

**BY-LAWS
OF
CARRIAGE HILL
HOMEOWNERS' ASSOCIATION**
(A Michigan non-profit corporation)

ARTICLE I

Formation

- 1.01 Name-The name of this corporation shall be "Carriage Hill Homeowner's Association" (hereinafter referred to as the "Association").
- 1.02 Organization-The Association shall be organized as a non-profit corporation upon a non-stock basis, according to the laws of the State of Michigan. The initial principal office of the corporation shall be located at 41075 Coventry, Novi, Michigan 48050, until the first annual meeting of the members and directors; after which time the principal office shall be located at such place or places as the directors may from time to time direct.
- 1.03 Purpose-The Association shall have the duty and responsibility to maintain, operate, and repair the open space(s), retention pond(s), park(s), common entranceway monuments, and other common areas, if any, as the same may exist from time to time, and have such other functions as may be approved by vote of the membership, for the benefit of the subdivision and the members of the terms, covenants, and agreements set forth in the Articles of Incorporation of the Association, in these By-Laws, and in the Declaration of Restrictions For Carriage Hill Subdivision, dated October 10, 1979, and recorded in Liber 7656, pages 516 through 529, Oakland County Records.
- 1.04 Registered Agent-The initial registered office for the transaction of business of the Association shall be 41075 Coventry, Novi, Michigan 48050, and the initial registered agent there shall be Michael Navetta. The Board of Directors is hereby granted full power and authority to change the registered agent and/or the registered office, which new registered office shall be a location in the State of Michigan, by amendment from time to time of this Article I.

ARTICLE II

Definitions

2.01 The following definitions shall be applicable to these By-Laws:

- (a) "Declaration" shall mean the Declaration of Restrictions For Carriage Hill Subdivision, dated October 10, 1979, and recorded in Liber 7656, pages 516 through 529, Oakland County Records.

(b) "Property" shall mean all of the real property as described in the plat of subdivision for the Carriage Hill Subdivision including the retention pond(s), park(s), open spaces and common areas, if any, as recorded in Liber 168, pages 18 through 20 of Plats, Oakland County Records.

(c) "Common Areas" shall mean those areas designated as the open spaces, retention ponds, parks, common entranceway monuments and other common areas, if any, designated as such on the plat of subdivision.

ARTICLE III

Membership and Dues

3.01 Membership-Every Owner of a lot in the subdivision which is subject to assessment shall be a Member of the Association immediately upon becoming an Owner. All Owners shall be entitled to one (1) vote for each Lot owned. When more than one person or entity holds an interest in any Lot (multiple ownership), all such persons shall be members, but in no event shall there be more than one vote cast with respect to any lot. When more than one person or entity holds an interest in such Lot, such vote shall be exercised as they may, among themselves, agree and they shall so notify the Association in writing prior to any vote. In the event of multiple ownership and such Owners fail or refuse to notify the Association within thirty (3) days of the date set for a meeting, then and in such event the Owner whose name first appears on record title or on the land contract shall be deemed as the Member authorized to vote on behalf of all the multiple Owners, and any vote cast in person or by proxy, or the failure of said Owners to vote, shall be binding and conclusive on all such multiple Owners.

3.02 Membership Fees and Assessments-

(a) Obligation for Assessments-The owner of each Lot shall pay to the Association when due: (1) all annual assessment or charges of the Association, (2) special assessments, if any, for capital improvement to be established and collected as hereinafter set forth, (3) the assessments to be paid to the Association in accordance with Part Seven of the Declaration, and (4) all other assessments for taxes, levies, assessments or other charges lawfully imposed or charged to the Association.

(b) Purpose-The purpose of the assessments levied by the Association shall be for the repair, maintenance, operation, management and improvement of the retention pond(s), storm drainage system, and all other common areas, if any, including but not limited to the payment of all taxes and insurance thereon, the repair and replacement thereof, the

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Dated April 25, 2007

operation thereof, additions thereof and improvements thereon, and for the cost of labor, equipment, materials, management and supervision for and in connection thereof, and of the Association, and for any other lawful purpose not in contravention of the Declaration, the Articles of Incorporation, or these By-laws.

