



HOLLY HILL FARMS ASSOCIATION

CONSTITUTION AND BYLAWS

ARTICLE I - NAME

The name of this organization shall be the Holly Hill Farms Association.

ARTICLE II - AREA

The area of jurisdiction of this Association shall cover, and be limited to, the Holly Hill Farms and Holly Hill Farms No. 1, 2, 3, 4 and 5 subdivisions of Section II, Town I North, Range 9 East, Farmington Township, Oakland County, Michigan, according to the plat thereof as recorded in Liber 79 of Plats, page 36, Oakland County records.

ARTICLE III - OBJECTS

The objects of this Association shall be: To promote and preserve the best interests of home owners in the area, both individually and collectively, and to do all those things necessary or advisable which will tend to make the area a better place in which to live; consistently and equitably to enforce area restrictions and approve plans in accord with the above stated general objectives; to promote social activity within the area; to promote sound youth activities; to assist in improving public schools; to aid in the improvement of services rendered by public utilities within the area; to deal with problems of safety, sanitation, drainage, beautification and road maintenance; to keep area home owners informed of events and conditions in the community and environs and to represent area home owners in external affairs. This Association shall not be operated for profit, and any net income which may result from its operation shall be used for the benefit of the Association members as a whole.

ARTICLE IV - MEMBERSHIP

Section 1: Membership in this Association shall be granted to any natural person holding solely, jointly or in common, as property owner, legal or equitable title in fee to a lot within the area described in Article II. Lessees shall be entitled to membership.

Section 2: Membership shall be granted to qualified persons upon application to the Secretary and upon payment of full current year's dues to the Treasurer.

Section 3: Members whose dues are in arrears shall not be in good standing and shall not have a vote or hold any office or appointment. Notices shall not be required to be given to members not in good standing. Reinstatement to good standing shall be accomplished only by payment of full current year's dues.

ARTICLE V - DUES

Section 1: The Board of Directors may, without amendment to this Constitution, assess annual dues for one or more years in an amount up to ten dollars (\$10.00) but may not increase annual dues above ten dollars without amendment to this Constitution. The dues shall be payable to the Treasurer within thirty (30) days after the November Semi-Annual Meeting.

Section 2: Except as noted in Article V, Section 3, for the purpose of financing Association social events, a party assessment may be levied by the Board of Directors upon members attending such an event in an amount calculated to defray the expenses of the event, but not in an amount calculated to return either a profit or a loss on the event. Such assessment shall be paid to the Treasurer, or agent. The Treasurer shall account for the receipts and disbursements involved in such an event in the same full measure as for financial transactions involving any other Association activity. Any profit or loss from such an event shall be absorbed by the Association. No social event shall be sponsored by the Association without such assessment where expenses exceed fifty dollars (\$50.00).

Section 3: For the purpose of financing an annual 4th of July festivity, and more specifically, an organized fireworks display, the Board of Directors may elect to authorize up to 75% of the expense of such a display. Such authorization may not exceed six hundred dollars (\$600.00). The financing of all other expenses relating to the festivity shall be in accordance with Article V, Section 2.

ARTICLE VI - MEETINGS

Section 1: Semi-annual meetings of the members of this Association shall be held at 8:00 p.m. on the first Friday in May and November, except where such meeting day shall fall on a holiday, in which case the meeting shall be held on the following Friday.

Section 2: All meetings of the members of the Association shall be held in Oakland County, Michigan, on premises selected by the President.

Section 3: Special meetings of the members may be held at any time, pursuant to a resolution of the Board of Directors, a resolution passed by a majority of members present at any semi-annual or special meeting having a quorum, or to a call signed by members in good standing. Resolutions and calls for special meeting shall specify the time, place, and object or objects thereof, and no other business than that specified in the resolution or call shall be considered at any such meeting.

Section 4: Written notice of every meeting of members, stating the time, place, and object or objects thereof, shall be given to each member by the Secretary at least seven (7) days before the date of such meeting.

