

NORTH HILLS ESTATES ASSOCIATION INC.

BY-LAWS

ARTICLE I.

DESCRIPTION

The name of this Corporation is North Hills Estates Association, Inc.. herein called the "Association". It shall be a non-profit Corporation. Its mailing address is Post Office Box # 5255 Northville, Michigan 48167.

ARTICLE II.

PURPOSES

The purpose or purposes for which the Association is formed are as follows:

- Section 1. To exercise all of the powers of the Lot Owners' Association as described and set forth in the various declarations of restrictions applicable to the Association described in Section 1 of Article III hereof:
- Section 2. To supervise, maintain and establish reasonable rules and regulations governing the use of Bedford and Cumberland Parks, as described and dedicated in the Recorded Plat of North Hills Estates Subdivision, a part of the North Half of Section 34, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, as recorded in Liter 138, pages 19, 20, 21, 22 and 23, Oakland County Records. (Pursuant to building and use restrictions recorded in Liber 6312, Pages 130-145 inclusive).
- Section 3. To promote the welfare of its members by maintaining and beautifying the subdivision in which its members are located, by taking action to enforce building and use restrictions, by promoting social and recreational activities and by engaging in such other activities as are incidental thereto and not forbidden by the laws of the State of Michigan and with all the powers conferred upon corporations by the laws of the State of Michigan.

ARTICLE III

MEMBERSHIP

- Section 1. Definition of Membership: The owners of lots in North Hills Estates Subdivision, which is located in the North Half of Section 34, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, shall be members of the Association. Membership in said Association shall be mandatory for each owner and each succeeding owner. A member shall be defined as every person who is the record owner with full disposition rights to said lot and is within the province of this Association. Excluded are owners who have sold their interest under executory land contract. During such time as the land contract is in force, the buyer shall be considered to be the member of the Association.

Section 2. Voting Rights of Membership: Each homesite in North Hills Estate Subdivision shall be a single membership and the owners thereof shall be eligible to cast one (1) vote subject to the following limitations:

Any member who shall be ninety (90) days or more in arrears of the due date for the annual maintenance fee or any special assessment shall not be a member in good standing and shall not be entitled to vote at any meeting, nor hold office in the Association, nor be a member of any committee until all such delinquencies have been paid together with any and all costs and fees set forth in Article IV Section 2.

For voting purposes, each homesite consisting of one (1) or more platted lots used for said homesite shall be deemed to be one (1) membership in the Association and the owners thereof shall be able to cast one (1) vote at the meetings of the Association.

Each vote at a meeting has to be represented by a person (owner) or by a written, signed proxy for that meeting. One person (owner) representing the homesite can cast the allotted one vote.

To proxy vote at an Annual or Special Meeting a signed proxy using the appropriate format in the Appendix Proxy must be submitted to the Secretary before commencement of the meeting. An appointed member or non-member representative of the proxy is limited to representing one member.

A simple majority of the eligible voters present at a regular or special meeting, in accordance with the quorum requirements of Article V Section 5, shall be deemed sufficient to approval all issues, except, the following:

* Special assessments shall not be levied against the members of the Association without a two-thirds (2/3) majority approval of the members at a regular or special meeting. Voting for the special assessment will be subject to the provision of this Article.

* Reference: Article IV Section 3
Article V Section 5
Article VI. Section 7
Article IX,

ARTICLE IV.

FINANCES

- Section 1. Fiscal Year: The Fiscal Year of the Association shall end December 31.
- Section 2. Maintenance Fund: Each member, as defined in Section 1 of Article III, must pay to the Association the annual per lot maintenance charge, which charge shall become due and payable annually in advance on the first day of January in each year.

The annual maintenance charge shall be established by the Board in an amount per lot for the year. The amount may be adjusted by the Board of Directors of the Association as the needs of the property may, in the judgment of its Board of Directors, require subject to the following provisions:

The dues can be raised to meet the projected financial obligations of the North Hills Estates Association. The annual maintenance dues may be raised a maximum of \$10 per year per lot upon a majority vote by the elected North Hills Association Board of Directors. The majority vote can be in the form of absentee ballot, e-mail, or in person at a Board Meeting.