- (c) Annual Assessment-Until the annual meeting immediately following the adoption of these By-Laws, the maximum annual assessment shall be Fifty Dollars (\$50.00) per lot, which includes the annual assessment to be paid to the Association.
- (i) From and after the annual meeting immediately following the adoption of these By-Laws, the maximum annual assessment may be increased or decreased each subsequent year, as may all costs, expenses and charges to carry out the Association's purposes hereunder, by a majority (51%) of the members who are voting in person or by proxy at a meeting duly called for this purpose.
 - (ii) In the event the membership does not or cannot agree on any change from and after January 1 of the year immediately following the adoption of these By-Laws, then and in such event the annual assessment shall continue at the rate of Fifty Dollars (\$50.00) per Lot until changed; provided, however, that in the event of any annual deficit previously approved by the Board of Directors of the Association, the Board of Directors shall assess each Lot pro rata annually to pay any such deficits.
 - (iii) The first annual assessment for each Lot shall be due and payable upon the closing of the purchase of the dwelling unit by the Owner of the Lot in an amount which bears the same proportion to the assessment as the remaining number of days in the then-current assessment period bears to the total number of days in such assessment; provided, however, that the first regular assessment shall be the next regular assessment date if the assessment for the then current assessment period has been paid in full.
 - (iv) The Board of Directors, in its discretion, may establish an installment program for the payment of any annual, special, or deficit assessment, and may charge interest in connection therewith.
- (d) Capital Improvement Special Assessment-In addition to annual assessments provided for herein, the Association may levy a special assessment applicable to the Assessment year only, for the purpose of reconstruction, repair or replacement of a capital improvement to the

retention pond(s) or other common areas, if any; provided, however, that any such special assessment shall first be approved by a majority (51%) of the voting members who are voting in person or by proxy at a meeting duly called for this purpose. Such special assessments shall be due and payable according to the terms and conditions and in the manner specified in the Resolution of the Association.

- (e) Uniform Assessment Rate-All annual, special and deficit assessments shall be fixed and established at the same rate for all Lots within the subdivision.
- (f) Board of Directors' Duties-Subject to the foregoing provision, the Board of Directors of the Association shall fix the amount of the assessment against each Lot for each assessment period at least thirty (30) days in advance of such date or period, and shall prepare a roster of the Lots and the assessments applicable thereto to be maintained in the office of the Association, and which shall be open to inspection by any Owner at all reasonable times. Written notice of the assessment shall thereon be sent to every owner subject thereto. In addition, the Association shall, upon reasonable demand and without charge, furnish to any owner liable for such assessments a certificate in writing signed by an Office or Director of the Association, which states whether such assessment(s) have been paid and the amounts, if any, which remain due and unpaid.
- (g) Enforcement of Obligation to pay Assessments-The Association, by and through its duly appointed officers, shall have full power and authority to take all such actions and to bring all such proceedings as may be necessary or appropriate to enforce the obligation of any member to pay any assessment which is not paid on the due date. To that end, the Association may retain an attorney or attorneys, and may bring an action in its own name to enforce said obligations.

ARTICLE IV

Association Rights

4.01 Association Rights

- (a) The Association is empowered and directed to collect and disburse monies for the purposes specifically and generally provided for by the Articles of Incorporation, these By-Laws, and the Declaration.
- (b) The Association is further empowered and directed to enforce the covenants and obligations of the members as set forth in these By-Laws, the Articles of Incorporation, and the Declaration.

- (c) The Association will transfer all of the retention pond(s) and other common areas, if any, to any public agency, authority or utility and subject to such condition as may be agreed upon by the Members; provided, however, that any dedication, transfer or determination as to the conditions thereof shall be effective only upon the prior consent thereto received from the City of Novi, Oakland County, Michigan.