ARTICLE VII - VOTING AND QUORUM

Each member representing one or more lots shall be entitled to one (1) vote. If two (2) or more members representing such lot or lots are present, no more than two (2) votes may be cast. The use of proxies at any such meeting is prohibited. Ten percent (10%) of the members in good standing shall constitute a quorum at any such meetings for the transaction of business. No vote shall be valid except at meetings held in accordance with this Constitution.

ARTICLE VIII - FISCAL YEAR

Section 1: The fiscal year of this Association shall end at midnight following the adjournment of the November semi-annual meeting.

Section 2: At the January Board meeting the President shall submit a yearly budget to the Board of Directors for approval. This budget shall be consistent with Article V, Sections 2 and 3.

ARTICLE IX - BOARD OF DIRECTORS

Section 1: The Board of Directors shall be the managing body of this Association.

Section 2: The Board of Directors shall consist of the officers as defined in Article X, Section 1 and directors as defined in Article XI, Section 1. All officers and directors shall serve without remuneration.

Section 3: The Board of Directors shall hold not less than ten (10) monthly meetings each year on dates and times determined by such Board. Five (5) days' notice of each Board meeting shall be given to each member of the Board.

Section 4: The President of the Association shall be the presiding officer of the Board of Directors, and the Secretary of the Association shall act as Secretary of the Board.

Section 5: Each Board member shall have one (1) vote on any question at Board meetings. The use of proxies is prohibited. Five (5) Board members shall constitute a quorum at any Board meeting.

Section 6: The Board of Directors is empowered to take summary action to enjoin any violation of any building restriction, zoning law, or act which may be harmful to the lot owners of the Holly Hill Farms Association, and it is empowered to spend such available funds as may be necessary to carry out these purposes.

ARTICLE X - OFFICERS

Section 1: The officers of this Association shall be a president, a vice-president, a treasurer, and a secretary.

Section 2: Regular Term. The officers of the Association shall serve during the fiscal year following their election or until their successors are elected and qualify, whichever is later.

Section 3: Partial Term. In the case of a president's inability or unwillingness to complete a term, the vice president shall succeed to the office of president, and a Board member appointee of the Board of Directors shall succeed to the office of vice president. In the case of a vice president's, a treasurer's or a secretary's inability or unwillingness to complete a term, the Board of Directors shall appoint a successor to such vacated office.

Section 4: No officer except the Secretary shall be eligible to succeed himself or herself.

Section 5: The President shall be the chief executive officer of the Association and shall preside at all meetings.

Section 6: The Vice President shall preside at meetings in the absence of the President and shall perform such other duties as may be assigned by the President.

Section 7: The Treasurer shall collect all dues and other receipts of the Association, and shall have custody of the funds of the Association which shall be banked within the State of Michigan and only in a bank approved by the Board of Directors, and shall account for all receipts and disbursements. He shall maintain complete records for proper duration of time. Expenditures shall be made solely upon order of the Board of Directors and solely for expenses of the Association and its purposes as outlined in Article III of the Constitution. All disbursement requests are to be processed by the Treasurer before submission to the Board of Directors for approval. All checks paying out Association funds shall be signed by the Treasurer and countersigned by either the President or the Vice President. At the close of each fiscal year the Treasurer then going out of office shall prepare and sign an annual financial report covering the fiscal year then ending and shall, within ten (10) days after the close of such fiscal year, submit such report to the Auditing Committee. It shall be the duty of the Treasurer to send a bill to each lot owner representing the Annual Maintenance Charge referred to in "RESTRICTIONS", Item 9, which shall be due and payable on December 15th of each year. The said bill shall be mailed on or before November 25th. If such bill becomes overdue by February 1st of the following year, the Treasurer shall take action to record the appropriate lien with the Oakland County Register of Deeds representing the amount due on each delinquent lot.

Section 8: The Secretary shall make and keep accurate records of actions taken at all meetings of members and directors, shall give a written report of the same not later than the next meeting, shall give notices of elections and appointments,

shall handle the correspondence of the Association, and shall issue the notices of the meetings. In the absence of the Secretary at any meeting, a secretary pro tempore shall be appointed by the presiding officer.

ARTICLE XI - NON-OFFICER DIRECTORS

Section 1: There shall be five (5) elected non-officer directors.

