

BY-LAWS  
OF  
THE PORT OF ST. JAMES ASSOCIATION

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Article I

Membership

Section 1. Members shall be owner: of a lot within the Port of St. James who are subject to payment of annual assessments, provided that if one lot has common ownership, such ownership shall constitute only a single member of the Association and provided further that ownership shall mean legal ownership of the fee or equitable ownership as land contract vendee, and provided further that no such lot shall have more than one such ownership, and further provided that no interest held as security only shall constitute ownership under this paragraph.

Section 2. Persons not holding an interest in any lot at the Port of St. James may become non-voting members of the Association under terms and conditions prescribed by the Board of Directors.

Section 3. The rights of membership are subject to the payment of annual and special assessments. These rights may be suspended by action of the directors during the period when these assessments remain unpaid. Upon payment of said assessments, these rights and privileges shall be automatically restored. Membership rights and privileges are subject to conduct of each member in accord with the Declaration of Restrictive Covenants and those reasonable standards determined from time to time by the Board of Directors.

Section 4. Each member in good standing shall be entitled to the use and enjoyment of the common properties and facilities.

ARTICLE 11

Voting Rights

Each lot shall be entitled to one (1) vote. A member shall be entitled to as many votes as the number of lots which he (and his common owners, if any) owns. Each lot shall have but one (1) vote irrespective of the number of common owners thereof, which vote shall be cast as such common owners agree.

Article III

Powers and Duties

The Association shall have the following supervisory powers and duties which shall be exercised for the mutual benefit of all members:

To maintain common properties, including protection of plant and wildlife; to build and/or maintain recreational facilities; to provide for the erection or maintenance of Gateways, entrances, or other ornamental features as now exist or hereafter to be erected or created; to exercise control and maintenance over roads and pedestrian ways as deemed necessary or desirable; to enforce, either in its own name or in the name of and real estate owner or owners, as may be necessary, all covenants and restrictions which have been, are now , or may hereafter be imposed upon any of the real estate in the Port of St. James, or any additions thereto, further providing that expenses of these proceedings shall be paid out of the general funds of the Association.

## ARTICLE IV

### Membership Meetings

Section 1. Annual Meeting. The annual meeting of the Association shall be held on the third Saturday in the month of September in each year at such place and time as the Board of Directors may determine. The annual meeting shall be for the purpose of electing Directors, presenting committee reports and for the transaction of such other business as may be indicated in the notice of the meeting.

Section 2. Special Meetings. Special meetings may be called by the Board of Directors and shall be called upon the written request of thirty (30) members to the Secretary, stating the purpose therefore, within twenty-five (25) days.

Section 3. Notice of the annual meeting shall be given by mail to the members of r record mailed at least fifteen (15) days prior to the date thereof. The notice of the annual meeting shall specify that directors will be elected, and all notices of meetings shall state the other purposes for which they will be held. The board of Directors shall establish the date for determining shareholders of record to be notified of any meeting, but such date shall be within 15 days prior to the date of mailing of the notice.

Section 4. Quorum. Except as may be required by Article V, Section 6 of the Declaration of Restrictions, 50 members of the Association eligible to vote, present in person or by proxy, shall constitute a quorum at all meetings.

### Section 5. Nominating Committee.

A. There shall be a Nominating Committee consisting of five (5) members. Three (3) members shall be elected at each annual meeting of the Association; the other two (2) shall be elected by the Board of Directors from among the directors. A vacancy occurring among the three (3) members chosen by the Association shall be filled by the remaining members or member so chosen. A vacancy occurring among the two (2) members chosen by the directors shall be filled by the directors.

B. The nominating Committee shall nominate candidates for the Board of Directors to be elected at the annual meeting and candidates for next year's Nominating Committee and shall report such nomination to the Secretary so that notice of the nominees may be included in the notice of annual meeting.

C. Nominations may be made from the floor at the annual meeting.

Section 6. The order of business at the annual meeting shall be as follows:

- A. Roll Call.
- B. Reading of the minutes of the previous meeting.
- C. Reports of the officers.
- D. Reports of the committees.
- E. Unfinished business.
- F. New business.
- G. Election of Directors and Nominating Committee.

Roberts Rules of Order shall be followed.

Section 7. Members may cast their votes either in person or by proxy when duly filed with the Secretary, providing the member's dues and other assessments are current. The form of the proxy shall be determined by the Board of Directors.

