

BY-LAWS
OF
NORTHVILLE TRAILS HOMEOWNERS ASSOCIATION¹

ARTICLE I
OFFICES - INCORPORATION - DEFINITIONS

Section 1. Incorporation. Northville Trails Homeowners Association (hereinafter the "Corporation") is a Michigan non-profit corporation incorporated under Michigan's Non-Profit Corporation Act (MCLA 450.2101, et seq.) The Corporation was formed for the purpose of complying with the Building and Use Restrictions filed with the Wayne County Register of Deeds office, which Restrictions calls for the creation of the Northville Trails Homeowners Association for the purpose of enforcing the deed restrictions and for such other purposes as may be appropriate.

Section 2. Definitions.

A. Member. The Corporation is set up as a member-owned organization under the Michigan Non-Profit Corporation Act. Membership is mandatory for all persons or entities who are owners of lots in the Northville Trails Subdivision as defined below. A member shall be defined as every person or entity who is a record owner of a fee or undivided fee interest in any lot included within the purview of the subdivision but not including owners who have sold their interest under executory land contracts or purchase money mortgages. During such time as land contract or purchase money mortgage is in force, the land contract vendee or purchase money mortgagor shall be considered the member of the Corporation.

B. Northville Trails Subdivision. Northville Trails Subdivision shall consist of Lots 1 through 84, inclusive, of the Northville Trails Subdivision part of the southwest 1/4 of Section 12, T1S, R8E, Ypsilanti Township, Wayne County, Michigan, according to the plat thereof, recorded with the Wayne County Records.

C. Assessments. The Corporation may approve initial, annual and/or special assessments for various purposes. All of the assessments, however described or created, shall be deemed "assessments" for all purposes under these By-laws.

Section 3. Offices. The principal office of the Corporation in the State of Michigan shall be PO Box 530764, Livonia, MI 48153-0764. The Board of Directors may, by resolution, change the principal office address of the

1) Amended 5/15/2001

Corporation. The Corporation may have such other offices either within or without the State of Michigan as the Board of Directors may designate.

Section 4. Architectural Control Committee. The Architectural Control Committee is a group of four members, appointed by the board, which reviews plans for changes covered by the Northville Trails Subdivision Building and Use Restrictions and makes recommendations to the board for approval or disapproval.

ARTICLE II **MEMBERS**

Section 1. Annual Meeting. The annual meeting of the members of the Corporation shall be held in the month of May, by the third Tuesday, commencing with the year 2000, at 7:00 in the evening, for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. The date of the annual meeting of members shall in no event be changed within the 30 days next preceding the date on which the annual meeting is to be held unless consented to in writing or by resolution adopted at a meeting by all of the members entitled to vote at the annual meeting. If the election of Directors shall not be held on a date designated herein for any annual meeting of the members or at any adjournment thereof, the Board of Directors shall cause an election to be held at a special meeting of the members as soon thereafter as conveniently may be.

Section 2. Special Meetings. Special meetings of the members for any purpose or purposes may be called by the Board of Directors and shall be called by the owners of not less than 10% of the lots incorporated within the Northville Trails Subdivision and entitled to vote at the meeting.

Section 3. Place of Meetings. The Board of Directors may designate any place, either within or without the State of Michigan, as the place of meeting for the annual meeting or for any special meetings called by the Board of Directors. A waiver of notice signed by all of the members entitled to vote at a meeting may designate any place either within or without the State of Michigan as the place for the holding of such meetings. If no designation is made, or if a special meeting be otherwise called, the place of the meeting shall be the principal office of the Corporation in the State of Michigan.

Section 4. Notice of Meetings. A written or printed notice stating the place, day and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called shall be delivered not less than 10 or more than 60 days before the date of such meeting either personally or by mail by or at the direction of the officers of the corporation or the persons calling the meeting to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail addressed to the member at his address as it appears on the membership rolls of the Corporation with postage thereon prepaid. In the case of a special meeting, no business not included within the purposes of the meeting as stated in the notice shall be transacted.

