 10% of the Annual Dues shall be earmarked for the Association's Capital Fund and shall be expended only for projects of a capital nature, such as capital improvements or major capital maintenance for Association property, or acquisition of assets for the Association having a useful life in excess of one year.
- d. Special assessments may be proposed by the Board and submitted to the Members for a vote. Voting on a special assessment shall take place in a manner designated by the Board, provided that written notice of the vote on a special assessment shall be distributed to all Members in a manner not inconsistent with these By-Laws, at least thirty (30) days prior to the vote, or, if applicable, at least thirty (30) days prior to the final day of the voting period. The special assessment shall be adopted upon receiving the affirmative vote of the majority of those Members in Good Standing that voted on the proposal.

Section 2: DUES ARREARS:

A Member shall be deemed in arrears when the Member has not paid his or her mandatory dues by April 1 of each calendar year, or has not paid his or her special assessment(s) by the due date. Following the due date of April 1, a Member shall be charged a late fee penalty. When a Member still has not paid their annual dues or assessments and penalty by June 1, the Financial Secretary will place a lien on their property to include an additional processing fee. The Member shall be given ten (10) days prior written notice of placing such a lien.

Section 3: REINSTATEMENT: Any Member who has fallen in arrears as provided above shall be reinstated as a Member in Good Standing upon payment of all dues, penalties, assessments and interest.

Section 4: STATEMENTS AND MEMBERSHIPS: By January 15 of each year, statements covering dues for that year requesting payment thereof in accordance with By-Law I, Section 1 shall be delivered to all Members of the Association at their address as shown on the records of the Association. The Financial Secretary of the Association shall be responsible for the preparation and delivery of statements covering dues for the ensuing calendar year, and shall also be responsible for maintaining a list of Members of the Association and their current status.

BY-LAW II BOARD OF TRUSTEES (the "Board")

Section 1: GENERAL POWERS: The business and affairs of the Association shall be managed by its Board of Trustees in accordance with these By-Laws. All Trustees must be Members in Good Standing. The Board of Trustees shall maintain a manual outlining the duties and responsibilities of each Board position.

Section 2: BOARD MEMBERS: The Board shall consist of nine (9) Trustees, with the President, Treasurer, and Association Secretary acting as the Board's officers. The Officers are also Trustees of the Association. Other Trustees of the Association shall be the (1) Pool/Tennis Coordinator, (2) Financial Secretary (3) Streets, Sewers and Architectural Control Coordinator (4) Grounds Coordinator (5) Facilities Coordinator (6) Community House Coordinator.

- a. **PRESIDENT (OFFICER/TRUSTEE):** The President shall be the principal executive of the Association and in general supervise all the business and affairs of the Association, perform all duties incident to the office of President, and such other duties as may be prescribed by the Board from time to time. The President shall preside at all meetings of the Members and of the Board, and shall, to the extent practicable, seek consensus and encourage civil discussion, based upon Robert's Rules of Order. In the absence of the President at any meeting of the Members or the Board, the President shall appoint another Officer to preside over the meeting. Any person acting in the President's absence shall have all the rights and duties of the President. There is no budgetary consideration for this position.
- b. **TREASURER (OFFICER/TRUSTEE):** The Treasurer shall have charge and custody and be responsible for all funds and securities of the Association, shall be responsible to maintain records of all incoming Association funds and payment of Association expenses and for making such records available to Members; shall coordinate with the other Trustees with budgetary considerations to prepare an annual budget; and shall in general, perform all duties incident to the Office of Treasurer and such other duties as

from time to time may be assigned to him/her by the Board. If requested by the Board, the Treasurer shall give bond, at the Association's expense, for the faithful discharge of his/her duties in such sum and with such surety or sureties as the Board shall determine.