Section 8. It shall be the duty of the Secretary to prepare a list of the members entitled to vote at each meeting against which list all members voting, whether by proxy or in person, shall be checked.

Section 9. Voting shall be by majority of the votes present as represented by persons and/or proxies.

## ARTICLE V

### Directors

Section 1. Number of Directors. The number of directors which shall constitute the whole Board of Directors shall be not less than three (3) nor more than nine (9). The first Board of Directors shall consist of nine (9) directors. Thereafter, within the limits above specified, the number of directors shall be determined by resolution of the Board of Directors or by the shareholders at the annual meeting. The directors shall be elected at the annual meeting of shareholders, except as provided in Section 2 of this Article, and each director shall hold office until his successor is elected and qualified. The first Board of Directors shall be constituted as follows: three (3) directors with three-year terms, three (3) directors with two-year terms and three (3) directors with one-year terms; thereafter, directors shall be elected to terms of three years.

Section 2. Vacancies. Vacancies on the Board of Directors caused by the resignation, death, incapacity, refusal of a director to serve, or for any other reason, and vacancies caused by the removal of a director under the terms of Section 2a of this Article V, may be filled by a majority of the directors then in office, though less than a quorum, and the directors so chosen shall hold office until the expiration of the term of the director being replaced and until their successors are duly elected and shall qualify, unless sooner displaced. Vacancies caused by any increase in the number of directors may be filled by a majority of the directors then in office, though less than a quorum, and the directors so chosen shall hold office for a period of three years. Thereafter, said director(s) shall be subject to election every three years.

Section 2a. A Director who misses two consecutive meetings without valid excuse shall be considered relieved of office. Vacancies on the Board created in this manner shall be filled according to the provisions of Section 2. This, however, does not preclude reappointment of the same member to the Board.

Section 3. Powers. The business of the Association shall be managed by its Board of Directors which may exercise all such powers of the Association and do all such lawful acts and things as are not by law or by the Articles of Incorporation or by these By-Laws directed or required to be exercised or done by the shareholders. The powers of the Board of Directors shall include, but not by way of limitation, the power to authorize the making and execution on behalf of the Association of any lawful contracts, and to employ agents, factors, clerks and workmen, to fix their compensation, to prescribe their duties, to dismiss any employee without previous notice and generally to control all the affairs of the Association.

Upon a two-thirds (2/3) vote of its membership the Board of Directors, at a regular or special meeting called for that purpose, may borrow funds, mortgage, pledge or otherwise encumber the assets of the Association as security, and as further security said Board may assign the dues and capital assessments due or to become due the Association.

The board is hereby expressly empowered to make and promulgate rules, regulations and/or standards governing the behavior and actions of members within the Association and to enforce the provisions of the Association covenant, and shall have the power to: assess fines and/or revoke Members voting rights in order to insure compliance with any such rules, regulations and/or standards. Rules, regulations and/or standards made hereunder may be passed by a majority of the Board present at any meeting for which there is a quorum present.

Section 4. Meetings. The annual meeting of the Board of Directors shall be held immediately following the annual meeting of the shareholders. Other meetings of the Board of Directors shall be held whenever called by the President or any two (2) directors, at such time and place as may be specified in the notice thereof.

Section 5. Notice of Meetings. Notice of the time and place of each annual and special meeting of the Board of Directors shall be given by mail or telephone at least ten (10) days prior to the time of holding the meeting. If mailed, such notice shall be deemed to be given at the time that the same shall be mailed. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting.

Section 6. Quorum. At all meetings of the Board of Directors a majority of the directors shall constitute a quorum for the transaction of the business, and the act of the majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be present.

Section 7. Action Without Meeting. Unless otherwise restricted by the Articles of Incorporation or these By-Laws, any action required to be taken, or permitted to be taken, at any

meeting of the Board of Directors may be taken without a meeting upon the following conditions:

- a.) The Board, acting through its President, shall contact by mail, electronic mail, facsimile transmission, telephone or in person all members of the Board;
- b.) The members so contacted shall be fully informed of the action(s) proposed to be taken and the reasons therefore;
- c.) The written assent of a majority of a quorum of the Board - or if required by the Articles of Incorporation or these By-Laws such other number of assents – to the proposed action be obtained by mail, electronic mail, or facsimile transmission: and,
- d.) The written assents so obtained are filed with the minutes of the proceedings of the Board.