Section 5. Closing of Transfer Books or Fixing of Record Date. For the purpose of determining the members entitled to notice of or to vote at any meeting of the members or at any adjournment thereof, the Board of Directors of the Corporation may provide that the membership rolls be closed for a stated period but not to exceed in any case 60 days. If the membership rolls shall be closed for the purpose of determining members entitled to notice of or to vote at a meeting of the members, such books shall be closed for at least 20 days immediately preceding such meeting. In lieu of closing the membership rolls, the Board of Directors may fix in advance a date as the record date for which any such determination of members is to be taken. If the membership rolls are not closed and no record date is fixed for the determination of members entitled to notice of or to vote at a meeting of the members, the date on which of the meeting is mailed shall be the record date for such determination of members, provided that such date in no case be more than 60 days prior to the date on which the particular action requiring the determination of members is to be taken. When a determination of members entitled to vote at any meeting of the members has been made as provided in this section, such determination shall apply to any adjournment thereof. Nothing in this section shall affect the right of a member and his transferee or transferor as between themselves to assign or convey the right to vote as between themselves.

Section 6. Voting Lists. The Secretary of the Corporation shall maintain a membership roll which shall be a complete list of the members of the Corporation. At least 10 Days before each meeting of the members a complete list of the members entitled to vote at such meeting or at any adjournment thereof arranged in alphabetical order with the address and number of lots held by each shall be prepared. The List shall be open at the place where the meeting is to be held and for a period of 10 days prior to such meeting shall be maintained by the Secretary at the principal business office of the Corporation and shall be subject to examination by any member entitled to vote at such meeting. The original or duplicate membership roll or list shall be the only evidence as to who are then members entitled to examine such list or the books of the Corporation or to vote in person or by proxy at any meeting of members.

Section 7. Quorum. At any duly noticed annual or special meeting of the members, all of the members in attendance at the meeting in person or by proxy shall constitute a quorum for the conduct of any business which may properly be conducted at said meeting.

Section 8. Proxies. At all meetings of the members, a member may vote by proxy executed in writing by the member or by his duly authorized attorney in fact. Such proxy shall be filed with the Secretary of the Corporation before or at the time of the meeting.

Section 9. Voting by Members. Members shall be entitled to one vote per lot owned on all matters brought before the members for a vote. In any election of the Directors of the Corporation, each member shall have one vote per lot owned times the number of Directors to be elected. In such case, each member may accumulate his votes for one Director or may divide his or her vote in any way as the member shall so choose. When a member is a corporation or organization or any other legal entity, the president of said corporation or organization or any other duly appointed representative shall have the power to cast the votes of said corporation or legal entity.

ARTICLE III **BOARD OF DIRECTORS**

Section 1. General Powers. The business and affairs of the Corporation shall be managed by its Board of Directors, which shall all be considered officers. The Directors shall name officers for the conduct of very limited activities only. All management decisions, all contracts, all evidences of indebtedness and all obligations of any kind shall be unenforceable unless approved by and executed by the Board of Directors.

Section 2. Number, Tenure and Qualifications The Board of Directors of the Corporation shall be 4 in number. However, the members may vote to amend this by-law to increase the number of Directors in the Board of Directors or to decrease the same at any duly convened special or annual meeting of the members. Directors must be members or agents of members. Each Director shall hold office for two years following his or her election or until his or her successor shall have been elected and qualified at the annual meeting of the members. Two Directors shall be elected at each annual meeting of members.

Section 3. Regular Meetings. A regular meeting of the Board of Directors shall be held without notice other than this by-law immediately after and at the same place as each annual meeting of the members. The Board of Directors may provide by resolution the time and place within or without the

State of Michigan for the holding of additional regular meetings without other notice than such resolution.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of any Director. The person or persons authorized to call special meetings of the Board of Directors may fix a place within or without the State of Michigan for holding any special meeting of the Board of Directors called by them.

Section 5. Notice. Notice of any special meeting shall be given at least 3 days previous thereto by written notice stating the time, place and purpose or purposes of the meeting and delivered personally or mailed or sent by telegram to each Director at his or her business address. If mailed, such notice shall be deemed delivered when deposited in the United States Mail so addressed with postage thereon prepaid. If notice is given by telegram, such notice shall be deemed delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of any meeting by written statement signed before or after the holding of the meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 6. Quorum. A majority of the number of Directors fixed by Section 2 of this Article III shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such a majority is present at a meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 7. Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. Any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof.

Section 8. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of majority of the remaining Directors though less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall be a Director until his/her successor is elected by the members who may make such election at the next annual meeting of the members or at any special meeting duly called for that purpose and held prior thereto.

Section 9. Compensation. The Board of Directors may not be paid any compensation for acting as directors of the Corporation. However, by resolution of the Board of Directors, a Director may be reimbursed for expenses incurred

on behalf of the Corporation or may be paid a reasonable fee for services rendered to the corporation directly (such as accounting services or legal services, for instance.)