The Treasurer shall arrange for an examination of the Association books of account at the end of each fiscal year, by a qualified independent person(s) approved by the Board, at the expense of the Association. The Treasurer shall serve as ex-officio member of all budget committees and shall present the budgets to the Board prior to the beginning of each fiscal year. There IS budgetary consideration for this position.

c. ASSOCIATION SECRETARY (OFFICER/TRUSTEE): The Association Secretary shall duly keep the minutes of the meetings of the Board and be custodian of the records of the Association, and shall initiate approval of such minutes by the Board. The Association Secretary shall see that all notices are duly given in accordance with the provisions of these By-Laws or as required by these By-Laws; and shall be responsible for the monthly preparation and distribution of the Fox Tales publication to all Members including collection, creation and editing of articles and advertisements; layout and publication of the Fox Tales; and final distribution to all Members with budget guidelines established by the Board. In general, the Association Secretary shall perform all the duties incident to the office of the Board Secretary and such other duties as may be assigned to him or her from time to time by the President or the Board. There IS budgetary consideration for this position.

d. POOL/TENNIS COORDINATOR (TRUSTEE): The Pool/Tennis Coordinator shall be the Board liaison between the Board and the Pool Manager/Staff. The duties include providing/updating the pool manager's contract for Board approval, overseeing pool requisitions as needed, coordinating pool opening and closing, maintenance of the tennis courts/nets and other duties as needed in connection with the pool/tennis operation. The Pool/Tennis Coordinator responsibilities are limited to the operations of the pools, maintenance of all mechanical equipment related to the operation of the pools, pool deck, pool deck personal property, tennis courts and pool staff. The Pool/Tennis Coordinator will oversee the daily upkeep the bathhouses during summer operation. The Pool/Tennis Coordinator will contract the closing and winterization of the bathhouse at the time of closing and winterization of the pools. The Community House Coordinator, as described in Section 10, By-Law III, shall verify the winterization process. The Pool/Tennis/Coordinator shall perform such other duties as from time to time may be assigned to them by the President or by the Board. This trustee has the authority to contract with vendors to perform all necessary functions in order to carry out his/her responsibilities. There IS budgetary consideration for this position.

e. FINANCIAL SECRETARY (TRUSTEE): The Financial Secretary shall (a) keep a record of the post office address of each Member of the Association which shall be furnished by each such Member (b) furnish statements to each Member of his or her Annual Dues and/or other fees (c) collect all such dues or fees, maintain records of such dues and fees and the receipt of payment for the same (d) receive (and when requested, give receipts for) money due and payable to the Association from any source whatsoever (e) deposit all such monies in the name of the Association in such banks, trust companies or other depositories as may be selected in accordance with the provision of these By-Laws; and (f) maintain a record of all Members with payments outstanding to the Association or who are otherwise not Members in Good Standing. If requested by the Board, the Financial Secretary shall give a bond, at the Association's expense, for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board shall determine. The Financial Secretary shall perform such other duties as may be assigned to him or her from time to time by the President or the Board. There IS budgetary consideration for this position.

f. STREETS, SEWERS AND ARCHITECTURAL CONTROL COORDINATOR (TRUSTEE). The Streets, Sewers and Architectural Control Coordinator ("SSACC") shall monitor the streets and water retention basins, and notify Bloomfield Township and/or Oakland County of issues or deterioration. The SSACC shall monitor properties in the Association for compliance with Township ordinances, Association Building and Use Restrictions and the Continuous Property Maintenance Directives. The SSACC shall act as a liaison between the Association and the government offices of Bloomfield Township and Oakland County. The SSACC shall attend meetings of the Bloomfield Township Zoning Board of Appeals as well as other meetings that may affect zoning issues in the Area or its adjacent properties. There IS budgetary consideration for this position.

g. GROUNDS COORDINATOR (TRUSTEE): The Grounds Coordinator is responsible for the maintenance of the complete Fox Hills Community non-structural common property including public entranceways, cul-de-sacs, community house parking lot, community house lawns and landscape, fencing, sprinkler systems and other community owned land and land improvements. This trustee has the authority to contract with vendors to perform all necessary functions in order to carry out his/her responsibilities. There IS budgetary consideration for this position.

h. FACILITIES COORDINATOR (TRUSTEE): The Facilities Coordinator will (a) maintain the structural integrity of the Association's real and personal property (exclusive of duties performed by Architectural Control/Grounds Trustee and exclusive of pool deck personal property); and (b) coordinate and contract structural repairs and betterments of the community house, bathhouse and pavilion, both interior and exterior, including fixtures in the community house, the community house fireplace, the community house chimney and community house bathrooms. This trustee has the authority to contract with vendors to perform all necessary functions in order to carry out his/her responsibilities. The Community House Coordinator shall perform such other duties as from time to time may be assigned to him or her by the Board. There IS budgetary consideration for this position.