ARTICLE V

Meetings

- 5.01 Annual meetings-Meetings of the Association shall be held annually in May of each year at the principal office of the Association, or at such other time and place as the Board of Directors shall decide. Such meeting shall be held for the purpose of the election of directors, the appointment of officers, and the transaction of any other business which is within the power of the Members or Directors. Written notice of each annual meeting shall be sent to each member entitled to vote by first class mail, postage prepaid, at least thirty (30) days prior to said meeting; provided, however, that any annual meeting and the notice therefore may be waived by the Members, and any action which might have been taken at such meeting may be taken upon the vote of a majority of the Members.
- 5.02 Special Meetings-Special meetings of the Association may be called by the Board of Directors at any time, or upon the written request of a majority of the Members. Written notice of such a meeting, stating the purpose of the meeting, shall be sent to each member at least three (3) days prior to, and in the same manner as, for annual meetings.
- 5.03-Quorum-The presence of Members or of proxies entitled to cast fifty-one percent (51%) of all the votes shall constitute a quorum. In the event a required quorum is not present at a meeting, another meeting may be called, upon notice as set forth above, and the required quorum at such subsequent meeting shall be fifty percent (50%) of the required quorum at the preceding meeting.
- 5.04-Adjourned Meetings and Notices Thereof-Any annual or special meeting, whether or not a quorum is present, may be adjourned to any other time and place by the vote of a majority of the members which are either present in person or represented by proxy, or by any officer entitled to preside or to act as Secretary of such meeting, if no Member is present; but in the absence of a quorum no other business may be transacted at such meeting. When any annual or special meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting; otherwise, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting,

other than by announcement at the meeting at which such adjournment is taken.

- 5.05 Voting-The record date for voting purpose is hereby established as the third day prior to the date upon which any meeting is first noticed to be held, and only persons in whose names memberships stand on the records of the Association shall be entitled to vote at such meeting. Such vote may be viva voce or by ballot; provided, however, that all elections for directors must be by ballot upon demand made by a Member at any election and before the voting begins. When an action, other than the election of directors, is to be taken, it shall be authorized by a majority of the votes cast by the Members entitled to vote thereon, unless otherwise provided in the Declaration, the Articles of Incorporation, or the Corporation Act.
- 5.06 Consent of Absentees-The transactions of any meeting, either annual or special, however, called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if either before or after the meeting, each of the Members entitled to vote, not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meetings, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the Association records or made a part of the minutes of the meeting.
- 5.07 Action Without Meeting-Any action which, under any provision of the Michigan Business Corporation Act, may be taken at a meeting of the Members, may be taken without a meeting if authorized by a writing signed by all of the persons who would be entitled to vote upon such action at a meeting, and filed with the Secretary of the Association.
- 5.08 Proxies-Every Member entitled to vote or execute consents shall have the right to do so either in person or by one or more agents authorized by a written proxy executed by such person or his duly authorized agent and filed with the Secretary of the Association; provided that no such proxy shall be valid after the expiration of three (3) years from the date of its execution, unless otherwise provided in the written proxy.

ARTICLE VI

Directors

- 6.01 Directors-The management, business and affairs of the Association, the direction of its work, and the control of its property shall be vested in a Board of Directors consisting of five (5) Members. Two Directors shall be elected in even-numbered years, and three Directors shall be elected in odd-numbered years.

- 6.02 Election-Election of Directors shall be by secret ballot. Nomination for any directors may be made from the floor at the Annual Membership meeting. The majority vote of voting members present at the annual meeting shall be required to elect these Directors.
- 6.03 Meetings-the Board of Directors shall meet at such times and such places as it may determine. Such meeting may be called at any time by the President or by the written request of a majority of the Members of the Board. Action may be taken by the Board of Directors either at a meeting, or upon written consent without a meeting, by a majority of the Members of the Board.
- 6.04 Removal and Vacancies-No Member of the Board of Directors shall be subject to removal during such Member's term of office, whether for cause or not, without his/her consent. A vacancy occurring because of the death, resignation, or inability to act of any Member of the Board of Directors shall be filled by an appointee of the remaining Members of the Board; such appointee shall serve for the unexpired portion of such appointee's predecessor's term.
- 6.05 Powers-Subject to the limitations of the Declaration, the Articles of Incorporation, the By-Laws, and of the Michigan Business Corporation Act, as to action which shall be authorized or approved by the Members, all powers shall be exercised by or under the authority of, and the business and affairs of the Association shall be controlled by, the Board of Directors. Without prejudice to such general powers, but subject to the same limitation, it is hereby expressly declared that the Directors shall have the following powers, to wit:
- First: To select and remove all of the officers, agents, and employees of the Association, prescribe such powers and duties for them as may not be inconsistent with law, with the Declaration, the Articles of Incorporation, or the By-Laws, fix their compensation, and require from them security for faithful service.
- Second: To conduct and control the affairs and business of the Association, and to make such rules and regulations therefore not inconsistent with law, or with the Declaration, the Articles of incorporation, or the By-Laws, as they may deem best.
- Third: To change the registered office for the transaction of the business of the Association from one location to another within the State of Michigan, and to designate any place within the State of Michigan for the holding of any meeting or meetings except annual meetings.