Section 10. Presumption of Assent. A Director of the corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

ARTICLE IV **OFFICERS**

Section 1. Control by Board. The Corporation shall not have officers in the traditional sense. The Board of Directors shall in all respects govern all of the business and affairs of the Corporation. However, for the limited purposes set forth in this Article IV, the Board of Directors may select one or more persons to act as Secretary and Treasurer and Assistant Secretaries and Assistant Treasurers and other agents as they deem necessary for the transaction of business of the Corporation.

Section 2. Election and Term of Office. The officers of the Corporation shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors held immediately following each annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his/her successor shall have been duly elected and qualified or until his/her death or until he/she shall resign or shall have been removed in the manner hereinafter provided.

Section 3. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the corporation will be served thereby.

Section 4. Vacancies. A vacancy in the office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors for the unexplored portion of the term.

Section 5. Secretary. The Secretary shall keep the minutes of meetings of members and Board of Directors in one or more books provided for that

purpose, see that all notices are duly given in accordance with the provisions of these By-laws or as required by law and be the custodian of the corporate record of the Corporation. The Secretary shall also keep a register of the post office address of each member and make copies of such list available as required by these By-laws.

Section 6. Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation, receive and give receipts for money due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these By-laws. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer shall also perform such other duties as may be assigned to him by the Board of Directors.

Section 7. Salaries. The officers of the Corporation shall receive no salaries whatsoever.

ARTICLE V **CONTRACTS, LOANS, CHECKS AND DEPOSITS**

Sections 1. Contracts. Only the Board of Directors may execute contracts on behalf of the Corporation.

Section 2. Loans. Only the Board of Directors may authorize loans on behalf of the Corporation and no evidence of indebtedness shall be issued in the corporate name unless authorized by resolution of the Board of Directors.

Section 3. Checks, Drafts, Etc. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by at least one member of the Board of Directors.

Section 4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VI **NEIGHBORHOOD RESTRICTIONS**

Section 1. Deed Restrictions. On December 20, 1991, certain Deed Restrictions were recorded in Liber 25486, Page 813, Wayne County Records. The Board of Directors shall have the full power and authority to enforce such

restrictions by any legal means whatsoever, including the institution of litigation on behalf of all the members and seeking legal and equitable remedies.

Section 2. Rules and Regulations. The Board of Directors may adopt rules and regulations regarding any aspect of the physical appearance in Northville Trails Subdivision, including rules and regulations regarding building sizes, types, set backs, styles, colors, building materials, trash collection and storage, landscaping, decks, porches, pools, and other physical improvements of all sorts consistent with the recorded Deed Restrictions. New restrictions shall not apply to existing structures or structures under construction on the date such new Rules or Regulations are passed. The Board of Directors shall have the full power and authority to enforce such Rules and Regulations as described in Section 1 above.

Section 3. Amendments to Deed Restrictions, Rules and Regulations. The Board of Directors may pass resolutions amending the existing Deed Restrictions or regarding Rules and Regulations (both as defined above). However, no such resolution shall be effective until approved at a regular or special meeting of the members (called for that purpose).

Section 4. Waivers. Members must submit complete plans for all improvements covered or regulated by Deed Restrictions or Rules and Regulations. Within 30 days after receipt of such plans, the Board shall vote to approve, disapprove, or approve under certain stated conditions, such plans. The plans submitted by members may include non-conforming improvements, which non-conformities shall be construed as requests for waivers of the Deed Restrictions and Rules and Regulations affected thereby. An approval by the Board shall constitute a waiver for that one member and only for the proposed project. All decisions of the Board regarding improvements shall be final. However, members may resubmit the same plans (no more than once per year) for reconsideration by the Board. If the Board fails to make any decision within the 30 days as required above, the same shall constitute approval of the plans submitted.

ARTICLE VII **ASSESSMENTS**

Section 1. Power of Board. The Board of Directors may declare initial contributions, annual fees or other special assessments depending on the needs of the Corporation, generally, and, in particular, for the maintenance of the subdivision property for the benefit of all members. Additional contributions shall be established by the initial Board of Directors. Annual fees may be declared only at the annual Board of Directors meetings. Special assessments may be declared at any special meeting of the Board of Directors.