At least four (4) years must elapse between any maintenance fee increase that is approved by the North Hills Association Board of Directors before an additional increase may be proposed and voted upon by the Board of Directors. In the event the Board of Directors deems it necessary to increase dues prior to the expiration of the four (4) year period, the increase must be authorized by a majority vote of the members at an annual or special meeting of the membership.

Commencing in calendar year 2009, the maintenance fee will be \$50 per lot. In accordance with the preceding provision, no increase may be made, unless approved by the membership at an annual or special meeting until the year 2013-

The maintenance fund shall be used for such of the following purposes as the Board of Directors shall determine necessary and advisable: For improving, maintaining, and purchasing new equipment for Bedford and Cumberland Parks of North Hills Estates Subdivision, and entrance ways of the subdivision included within the Association; for planting trees and shrubbery and the care thereof; for collecting and disposing of garbage, ashes and rubbish in the parks or entrance ways; for removing grass or weeds in the parks and subdivision entrance ways; for constructing, purchasing, maintaining or operating any community service; for social functions within the Association confines; and for doing any other things necessary or advisable in the opinion of the Board of Directors for keeping the property neat or in good order; for expenses incident to the examination of liens and to the enforcement of building restrictions, conditions, obligations, reservations, rights, powers and charges as applicable to said subdivision; for the expenses of operating the Association, including postage, rental of meeting quarters, legal fees, purchase of public liability insurance, property damage insurance, filing and franchise fees and all other expenses necessary or incidental to the operation of a corporation.

As a means of controlling the Association expenditures, the following spending constraints shall be in effect:

Normal Maintenance expenditures:

The normal total annual expenditures for the Association over any three (3) consecutive years shall not exceed the Association's income over the same three (3) year period. The income shall be defined to include the members' yearly maintenance fees plus any interest accrued during the three (3) year period.

Any expenditures for new equipment or new improvements that exceed \$1000 must be approved by a majority vote of members at an Annual or Special Meeting. Members must receive a written description and maximum cost of the proposed new equipment or new improvements at least thirty (30) days prior to the meeting. Quorum requirements of Article V Section 5 will apply.

Regular and necessary maintenance are not subject to the above limitations.

The annual maintenance charge, together with all costs and attorneys fees for establishing, recording and discharging any and all liens and related records, remaining unpaid by the homeowner, shall be a lien and encumbrance on the land. If a member is in arrears of the annual maintenance fee after March 30, a written notice issued by the Treasurer of the Association shall be given to any member liable for said charges by delivery at the lot address or by first class mail to the Homeowner at the lot address setting forth the status of the charges then due on the member's account. After written notice is given, the Board of Directors may impose a cost of 1% per month of the unpaid charge(s) remaining unpaid each month or part thereof thereafter, and authorize the recording of a lien on the member's property for all charges, costs, including interest, and fees. (see Appendix lien).

The Association shall have the power and right in its own name to take and prosecute all suits, legal, equitable or otherwise, which may in the opinion of the Board of Directors, be necessary or advisable for the collection of such charges and to take such other steps as it deems expedient to impose and enforce any authorized and recorded lien upon a member's lot/property.

Section 3. Special Assessments: Special assessments may be proposed by the Board of Directors for the purposes of activities within the general powers of the Association, but not within the specific purpose, for which the maintenance fund may be used.

Voting for the special assessment will be subject to the provisions of Article III Section 2.

Section 4. Loans: No loans for any purpose whatsoever may be secured in the name of or on behalf of the Association.

ARTICLE V.

