

NORTHFIELD HILLS HOMEOWNERS ASSOCIATION

By-LAWS

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Northfield Hills Homeowners Association, its successors and assigns.

Section 2. "Common Lands". The common lands shall mean and refer to those parks and recreational areas set aside for the benefit of the residents of Northfield Hills Subdivision and other adjacent subdivisions defined in Article II, Section I below, and Northfield Hills Condominium Association pursuant to plan and development of Levitt Residential Communities, Inc.

Section 3. "Declaration" shall mean and refer to all valid declarations of covenants, conditions and restrictions recorded by Levitt Residential Communities, Inc. set forth September 4, 1975.

Section 4. "Owner". The record title holder, whether one or more persons, or entities in fee simple or as a land contract purchaser of any lot in Northfield Hills Subdivision, except such person who holds his interest for purposes of security only.

Section 5. "Officer" shall mean the individuals selected at the annual meeting to serve until the next Annual Meeting as President, Vice-President, Treasurer or Secretary. Each officer shall have one vote in all matters that come before the Board of Directors.

Section 6. "Director" shall mean any person selected by the Board of Directors, to serve in any specific capacity, or as an at-large director with no specific function. Each director shall have one vote in all matters that come before the Board of Directors.

Section 7. "Board of Directors" or "Board" shall consist of the Officers as listed in Sections 1 – 4, and any other Directors as provided by Section 6. The Board of Directors shall have the powers for all functions and actions of the Association as detailed in Article VII.

ARTICLE II

MEMBERSHIP

Section 1. Such person or entities which are owners of lots in Northfield Hills Subdivisions, Chelsea 1, 2, 3, Forest View Village, and Northfield Hills Subdivision #1 are members, unless such membership was relinquished by the original owner as was allowed in several specific circumstances.

Section 2. All privileges of any member may be suspended for a period of time for violating any of the By-Laws or rules of the Association.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. Regular annual meetings of all Association members shall be held at a place and time as determined by the Board of Directors for the purpose of reviewing past activities, planning future activities, election of Association Officers, and approval of an annual budget.

Section 2. Special meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of at least ten percent of the members who are eligible to vote.

Section 3. Notice of Meetings. Written notice of the annual meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, or by personal service at least fifteen days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied in writing by such member to the Association, for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The members attending the annual meeting shall constitute a quorum for conducting business as long as the number of non-directors attending exceeds the current number of members of the Board of Directors by at least one. Proxies shall be counted in determining the presence of a quorum.

Section 5. Proxies. Where an Owner is one or more persons they shall be entitled to only one vote. They shall designate which of them shall cast the vote. Otherwise, at all meetings of members each member may vote in person or by proxy. Every proxy shall be irrevocable for a period of eleven months, but shall in any event automatically be deemed revoked upon written conveyance of such sentiment by a member of his lot to the Association Secretary.

Section 6. Votes. Each household shall be entitled to only one vote regardless of the number of "owners".

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number and Qualifications. The affairs of the Association shall be managed by a Board of Directors, who shall be members of the Association. The Board of Directors shall consist of the Officers of The Association as enumerated in Article VII, plus any other Director appointed by the President and approved by the full Board of Directors. Such appointments may be for a specific purpose for a specific time, or may be an at-large appointment.

Section 2. Term of Office. Officers shall be elected each year at the Annual Meeting of the Association and shall serve until the next Annual Meeting.

Section 3. Removal. Any director may be removed from the Board, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same affect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF OFFICERS AND DIRECTORS

Section 1. Nomination. Prior to the annual meeting, the Board of Directors, at a regular or special meeting preceding the Annual Meeting, shall prepare, by majority vote, a slate of candidates for the four Officer positions. In addition, they may nominate candidates for any additional director positions as they deem necessary and proper. Multiple nominations for any position may be made. Nominations for any position may be taken from the floor at the Annual Meeting.

Section 2. Election. Election of the Officers shall be by secret ballot or by such other method as selected by the meeting chairman. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The person receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least four times during the year at such place and hour as may be fixed from time to time by the Board.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any three directors, after not less than three days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF BOARD OF DIRECTORS

Section I Powers. The Board of Directors shall have power to:

- a) adopt and publish rules and regulations governing the use of the Common Lands and facilities, and the personal conduct of the members and their guests thereon in coordination with Community Association of Northfield Hills.
- b) suspend the voting rights and right to use of the recreational facilities and park lands of a member during any period in which such member shall be in default in the payment of any dues or assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days, for infraction of published rules and regulations;
- c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- d) declare the office of a member of the Board of Directors to be vacant in event such member shall be absent for three consecutive regular meetings of the Board of Directors;
- e) to retain an attorney, accountant, management agent or such other personnel as may be deemed necessary from time to time to carry out any of the duties of the Board of Directors as prescribed in these articles.