Section 2. Application.All assessments declared by the Board of Directors shall be applicable to each respective lot in Northville Trails Subdivision. As declared by the Declaration of Restrictions recorded with respect to Northville Trails Subdivision, all assessments shall be deemed a lien upon the respective lots commencing on the date when the resolution authorizing the assessment is passed. The Board of Directors shall establish such reasonable deadlines for each member to pay his or her respective assessments. In the event a member fails to pay his or her assessments on or before the same are due, the Board may file a lawsuit for the purpose of collecting said assessments. The Board may also record an affidavit of the lien for non-payment of assessment, commence foreclosure proceedings on the lien securing payment, or seek equitable or other relief in court as the board deems appropriate under the circumstances. As indicated in the Declaration of Restrictions filed with respect to Northville Trails Subdivision, none of the actions taken by the Board of Directors shall be deemed an election of remedies, and the board shall continue to have all other remedies available at law or in equity to collect assessments declared under this Article VII.

ARTICLE VIII
FISCAL YEAR

The fiscal year of the Corporation shall begin on the 1st day of January and end on the 31st day of December in each year.

ARTICLE VIII
INDEMNIFICATION

The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he/she 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, against expenses (including legal fees), judgments, fines and amounts paid in settlement actually and reasonable incurred by him/her in connection with such action, suit or proceeding if he/she acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interests of the corporation or its member, and, with respect to any legal action or proceeding, had no reasonable cause to believe his/her conduct was unlawful. This right of indemnification shall inure to each Director or officer, whether he is a Director or officer at the time such costs or expenses are imposed or incurred, and whether or not the claims asserted against him/her are based on matters which antedated the adoption of this section of these By-laws, and, in the event of his/her death, shall extend to his/her legal representatives. Each person who shall act as a Director or officer shall be

deemed to be doing so in reliance upon such right of indemnification, and such right shall not be exclusive of any other right which he may have.

Nothing in the preceding paragraph shall require the Corporation to indemnify an officer or Director for any cost, loss or liability caused by any of the following:

(a) The breach of the Director or officer's duty of loyalty to the corporation or its members.

(b) Any acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of the law;

(c) Violation of Section 551(1) of the Michigan Non-Profit Corporation Act, being MCLA 450.2551(1);

(d) A transaction from which the Director derived an improper personal benefit, or

(e) An act or omission that is grossly negligent.

The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director or officer of the Corporation or who is or was serving at the request of the Corporation as a Director or officer against any liability asserted against him/her and incurred by him/her in such capacity or arising out of his/her status as such or against any liability indemnified by the Corporation under this section.

ARTICLE X **WAIVER OF NOTICE**

Whenever any notice of meeting is required to be given to any incorporator, member or Director of the Corporation under the provisions of these By-laws or under the provisions of the Articles of Incorporation, the waiver in writing may be signed by the person or persons entitled to such notice before or after the holding of the meeting.

ARTICLE XI **REPAYMENT OF DISALLOWED CORPORATE EXPENSE**

Any payment made to an officer of the Corporation which shall be disallowed in whole or in part by the Internal Revenue Service as a deduction to the Corporation shall be reimbursed by such officer of the Corporation to the full extent of such disallowance.

ARTICLE XII **AMENDMENTS**

These By-laws may be amended, altered or repealed, and any new by-laws may be adopted, only by the members of the Corporation at an annual or

special meeting called for the purpose of amending the By-laws at which a quorum is present and a majority of members voting approve the amendment.

DECLARATION OF ACTION BY INCORPORATORS
OF NORTHVILLE TRAILS SUBDIVISION HOMEOWNERS ASSOCIATION

The following resolution was adopted at the General Membership Meeting of Northville Trails Subdivision Homeowners Association, Northville Township Hall, on Tuesday, May 15, 2001 at 7:00 o'clock in the evening, all in accordance with Section 223 of the Michigan Non-Profit Corporation Act:

IT IS RESOLVED, that the By-laws attached hereto and incorporated herein by reference shall, from this day forward, constitute the By-laws for Northville Trails Homeowners Association, and shall hereafter govern the business affairs of Northville Trails Homeowners Association in accordance with Michigan laws and subject to such amendments as may be passed from time to time.

Board of Directors

Mark Suokas 6/5/2001

Mark Suokas

Marge Dunn 6/5/2001

Marge Dunn

Brian Kachadurian 6/5/2001

Brian Kachadurian

Bill Gorsuch 6/5/2001

Bill Gorsuch