i. COMMUNITY HOUSE COORDINATOR (TRUSTEE): The Community House Coordinator is in charge of the community house operations and shall coordinate community house rentals. Responsibilities include the ongoing cleaning and upkeep of the community house interior (exclusive of structural maintenance assigned to the community house trustee) and oversee rental operations of the community house. With regard to rental of the community house, the Community House Coordinator is encouraged to have renters sign a Board-approved contract and provide a security deposit. This Trustee shall perform such other duties as from time to time may be assigned to him or her by the Board. This trustee has the authority to contract with vendors to

perform all necessary functions in order to carry out his/her responsibilities. There IS budgetary consideration for this position.

Section 3: TERMS; ELECTION DATES:

- a. **Even Numbered Years:** The Association Secretary, Treasurer, Pool/Tennis Coordinator, and Grounds Coordinator shall be elected by the Members in Good Standing in an election consistent with By-Law III, Section 1 to be conducted in November of even-numbered years (i.e. 2018, 2020, 2022 etc.) to serve a term of two (2) years or until their successors have been elected or appointed pursuant to these By-Laws.
- b. **Odd Numbered Years:** The President, Community House Coordinator, Financial Secretary, Streets, Sewers and Architectural Control Coordinator, and Facilities Coordinator shall be elected by the Members in Good Standing in an election consistent with By-Law III, Section 1 to be conducted in November of odd-numbered years (i.e. 2017, 2019, 2021 etc.) to serve a term of two (2) years or until their successors have been elected or appointed pursuant to these By-Laws.
- c. **Records:** The Association Secretary shall retain all voting records and election results for a minimum of two (2) years following an election.

Section 4: VACANCIES: A vacancy occurring on the Board during a Trustee's elected term shall be offered to the persons receiving the next-highest number of votes for the open position at the previous election. Should the individual with the next-highest number of votes decline the position or if no such candidate exists, the position shall be filled by action of the Board. Any person filling a vacancy shall remain in the position for the unexpired term of his/her predecessor in office or until his/her successor is duly elected and qualified. If a duly elected or appointed Trustee is unable or unwilling to perform his or her duties, the Board may, by vote of the Trustees, request that the Trustee resign and/or deem the Trustee's position to be vacant.

Section 5: MEETINGS:

- a. Meetings of the Board shall be scheduled for the second Tuesday of each month ("Monthly Meetings") to take place at the Community House. Generally, meetings of the Board shall be open to all Members and will typically constitute a General Meeting of Members. With the exception of the November Monthly Meeting, a Monthly Meeting may be cancelled, rescheduled or moved to a different location by a Quorum of the Board. Reasonable notice must be given to the Members of any rescheduled General Meeting of the Members. The Board must hold a Monthly Meeting in November which shall also serve as the annual General Meeting of the Members, but the date and location may be changed by a Quorum of the Board.
- b. A Special Meeting of the Board shall be held as often as necessary and may be called by any two Trustees upon two (2) days' notice to members of the Board. A Trustee may participate in any meeting of the Board by a conference telephone or other means of remote communication that permits all persons that participate in the meeting to communicate with all the other participants. All participants shall be advised of the means of remote communication. If reasonable measures are taken to verify the identity of the Trustee(s) participating remotely, Trustees participating by remote communication shall be considered present at the meeting for purposes of voting and establishing a Quorum. A Trustee may vote at a Meeting of the Board by designating another Trustee as his or her proxy to vote on his or her behalf. To be valid, the proxy must be designated in writing prior to the commencement of the meeting by giving written notice of the proxy designation to one or more of the following Trustees: President, Treasurer, Association Secretary. Any proxy designation shall only be valid for the designated Meeting of the Board.
- c. Each Trustee shall be expected to fulfill his or her duties in good faith and attend to the greatest extent possible all meetings of the Board.
- d. Minutes of all Monthly Meetings shall be kept and prepared by the Association Secretary, or by another Board member if the Association Secretary did not attend the Monthly Meeting. Minutes of all Special Meetings at which a Quorum of the Board were present shall be kept and prepared by the Association Secretary, or by another Board member if the Association Secretary did not attend the Special Meeting.