MEMBER'S MEETINGS

- Section 1. Annual Meeting: An annual meeting of the Association shall be held before the end of each year. The exact date to be set by the Board of Directors.
- Section 2. Order of Business at Annual Meeting: The order of business at the Annual Meeting of the members shall be as follows:
- (a) Roll Call
 - (b) Reading of notice
 - (c) Reading of minutes of last preceding meeting
 - (d) Report of President
 - (e) Reports of Secretaries
 - (f) Report of Treasurer which shall include a proposed annual budget for the next fiscal year.
 - (g) Reports from Committee Chairmen
 - (h) Election of Directors
 - (i) Transaction of old business
 - (j) Transaction of new business
 - (k) Adjournment
- Provided that, in the absence of any objection, the presiding officer may vary the order of business at his/her discretion.
- Section 3. Special Member's Meeting: A special meeting of the members may be called at any time, by the President, or by a majority of the Board of Directors or upon the request of fifteen (15) eligible voters, when submitted in writing to the Secretary.
- When a special meeting is requested by eligible voters, the meeting must be held within 90 days of the submission request to the Secretary.
- Section 4. Notice of Meetings of Members: At least thirty (30) calendar days prior to the date of the annual meeting, written notice of the time and place of such meeting shall be served upon each lot by first class mail. Such mailing shall be considered notice effective upon mailing.
- The Notice of a special meeting shall be served at least thirty (30) calendar days prior to the date of the meeting and specifically state the matters to be considered and no action may be taken on any matter not set forth in the notice of special meeting.
- Section 5. Quorum: Fifteen (15) eligible voters, including Board Members and full power proxy votes, shall constitute a quorum for the transaction of business at any members meeting. Three (3) members of the Board of Directors must also be present to constitute a quorum. The limited proxy power votes shall be counted towards a quorum on the limited issue.
- Section 6. Minutes: Approved Minutes or reports of any regular or special membership meetings shall be available to any member upon request.

ARTICLE VI
BOARD OF DIRECTORS

Section 1. Number of Terms of Directors:

The business, property and affairs of the Association shall be managed by a Board of Directors composed of at least five , but preferably seven members. The Directors shall serve for two year terms. Up to four Directors shall be elected in even numbered years and up to three Directors shall be elected in odd numbered years. The termination date of all terms is December 31.

Section 2. Resignations and Vacancies: A member of the Board of Directors may voluntarily resign by submitting a resignation at any of the regular meetings of the Board of Directors or by notifying the Secretary. Not taking part in any activity or meeting of the Association for four (4) consecutive months may be considered automatic resignation. Vacancies on the Board of Directors shall be filled by appointment made by the remaining Directors. Each person so appointed, shall serve for the remainder of the term of the Director whom he/she replaced.

Section 3. Action by Unanimous Written Consent: If and when all Directors shall unanimously consent in writing and /or e-mail to any action to be taken by the Association, such action shall be as valid corporate action, as though it had been authorized at a meeting of the Board of Directors.

Section 4. Power to Elect Officers: The Board of Directors shall select a PRESIDENT, a VICE-PRESIDENT, a RECORDING SECRETARY, and a TREASURER, all from the members of the Board of Directors, and may also elect a CORRESPONDING SECRETARY and an ASSISTANT TREASURER, who need not be a members of the Board. The elected Officers shall hold their respective offices for the term of one (1) year or until their respective successors are selected. (ref.; Article VII, Section 1)

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

Section 6. Meeting of the Board of Directors: Regular meetings of the Board of Directors shall be held at such times and places, as the majority of the Board of Directors may from time to time determine. Special meetings of the Board of Directors may be called at any time, by the President, or by a majority of the Board of Directors. Directors shall be notified by the Secretary of the time, place and purpose of special meetings of the Board at least three (3) days prior thereto.

Section 7. Quorum: At least three (3) of the Board of Directors shall constitute a quorum for the transaction of business.

Section 8. Compensation: No Director or Officer shall receive any salary or compensation for their services to the Association, unless otherwise specially ordered by the Board of Directors or by the Bylaws, and approved by two-thirds (2/3) of the eligible voters, in person; at a regular or, special meeting of the membership. Payment of insurance premiums on policies covering directors liability shall not be considered compensation and is specifically authorized.

ARTICLE VII OFFICERS

Section 1. Terms: The terms of each officer shall extend for a period of one (1) year.

Section 2. President: The President shall be chief-executive officer of the Association and Chairman of the Board of Directors. The President shall preside at all meetings of the Association and of the Board of Directors. The President shall be an ex-officio member of all committees and shall see that all resolutions and orders of the Board of Directors are carried into effect.

Section 3. Vice-President: In case the office of President shall become vacant, or in case of the absence of the President or his/her disability to discharge the duties of his/her office, such duties shall, for the time being, devolve upon the Vice-President, who shall do and perform such other acts as the Board of Directors may, from time to time, authorize him/her to do.