Section 2 Duties. It shall be the duty of the Board of Directors to execute the following:

- a) cause to be kept a complete record of all its acts and corporate affairs, and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by five percent (5%) of the members who are entitled to vote.
- b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

- c) to fix the amount of the annual membership dues based on an annual operational budget.
- d) in accordance with the terms of the Declaration:
 1. fix the amount of the annual assessment against each Lot at least thirty days in advance of each annual assessment period;
 2. send written notice of each assessment to every Owner subject thereto at least thirty days in advance of each annual assessment period; and
 3. foreclose the lien against any property for which assessments are not paid within thirty days after due date, or to bring an action at law against, the owner personally obligated to pay the same.
- e) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- f) procure and maintain adequate liability and hazard insurance on property owned by the Association;
- g) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

Section 3 Limitations. At any time 40% of the homeowners can override any decision of the Board of Directors and it may be done by petition.

ARTICLE VIII **OFFICERS AND THEIR DUTIES**

Section I. Enumeration of Officers. The officers of this Association shall be a president, a vice-president, a secretary, and a treasurer, who shall at all times be members of the Board of Directors as well as members of the Association.

Section 2 . Duties. The duties of the officers are as follows (Any, or all, of these duties may be delegated to the Board's agent at the direction of the Board.):

President. The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all association leases, mortgages, deeds and other written instruments and shall cosign all checks and promissory notes.

Vice-President. The vice-president shall act in the place and stead of the president in the event of his/her absence, inability of refusal to act, and shall exercise and discharge such other duties as may be required of him/her by the Board.

Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association, together with their addresses, and shall perform such other duties as required by the Board including the distribution of minutes to all association members.

Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association, and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit, if ordered by the Board of Directors, of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members,

ARTICLE IX COMMITTEES

The Board shall appoint any committees as the Board of Directors may deem necessary and appropriate in carrying out its functions and purposes, including delegates to act as a liaison with and deal with the Community Association of Northfield Hills.

ARTICLE X BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection any member at the principal office of the Association or its' agent, where copies may be purchased at reasonable cost.

ARTICLE XI ASSESSMENTS AND DUES

Each member is obligated to pay its annual Association dues. Furthermore, the members are obligated to pay the annual or special assessments imposed by the Declaration through Community Association of Northfield Hills for the care and maintenance of the Common Lands. The payment of these annual special assessments are a continuing lien upon the member's Lot. Any assessments which are not paid within 30 days of the due date shall be delinquent. Unpaid assessments shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum,

and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Lands or abandonment of his Lot. A member's eligibility to vote shall require that he be current in the payment of his annual Association dues and assessments.

ARTICLE XII AMENDMENTS

Section 1. These By-Laws may be amended at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIII INDEMNIFICATION

Section 1. A person who is or was a director, officer, employee, non-director volunteer or agent of the Association shall be indemnified by the Association in any threatened, pending or completed action:

- a) In a civil, administrative or investigative action if the person acted in good faith and in a manner the person believed was in the best interests of the Association or its co-owner members; and,
- b) In a criminal proceeding, if the person had no reasonable cause to believe the conduct was unlawful.
- c) The indemnification provided by this section applies to expenses actually and reasonably incurred by the person in connection with the action.
- d) The term "expenses" includes attorney fees, judgments, penalties, fines, costs and amounts paid in settlement.
- e) The termination of any civil, administrative or investigative action by judgment, order or settlement, does not create a presumption that the person did not act in good faith or in the best interest of the Association or its co-owner members.
- f) The termination of any criminal action by conviction, plea of no contest or a plea that is the equivalent of a no contest does not create a presumption that the person had reasonable cause to believe the conduct was unlawful.

Section 2. This provision does not eliminate or limit the personal liability of a director or officer for any of the following:

- a) a breach of the director's or officer's duty of loyalty to the corporation, or its co-owner members;
- b) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- c) a transaction from which the director or officer derived an improper personal benefit;
- d) an act or omission occurring before the effective date of this provision granting limited liability;
- e) an act or omission that is grossly negligent.

Section 3. The Association assumes the liability for all acts or omissions of a volunteer director, volunteer officer, or other volunteer occurring on or after the effective date of this provision granting limited liability if all of the following are met:

- a) the volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority;
- b) the volunteer was acting in good faith;
- c) the volunteer's conduct did not amount to gross negligence or willful and wanton misconduct;
- d) the volunteer's conduct was not an intentional tort;
- e) the volunteer's conduct was not a tort arising out of the ownership, maintenance, or use of a motor vehicle for which tort liability may be imposed as proved in section 3135 of the insurance code of 1956, MCL 500.3135.

Section 4. At least ten business days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all co-owners of the proposed indemnification. Such payment must be approved by a majority vote of the Board of Directors, without the vote of any director seeking indemnification. If there has been no judicial determination concerning the nature of the conduct, the Board of Directors may rely upon a written opinion of counsel