Section 6: QUORUM; ACTIONS OF THE BOARD: A quorum of the Board shall consist of a majority of the Trustees then in office. Each Trustee present at a Meeting of the Board, including a Trustee participating by proxy or by remote communication, is entitled to one vote, with each vote carrying equal weight. The vote of the majority of the Trustees then in office constitutes the action of the Board. In situations requiring an expedited decision, the Board may take action via electronic or telephonic voting, provided that each Trustee then in office is provided reasonable notice of the issue and the opportunity to vote. Except for those powers expressly delegated to an individual Trustee or a committee of Trustees, the Board shall take no action other than as approved by the majority of the Trustees then in office. Each vote of the Board shall be recorded by the Association Secretary.

Section 7: REMUNERATION: All Trustees shall pay into the Association Capital Fund as described in By-Law I, Section 1(b) (i.e. 10% of the Annual Dues). In addition, all Trustees shall pay any special assessments adopted under By-Law I, Section 1(c). Except as stated in this Section, Trustees shall be excused from paying the Annual Dues described in By-Law I, Section 1(a) for each year the Trustee serves a full year on the Board. A Trustee serving a portion of a year on the Board shall pay a pro-rata portion of the Annual Dues.

**BY-LAW III
ELECTIONS**

Section 1: ELECTION AND ELECTION COMMITTEE:

- a. The Officers and Trustees of the Association shall be elected by a vote of the Members in Good Standing. Consistent

with By-Law II, Section 5, the election for Officer and Trustee positions shall take place in November of each year. Voting on Officers and Trustees shall take place in a manner designated by the Board that is reasonably calculated to permit all Members in Good Standing the opportunity to vote. The Board shall provide written notice of the voting procedures and candidates to all Members in Good Standing in a manner not inconsistent with these By-Laws, at least thirty (30) days prior to the vote, or, if applicable, at least thirty (30) days prior to the final day of the voting period.

b. The Board shall prepare a ballot of nominated Officers and Trustees. Voting ballots shall make provisions for names of candidates to be written in. Trustees that are not running for re-election shall conduct the elections for Officers and Trustees.

c. The candidate for Officer or Trustee receiving the most votes of Members in Good Standing shall be elected for the position and shall assume office as of the 1st day of January of the next year. To the extent practicable, each Officer and Trustee shall hold office until his/her successor shall have been duly elected and qualified.

d. The Board shall appoint an Election Committee at or before the September Monthly Meeting each year, and no later than September 30. Prior to appointing the Election Committee, the Board shall notify Members in Good Standing of the opportunity to serve on the Election Committee and shall give preference to Members in Good Standing that are not current Trustees. No Trustee that is running for re-election may serve on the Election Committee and no Member that is running for a Trustee position may serve on the Election Committee. In nominating the candidates for President and for Pool/Tennis Coordinator, the Election Committee shall give preference to persons who are or have previously been Trustees for a minimum of two (2) years. The Election Committee shall make its report at the next Monthly Meeting. Those individuals who have been so nominated and have accepted the nomination shall be voted upon as set forth in this Section. Nothing in this By-Law shall preclude a Member in Good Standing from nominating himself or herself for a Trustee position.

Section 2: VOTING: Only Members in Good Standing shall be entitled to vote in any election. Each lot in the area may have no more than one (1) voting Member.

Section 3: PROXY: At any meeting of Members, a Member entitled to vote may do so by proxy by written designation of another competent adult as his or her authorized representative. To be valid, a proxy must be submitted to the Board sufficiently in advance of the commencement of said meeting such that the Board may take reasonable steps to ensure the validity of the proxy designation. No proxy shall be valid after the designated meeting unless otherwise provided for in the proxy designation.

BY LAW IV COMMITTEES

Section 1: COMMITTEES OF TRUSTEES: The Board may designate one or more committees of Trustees and/or Residents for such purposes as deemed desirable, but the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board or any individual Trustee of any responsibility imposed on it or him or her by law.

Section 2: TERM OF OFFICE: Each member of a committee shall continue as such until the next November Monthly Meeting or until his or her successor is appointed, unless the committee shall be sooner terminated or unless such member shall be removed from said committee.