Section 4. Corresponding Secretary: The Corresponding Secretary shall be responsible for the sending of all official notices to the general membership and for all general correspondence.

Section 5. Recording Secretary: The Recording Secretary shall record all business transacted at both general business meetings and Board Meetings. A summary of the previous meeting shall be reported at the beginning of each meeting.

Section 6. Treasurer: The Treasurer shall have custody of all corporate funds, and shall keep books belonging to the Association with full and accurate accounts of all receipts and disbursements. The Treasurer shall deposit all monies in the name of the Association as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the Board of Directors, at the regular meetings of the Board, and at the annual meeting of the members, and upon termination of his/her duties as treasurer, an account of all his/her transactions as Treasurer and of the financial condition of the Association.

The Treasurer in conjunction with the President and budget committee members, if applicable, shall propose a line item budget prior to the annual meeting for the fiscal year following the annual membership meeting. The Board must approve the budget before any expenditures or contractual arrangements are formalized.

After the budget is approved, the committee member(s) and/or Board member(s) responsible for the budget line item may spend the funds as approved funds but shall account for the funds upon request of the Treasurer and shall deliver reports to the Board at each meeting.

Prior authorization for any financial transactions not authorized in the approved budget shall be obtained from the Board.

Section 7. Assistant Treasurer: If selected the Assistant Treasurer shall act in the place and stead of the Treasurer during the absence or disability of the Treasurer when so directed by the Board of Directors. In addition thereto, he/she shall perform such other duties as may be delegated by the Board of Directors.

ARTICLE VIII

COMMITTEES

Committees as required to conduct the business of the Association shall be appointed by, and report to, the Board of Directors. Subject to the approval of the Board of Directors, the President shall have the authority to appoint the Committee Chairmen.

A resident may be a member of no more than two (2) standing committees at one time, except for the association President, who is an ex-officio member of all committees per Article VII, Section 2. Residents must be Association members in good standing (ref.: Article III, Section 1 and 2) in order to be on a committee.

In addition to standing committees, other committees and/or subcommittees may be appointed as required. The following is a list of standing Committees:

AUDIT REQUIREMENTS:

The Financial Books and records of the Treasurer shall be audited every year by an independent member(s) as selected and agreed upon by motion of the Board of Directors provided that the Treasurer shall abstain from voting on the Motion. No officer, Director or other Committee Member will be allowed to serve on the Audit Committee.

Upon the expiring term or resignation of the Treasurer, an immediate audit shall be performed by individual(s) members and/or the Board as selected by Motion of the Board of Directors

PARKS AND RECREATIONS COMMITTEE:

The Parks and Recreation Committee shall recommend to the Board of Directors rules and regulations governing park usage; shall recommend to the Board acquisition of or planning and execution of new equipment or improvements in the common areas of the Subdivision.

Upon approval, adoption, or amendment of rules and regulations regarding park usage by the Board copies of the new/revised/restated rules shall be distributed to the membership, and upon approval by the Board the acquisition and execution of equipment and improvements shall be implemented.

HOUSE AND GROUNDS COMMITTEE:

- Section 1. Shall be responsible for improving and maintaining the park, its facilities and subdivision entrance-ways; it shall receive and evaluate requests from the Parks and Recreation Committee, other committees, and the Board of Directors and shall make recommendations to the Board for consideration.
- Section 2. Shall be responsible for conducting periodic inspections of the subdivision grounds and for the rigid enforcement of Building and Use Restrictions as noted in Article II, Section 2 of these By-Laws, and further, call to attention of the proper authorities any violations of infractions, of the zoning ordinances or building codes, of the City of Novi.
- Section 3. Shall also act as an Architectural Review Board in that all plans for constructing, reconstruction, improvements, replacements or other activities as specified in the recorded Deed Restrictions, and, after consideration for adequacy shall make a recommendation for action to the Board of Directors. The submitting member shall receive a recommendation from the House and Maintenance Committee.

NEWSLETTER COMMITTEE:

Shall publish a Subdivision newsletter including items of subdivision, municipal and other local interest, as well as other matters which it or the Board of Directors feels are pertinent to the members. The Board of Directors shall promulgate policies and directions as to items acceptable for inclusion. In the event of a disagreement as to the inclusion or exclusion of a particular item, the matter shall be brought before the Board of Directors who shall decide by appropriate motion.