ARTICLE VII

Officers

- 7.01 Officers-The officers of the Association shall be a President, Secretary, and Treasurer, all of whom shall be appointed by and shall serve at the pleasure of the Board of directors. The Board of Directors may appoint such other officers as the business of the Association may require, each of who shall have such authority and perform such duties as are provided in these By-Laws or as the Board of directors may from time to time specify, and shall hold office until he shall resign or shall be removed or otherwise disqualified to serve.
- 7.02 Removal and Resignation-any officer may be removed, either with or without cause, by a majority of the directors at the time in office, at any regular or special meeting of the Board. Any officer may resign at any time by giving written notice to the Board of Directors, or to the President or Secretary, who shall then notify each Member of the Board of Directors. Any such resignation shall take effect upon the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall be necessary to make it effective.
- 7.03 Vacancies-A vacancy in any office because of death, resignation, removal disqualification or any other cause shall be filled in the manner prescribed in the By-Laws for regular appointments to such office.
- 7.04 President-The President shall be the chief executive officer of the Association, and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the Association. He shall preside at all meetings of the Members and at all meetings of the Board of Directors. He shall be ex officio a member of all committees, and shall have the general powers and duties of management usually vested in the office of president of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or these By-Laws.
- 7.05 Secretary-The Secretary shall keep, or cause to be kept, a book of minutes of all meetings of Directors and Members, whether regular or special, and if special, how the notice given thereof was authorized, and the names of those present at directors meetings and the proceeding thereof. The Secretary shall maintain a record of the persons in whose names Memberships are entitled to vote at all meetings, shall give or cause to be given notice of all meetings of the Members and of the Board of Directors as required by these By-Laws or by law to be given, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these By-Laws.

7.06 Treasurer-The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, and capital. The books of account shall at all reasonable times be open to inspection by any Director. The Treasurer shall deposit all monies and other valuables in the name of and to the credit of the Association with such depositaries as may be designated by the Board of Directors. He shall disburse the funds of the Association as may be ordered by the Board of Directors, shall render to the President and Directors, whenever they request it, an account of all of his transactions as Treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these By-Laws.

ARTICLE VIII

Funds

8.01 Use of Funds-The funds of the Association shall be used only for those purposes as specified in the Articles of Incorporation, the By-Laws, and the Declaration, and for the necessary expenses of the Association as determined by the Board of Directors. Funds shall not be used for the entertainment or separate benefit of any Member, and no profits, if any, or dividends shall be distributed to any Member of the Association.

8.02 Disbursements-Disbursements for the ordinary and necessary business expenses of the Association may be authorized by the President, but all other expenses and disbursements shall be authorized only by the Board of Directors. All disbursements shall be made by check signed by the President and the Treasurer.

ARTICLE IX

Amendments

9.01 Amendments-The Articles of Incorporation and these By-Laws may be amended by a two-thirds (2/3) vote of the Members voting at a general meeting of the Association, provided the amendment has been presented at a previous meeting and entered in the records of the Association for a period of not less than thirty (30) days, and provided further that all members of the Association are notified in writing of the exact wording of the proposed amendment not less than twenty (20) days previous to adoption.

ARTICLE X

Fiscal Year

10.01 Fiscal Year-the fiscal year of the Association shall be the calendar year.

ARTICLE XI

Conflicts

11.01 Conflicts-No provision of the Articles of Incorporation, these By-Laws, or any action of the Officers or Board of Directors shall affect any Member's performance obligations under the Declaration, and in all cases where there may be any conflict between the terms of the aforementioned Declaration and the terms of the Articles of Incorporation, these By-Laws or any other action of the Association, the terms of the declaration shall control.

ARTICLE XII

Dissolution

12.01 Dissolution-Upon dissolution and liquidation of the Association, each Member shall be entitled to a liquidating distribution out of the remaining assets of the Association in an amount equal to that Member's proportionate interest in the Association as represented by the aggregate of such Member's paid in membership fees, dues, and assessments, and provided further, that all claims, expenses and other liabilities of the Association of any nature whatsoever shall first have been paid or for which adequate provision shall have been made.

By-Laws as amended 4-25-07