Section 3: QUORUM: Unless otherwise provided in the resolution of the Board designating the committee, a majority of the whole committee shall constitute a quorum. The actions of the majority of the committee members present at a meeting at which a quorum is present shall be the act of the committee.

Section 4: RULES: Each committee shall adopt rules for its own government not inconsistent with these By-Laws, the Articles of Incorporation of the Association or with the rules adopted by the Board.

BY-LAW V

CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 1: CONTRACTS: The Board may authorize any office or officers, agent or agents of the Association to adopt appropriate resolutions, enter into any contract, pledge assets, procure loans and execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances, provided, however, that the Board may not, without the consent of a majority of the Trustees, enter into any contract or commitment where the Association will be obligated to an amount in excess of Three Thousand Five Hundred Dollars (\$3,500). This restriction shall not apply to payment of taxes of any kind, insurance on Association properties, and the Pool Manager's contract.

Section 2: CHECKS, DRAFTS, ETC.: All checks, drafts, or orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the Association, shall be signed by the Treasurer or one of the other Officers, and one of the other Trustees of the Association.

Section 3: DEPOSITS: All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board may select.

Section 4: GIFTS: The Board may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Association.

BY-LAW VI

AREA; MEMBERS AND RESIDENTS; USE OF ASSOCIATION FACILITIES

Section 1: AREA: The area of jurisdiction (The "Area") embraced by the activities of this Association shall comprise all the lands and property situated within the area designated as Bloomfield Fox Hills in accordance with the official map registered with Oakland County, Michigan, namely the following described as lots 1 through 370 of Bloomfield's Fox Hills Subdivision part of the North one-half (1/2) of section 2 T2N and R10 East, Bloomfield Township, Oakland County, Michigan: Generally bounded on the north by South Boulevard, on the east by I-75, on the west by Opdyke Road and on the south by the section line.

Section 2: MEMBERS:

(a) As used in these By-Laws, the term "Member" shall be an owner or owners of a lot in the Area; provided, however, that in case of a lot owned by one or more persons or corporations, there shall be only one "Member" per lot (an example of this would be spouses jointly owning the lot, in which case only one spouse would be designated the "Member").

(b) As used in these By-Laws, the term "Member in Good Standing" shall be a Member whose dues and special assessments

are not in arrears, and no liens are pending against the Member for unpaid dues or special assessments.

Section 3: RESIDENTS: As used in these By-Laws, the term "Resident" is either (1) a Member residing at a property in the Area; or (2) an individual whose permanent legal residence is a home in the Area owned by a Member.

Section 4: SWIMMING POOL AND TENNIS COURT FACILITIES: Only Residents residing at the property of a Member in Good Standing shall be entitled to the use of the swimming pool and tennis court facilities. Guests of the above Residents will be permitted to use these facilities upon such terms and conditions as may be set by the Board or such Committee as may be appointed by the Board.

Section 5: The Board may provide for the issuance of certificates and/or cards identifying Members and/or Residents of the Association, which shall be on such form as may be determined by the Board.

BY-LAW VII BOOKS AND RECORDS

Section 1: ACCOUNTS AND MINUTES: The Association Secretary shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Members, Board and Committees having any of the authority of the Board, and shall keep a record of the names and addresses of the Members in Good Standing. All books and records of the Association may be inspected by any Member for any purpose at any reasonable time. If the Association Secretary is unable to attend a meeting, or otherwise unable to perform the duties prescribed in this Section, the Board shall designate another Trustee to perform these duties during the Association Secretary's absence. Any person acting in the Association Secretary's absence shall have all the rights and duties of the Association Secretary.

BY-LAW VIII FISCAL YEAR

Section 1: FISCAL YEAR: The fiscal year of the Association shall begin on January 1 and end on December 31 of each year.

BY-LAW IX WAIVER OF NOTICE

Section 1: WAIVER: Whenever any notice is required to be given under the provision of the Michigan Non-Profit Corporation Act, as amended, or under the provisions of the Articles of Incorporation or the By-Laws of the Association, a waiver thereof, in writing, signed by the persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

BY-LAW X AMENDMENT TO THE BY-LAWS AND ARTICLES

Section 1: BY-LAW REVISIONS: Except as set forth in By-Law I, Section 1.b., these By-Laws may only be amended as set forth in this By-Law X.