The Board is also hereby empowered to act through meetings held via telephone conference call or video-conference in the event that meeting physically in one place is not practical. Such meetings shall be conducted as any other meeting of the Board and the provisions of these By-Laws shall govern the conduct of such meetings. Minutes of the proceedings of the Board shall be kept as at any other meeting of the Board.

Section 8. Power to Elect Officers. The Board of Directors may select from its members a President, one or more Vice-Presidents, a Secretary and a Treasurer. Such officers shall be elected at the first regular meeting of the Board of Directors following the shareholders' meeting at which these By-Laws are adopted, and they shall hold their respective offices until the next annual meeting and until their successors are elected.

Section 9. Power to Appoint Committees. The Board of Directors shall constitute and appoint all committees not otherwise elected by the membership and define the powers and duties of the same and may ratify and confirm the actions of said committees. Included in the power of appointment is the power of removal whenever in the judgment of the Board the interests of the Association will be served thereby. This power of appointment shall specifically include the Architectural Control Committee pursuant to Article VI of the Declaration of Restrictions.

Section 10. Audit. The Board of Directors shall cause the books of the to be audited annually by auditors selected by the directors, who shall neither be directors nor officers of the Association, and the report of the auditors shall be available to the members at the office during reasonable business hours.

## ARTICLE VI

### Officers

Section 1. President. The president shall be the chief executive officer of the Association and shall preside at all meetings of members of the Association and of the Board of Directors. He shall be an ex-officio member of all committees.

Section 2. Vice-Presidents. The Vice-Presidents, in the order designated at the time of their election, shall in the absence or disability of the President, perform all duties of the President, and shall perform such other duties and have such other powers as the President or the Board of Directors may from time to time prescribe.

Section 3. Secretary. The Secretary shall keep a record of all meetings of the shareholders and of the Board of Directors, shall be responsible for the maintenance of a list of the entire membership and, in general, shall perform all duties incident to the office of Secretary and such other duties as may from time to time be assigned by the President or the Board of Directors.

Section 4. Treasurer. The Treasurer shall have charge of the funds of the Association, shall keep full and accurate accounts of the finances of the Association and shall present an annual report of the same. The Treasurer shall perform such other duties and have such other powers as the President or the Board of Directors may from time to time prescribe.

## ARTICLE VII

### Dissolution

The Association may be dissolved only with the assent given in writing by members entitled to cast two-thirds of its membership vote. Written notice of a proposal to dissolve, setting forth the reasons therefore and the disposition to be made of the assets (which shall be consonant with Article VIII hereof) shall be mailed to every member at least ninety (90) days in advance of any action taken.

## ARTICLE VIII

### Disposition of Assets Upon Dissolution

Upon dissolution of the Association, the assets, both real and personal of the Association, shall be dedicated to an appropriate public agency to be devoted to purposes similar to those to which they were required to be devoted by the Association. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes similar to those to which they were required to be devoted by the Association.

## ARTICLE IX

### Amendments

These By-Laws may be amended, altered, changed, added to or repealed either by the majority vote of the membership at an annual meeting or any special meeting called for that purpose, or said By-Laws may be amended, altered, changed, added to or repealed by the affirmative vote of two-thirds of the Board of Directors. These By-Laws, however, shall not be altered, amended or changed so as to increase the dues or assessments of any member without the affirmative vote of two-thirds of the membership at an annual meeting or special meeting called for that purpose.

## ARTICLE X

### INDEMNIFICATION

#### Section 1. Indemnification of Directors and Officers.

Claims by Third Parties. The Corporation shall, to the fullest extent authorized by the Michigan Business Corporation Act, as amended, indemnify a director or officer (the "Indemnitee") 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 Corporation, by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a 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 him or her in connection with the action, suit or proceeding, if the Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation or its shareholders, and with respect to a criminal action or proceeding, if the Indemnitee had no reasonable cause to believe his or her conduct was unlawful. The termination of an action, suit or proceeding by judgment, order, settlement, conviction or upon a plea nolo contendere or its equivalent, does not, of itself, create a presumption that the Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Corporation or its shareholders, and, with respect to a criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

#### Section 2. Indemnification of Directors and Officers.

Claims Brought by or in the Right of the Corporation. The Corporation shall, to the fullest extent authorized by the Michigan Business Corporation Act, as amended, indemnify a director or officer (the "Indemnitee") 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 Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a 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 actual and reasonable attorneys' fees, and amounts paid in settlement incurred by the person in connection with the action or suit, if the Indemnitee acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation or its shareholders. However, indemnification shall not be made for a claim, issue or matter in which the Indemnitee has been found liable to the Corporation unless and only to the extent that the court in which the action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all circumstances of the case, the Indemnitee is fairly and reasonably entitled to indemnification for the expenses which the court considered proper.