All the above committees shall submit all proposed actions to the Board of Directors.

NOMINATING PROCESS:

The notice of the Annual Meeting to the members shall state that an election for all open seats on the Board of Directors will occur at the General Meeting.

Nominations to the Board for open seats will be accepted from the floor at the Annual Meeting.

A vote for the open seats on the Board will be conducted by the Secretary.

ARTICLE IX AMENDMENTS

These By-Laws may be amended, altered, changed, added to or repealed by the affirmative vote of a majority of the eligible voters present at any regular or special meeting, if notice of the proposed amendment, alteration, change, addition or repeal has been specifically contained and set forth in the notice of the meeting; provided, however, that no amendments may be made to these By-Laws, which would contradict, restrict, or otherwise conflict with any of the matters contained in restrictions as amended and recorded for the Subdivision.

These By-Laws have been set forth to regulate the conduct of business within the North Hills Estates Association, Inc.

Appendix: Proxy

Voting by proxy

FULL PROXY POWER FORMAT

North Hills Estates Association member _____.
(print name)

of Lot No. __. at _____.
(address)

appoint _____ my proxy to vote on all matters
(print name)

properly presented for consideration and action at the meeting of the North Hills

Estates Association on _____.
(date)

(signature)

(date)

ISSUE LIMITED PROXY POWER FORMAT

North Hills Estates Association member _____.
(print name)

of Lot No. __. at _____.
(address)

requests a vote of _____. on the proposal As stated in the notice of (date) drafted and issued by the Board of Directors.

:

_____.

_____.

(signature)

(date)

Appendix: Lien

**LIEN FOR UNPAID NORTH HILLS ESTATES ASSOCIATION, INC
HOMEOWNERS ASSOCIATION CHARGES**

Notice is hereby given that the North Hills Estates Association, Inc Homeowners Association, herein after referred to as the "Association", whose address is P.O. Box 5255, Northville, MI 48167, hereby claims a lien, as established in the bylaws, for unpaid Association maintenance charges, assessments and related costs, charges and fees on the following described property situated in Novi, County of Oakland, State of Michigan :

Lot #. . North Hills Estates Subdivision, a part of the North half of Section 34, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, according to the plat thereof recorded in Liber 138 of plats, pages 19 through 23, Oakland County Records.

Commonly known as _____

Number and Street
Northville, MI 48167

The amount of the Claimed lien is a _____ charge for the unpaid annual maintenance charge for the year(s) _____, and costs and attorneys fees for establishing, recording and discharging liens and related records, including 1% per month or part thereof that the charge(s) remain unpaid after _____ (date of board resolution), as authorized by the board, currently totaling \$ _____ (total) (and continuing hereafter in the amount cumulatively due each following year if said dues remain unpaid) remains unpaid, as of the date and signature below.

Pursuant to the verification above, the Board of Directors resolved that the Association file this lien in the Office of Register of Deeds for Oakland County against the lot owner's property to enforce the collection of [any] unpaid charges, assessments and related costs as stated. The due and owing [amounts] charge(s) unpaid shall bear interest from the _____ (date of [delinquency] board resolution) at One per cent per month or part thereof, and the Association may bring an action at law against the Owner personally obligated to pay the same for enforcement and collection of [and lien filing] charges, costs, and interest, and [costs] and reasonable attorney's fees of any such action, or foreclose the lien against the property upon receipt of payment of said [amount] charges, [and lien filing] costs, including [and] interest, and [costs and] reasonable attorney's fees of any such action that shall be added as incurred [to the amount of such assessment].

The present owner of the property to the best knowledge of the lien claimant is:

_____ **Owner name**

_____ **Full address**

STATE OF _____
COUNTY OF _____

_____, Treasurer
North Hills Estates Association, Inc
P.O. Box 5255 Northville, MI 48167

Subscribed and sworn to before me this _____ day of _____ 2008

_____ **County, Michigan.** Notary Public *

Prepared by and Return to:
_____, Treasurer
North Hills Estates Association, Inc
P.O. Box 5255 Northville, MI 48167

My commission expires _____.