Section 2: PROPOSAL: The Board or any Member in Good Standing may propose an amendment to the By-Laws (a "Proposal"). A Proposal initiated by a Member must be petitioned within the community and have a minimum of 40 supporting signatures (including the printed name of the Member) from Members in Good Standing. The Proposal must be submitted to the Association Secretary (not necessarily at a Board Meeting), and the supporting signatures must be dated within 3 months of the submission date.

Section 3: VOTING SCHEDULE: Unless the Board reasonably believes adoption of the Proposal would cause serious and irreparable harm to the Association, would violate applicable laws or regulations, would create internal inconsistencies in these By-Laws, would be inconsistent with the Articles of Incorporation, or would be inconsistent with another currently-pending Proposal, the Board shall schedule a vote on a properly-submitted Proposal. The vote on a properly-submitted Proposal shall take place no sooner than 30 days after the Proposal was submitted to the Association Secretary and no later than 120 days after the Proposal was submitted to the Association Secretary, provided, however, a vote on a Proposal (or Proposals) shall take place no sooner than 90 days since the most recent vote on a Proposal to amend the By-Laws.

Section 4: VOTING PROCEDURE: Voting on the Proposal shall take place in a manner designated by the Board that is reasonably calculated to permit all Members in Good Standing the opportunity to vote. The Board shall provide written notice of the voting procedures, which shall include a copy of the proposed amendment, to all Members in Good Standing in a manner not inconsistent with these By-Laws, at least thirty (30) days prior to the vote, or, if applicable, at least thirty (30) days prior to the final day of the voting period. The proposed amendment shall be adopted upon receiving the affirmative vote of the majority of the votes cast by Members in Good Standing.

BY-LAW XI PROCEDURE; ROBERTS RULES OF ORDER

Meetings of this Association shall be governed by Robert's Rules of Order, in all cases which they are applicable and not inconsistent with the Articles of Incorporation and By-Laws of the Association.

BY-LAW XII RENTAL PROPERTY; INFORMING BOARD OF RENTERS:

If a lot in the Area is being rented or leased, the Member must provide the Board with the name(s) and phone number(s) of the renters or lessees who are residing at the property. This information shall be updated by January 31 of each year and when a renter or lessee changes. This information shall be provided to the Financial Secretary.

BY-LAW XIII INDEMNIFICATION OF TRUSTEES AND OFFICERS

Section 1: DIRECTORS, TRUSTEES, OFFICERS AND AGENTS: ACTING IN GOOD FAITH. Except as otherwise provided in the Articles of Incorporation and subject to all of the other provisions of this Article, the Association shall indemnify any person who was or is a party or is threatened to be made a party to a threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal, other than an action by or in the right of the Association, by reason of the fact that the person is or was a Trustee, director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a Trustee, director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, against expenses, including attorneys' fees, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by them in connection with the action, suit or proceeding, if the person acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the Association or its members, and regarding a criminal action or proceeding, if the person had no reasonable cause to believe their conduct was unlawful. The termination of an action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the person did not act in good faith and in a manner which they reasonably believed to be in or not opposed to the best interests of the Association or its Members, and regarding a criminal action or proceeding, had reasonable cause to believe that their conduct was unlawful.

Section 2: TRUSTEES, DIRECTORS, OFFICERS AND AGENTS: BASED ON COURT ORDER. Except as otherwise provided in the Articles of Incorporation and subject to all of the provisions of this Article, the Association shall indemnify any person who was or is a party to or is threatened to be made a party to a threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor or by reason of the fact that they are or were a Trustee, director, officer, employee or agent of the Association, or are or were serving at the request of the Association as a Trustee, director, officer, partner, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, against expenses, including attorneys' fees, and amounts paid in settlement actually and reasonably incurred by them in connection with the action or suit, if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the Association or its Members. Indemnification, however, shall not be made for a claim, issue, or matter in which the person has been found liable to the Association except to the extent that the Trustee, director, officer, employee or agent of the Association who is a party or threatened to be made a party to an action, suit or proceeding or to another court of competent jurisdiction and on receipt of an application, the court, after giving any notice it considers necessary orders indemnification based on its determination that the person is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not they met the applicable standard of conduct set forth in Section 1 and this Section or was adjudged liable as described in this Section, but if they were adjudged liable, their indemnification is limited to reasonable expenses incurred.