Section 3. Advancement of Expenses. Expenses incurred in defending a civil or criminal action, suit or proceeding described in Sections 1 or 2 above shall be paid by the Corporation, promptly after request by the Indemnitee in advance of the final disposition of the action, suit or

proceeding upon receipt of an undertaking by or on behalf of the Indemnitee to repay the expenses if it is ultimately determined that the Indemnitee is not entitled to be indemnified by the Corporation. The undertaking shall be by unlimited general obligation of the Indemnitee on whose behalf advances are made, shall not be required to be secured and shall be accepted without reference to financial ability to pay. In the event the Corporation fails to advance such expense as required hereunder within Thirty (30) days of the request therefore, the Indemnitee shall be entitled also to collect interest thereon at the rate of eight (8%) percent per annum from the date of the request.

Section 4. Approval of Indemnification. An indemnification under Section 1 or 2 hereof, unless ordered by a court, shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the Indemnitee is proper in the circumstances because he or she has met the applicable standard or conduct set forth in Sections 1 and 2. This determination shall be made in one of the following ways, as designated by the Indemnitee in his or her sole discretion:

(a) By a majority vote of a quorum of the Board consisting of directors who were not parties to the action, suit or proceeding;

(b) If the quorum described in Sub-Paragraph (a) above is not obtainable, then by a majority vote of a committee of directors who are not parties to the action; provided, the committee shall consist of not less than two (2) disinterested directors;

(c) By independent legal counsel in a written opinion; or

(d) By the shareholders.

Upon written request by the Indemnitee for indemnification (which request shall designate a method of determination described above), the Corporation shall, at its expense, take all actions necessary to make the determination (utilizing the method of determination designated by the Indemnitee) as expeditiously as possible but within not later than One Hundred Eighty (180) days (or at the next shareholders' meeting if that method is designated) after such request. The Indemnitee shall have the right to petition a court of appropriate jurisdiction: (i) to make the determination, if the Corporation fails to do so within the time allotted; or (ii) to review the determination, if the determination denies indemnification in whole or in part.

Section 5. Indemnification - Definitions Other Provisions. The other and further provisions affecting indemnification of directors and officers which are set forth in Section 561 to 571 of the Michigan Business Corporation Act, as amended, including any definitions and right to partial indemnification, shall be applicable to this Article X.

Section 6. Contract with the Corporation. The provisions of this Article X shall be deemed to be a contract between the Corporation and each director or officer who serves in any such capacity at any time while this Article X and the relevant provisions of the Michigan Business Corporation Act, as amended, are in effect, and any repeal or modification of any such law or of this Article X shall not affect any rights or obligations then existing or any action, suit or proceeding theretofore or thereafter brought or threatened based in whole or in part upon any such state of facts. In the event this Article is repealed or modified, the Corporation shall give



written notice thereof to the directors and officers and any such repeal or modification shall not be effective for a period of Sixty (60) days after such notice is delivered.

Section 7. Indemnification of Employees and Agents. Any person who is not covered by the foregoing provisions of this Article and who is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, may be indemnified to the extent authorized at any time or from time-to-time by the Board of Directors.

Section 8. Other Rights of Indemnification. The indemnification provided or permitted by this Article X shall not be deemed exclusive of any other rights to which those who shall or may be indemnified may be entitled by law, separate agreement or otherwise, and shall continue as to a person who has ceased to be a director, officer, employee or agent of the Corporation and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 9. Liability Insurance. The Corporation shall have the power to purchase and maintain insurance (including insurance issued by an affiliated insurer and insurance for which premiums may be adjusted retroactively, in whole or in part, based upon claims experience, or similar arrangements and may also create a trust fund or other form of funded arrangement) on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against any liability asserted against and incurred by such person in any such capacity or arising out of such person's status as such, regardless of whether the Corporation would have the power to indemnify such person against such liability under the provisions of this Article X.

By-Laws adopted by Board of Directors, March 28, 1971.

Article V, Section 2a adopted by vote of the membership at Annual Meeting, September 17, 1977.

Article V, section 3 amended by vote of the Board at a meeting held August 17, 2007

Article V, Section 2 amended by vote of the Board at a meeting held July 16, 2011

Article V, Section 7 amended by vote of the Board at a meeting held July 16,2011