Section 3: ACTUAL AND REASONABLE EXPENSES TO ENFORCE MANDATORY INDEMNIFICATION. To the extent that a Trustee, director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of an action, suit, or proceeding referred to in Sections 1 or 2 of this By-Law XII, or in defense of any claim, issue, or matter in the action, suit, or proceeding, he or she shall be indemnified against actual and reasonable expenses, including attorneys' fees, incurred by them in connection with the action, suit, or proceeding and an action, suit or proceeding brought to enforce the mandatory indemnification provided herein.

Section 4: DETERMINATION AND EVALUATION OF PAYMENTS. Any indemnification under Sections 1 or 2 of this By-Law XII, unless ordered by a court, shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the Trustee, director, officer, employee or agent is proper in the circumstances because they have met the applicable standard of conduct set forth in Section 1 or 2 and upon an evaluation of the reasonableness of expenses and amounts paid in settlement. This determination and evaluation shall be made in any of the following ways:

- A.** By a majority vote of a Quorum of the Board who are not parties or threatened to be made parties to the action, suit, or proceeding.
- B.** If a Quorum cannot be obtained under subsection A, by majority vote of a committee duly designated by the Board and consisting solely of 2 or more Trustees not at the time parties or threatened to be made parties to the action, suit, or proceeding.
- C.** By independent legal counsel in a written opinion, which counsel shall be selected in one of the following ways:
 - 1.** By the Board or its committee in the manner prescribed in subsection A or B.
 - 2.** If a Quorum of the Board cannot be obtained under subsection A and a committee cannot be designated under subsection B, by the Board.
- D.** By all independent Trustees who are not parties or threatened to be made parties to the action, suit, or proceeding.
- E.** By the Members, but Members who are parties or threatened to be made parties to the action, suit, or proceeding may not vote.

In the designation of a committee under subsection B or in the selection of independent legal counsel under subsection C(2), all Trustees may participate.

If a person is entitled to indemnification under Sections 1 or 2 of this By-Law XII for a portion of expenses, including reasonable attorneys' fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount

thereof, the Association may indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

Section 5: DISCRETIONARY REIMBURSEMENTS. The Association may pay or reimburse the reasonable expenses incurred by a Trustee, director, officer, employee, or agent who is a party or threatened to be made a party to an action, suit, or proceeding in advance of final disposition of the proceeding if all of the following apply:

A. The person furnishes the Association a written affirmation of their good faith belief that they have met the applicable standard of conduct set forth in Sections 1 and 2 of this By-Law XII.

B. The person furnishes the Association a written undertaking, executed personally or on their behalf, to repay the advance if it is ultimately determined that they did not meet the standard of conduct. The undertaking required by this subsection must be an unlimited general obligation of the person but need not be secured.

C. A determination is made that the facts then known to those making the determination would not preclude indemnification under the Nonprofit Corporation Act.

Determinations of payments under this section shall be made in the manner specified in Section 4 of this By-Law XII.

Section 6: INSURANCE. The Association may purchase and maintain insurance on behalf of any person who is or was a Trustee, director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a Trustee, director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against them and incurred by them in any such capacity or arising out of his or her status as such, whether or not the Association would have power to indemnify them against such liability under this Article.

Section 7: NON-EXCLUSIVITY OF RIGHTS. The indemnification or advancement of expenses provided under this of this By-Law XII is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under the Articles of Incorporation, By-Laws, or a contractual agreement.

Section 8: LIMITATIONS ON INDEMNIFICATION. The total amount of expenses advanced or indemnified from all sources shall not exceed the actual amount of expenses incurred by the person seeking indemnification or advancement of expenses.

Section 9: CONTINUATION OF INDEMNIFICATION. The indemnification provided for in this Article continues as to a person who ceases to be a Trustee, director, officer, employee or agent and shall inure to the benefit of the heirs, personal representatives, and administrators of such person.