Section 2: Regular Term. The elected non-officer directors shall serve during the year starting at midnight following the adjournment of the next May semi-annual meeting, or until their successors are elected and qualify, whichever is later.

Section 3: Partial Term. In the case of an elected non-officer director's inability or unwillingness to complete a term, the Board of Directors shall appoint a successor to such vacated office.

Section 4: No non-officer director shall be eligible to serve for more than two (2) successive terms.

Section 5: In addition to the five (5) elected non-officer directors as stated in Article XI, Section 1, the incumbent President may serve on the Board of Directors with full voting rights for a period of one (1) year following his or her term of office as President.

ARTICLE XII - AUDITING COMMITTEE

Section 1: The Auditing Committee of this Association shall consist of a chairman and two (2) other members.

Section 2: The Auditing Committee's term of office shall be during the twelve months (12) starting on the first day of December following the election at the November semi-annual meeting. In the case of a member's inability or unwillingness to complete such a term, the Board of Directors shall appoint a successor to such vacated office.

Section 3: The Auditing Committee shall be independent. It shall be elected by the general membership. No officer or director shall, during such term of office serve on the Auditing Committee. No person who has been Treasurer at any time during the previous twelve (12) months shall serve on the Auditing Committee. Any person serving on the Auditing Committee shall not be eligible for election or appointment to the office of Treasurer for one (1) year following the termination of his service on the Auditing Committee.

Section 4: Each Auditing Committee shall examine the annual financial report submitted for the fiscal year ending during its term of office and shall conduct such interim examinations as it deems advisable. Records shall be submitted to the Auditing Committee as required for its purposes.

Section 6: Annual financial reports shall be deemed ratified by the membership of the Association unless objection is made to the incumbent Auditing Committee prior to adjournment of the May semi-annual meeting.

ARTICLE XIII - ELECTIONS

Section 1: At each November semi-annual meeting:

- (a) A vice president, treasurer, and secretary shall be elected by written ballot offering at least one (1) nominee for each office. The vice president-elect will serve as president the year following his term as vice president, and
- (b) A chairman and two additional members of the Auditing Committee shall be elected by written ballot offering at least two (2) nominees for the office of chairman and at least four (4) nominees for the other two offices combined.

Section 2: At each May semi-annual meeting, five (5) non-officer directors shall be elected by written ballot.

Section 3: The nominees receiving the largest number of votes shall be declared elected. In the event of a tie, an immediate run-off election shall be held as to the nominees thus tied.

Section 4: Three (3) inspectors of election shall be appointed by the presiding officer, with the concurrence of the membership, to conduct the election of officers, Auditing Committee members, and directors. No person who is a nominee for office may serve as an inspector of election.

Section 5: The Nominating Committee shall propose a slate of candidates for each office and shall send a copy of such slate to the members at least two weeks before elections. Additional nominations may be made by members before or at the time of the election meeting.

ARTICLE XIV - RECALL

The holder of any elective office, whether or not succeeding thereto by appointment or otherwise, may be removed from office at any meeting of the members after a ten (10) day written notice of intention to remove is given to all members and upon an affirmative vote of the majority of the members present.

ARTICLE XV - COMMITTEES

Section 1: The President shall, with the concurrence of the Board of Directors, appoint a chairman and the members of each of the following standing committees:

- (a) Restrictions Committee of five (5) members (restrictions and enforcement and plan approval).

- (b) Social Committee of three (3) members.
- (c) Maintenance Committee of two (2) members.
- (d) Beautification Committee of two (2) members.
- (e) Nomination Committee of three (3) members.
- (f) Publication Committee of three (3) members.

In each of these committees, the chairman shall be included in the number of members listed. The numbers listed above are minimum members.

Section 2: Additional committees may be provided for from time to time by the Board of Directors. In such cases, the President shall appoint the chairman and the members of such committees, with the concurrence of the Board of Directors.

ARTICLE XVI - NOTICE OF ELECTIONS AND APPOINTMENTS

The secretary shall arrange for notice to be given to members of the names of newly elected or appointed officers, directors, and committee members.

ARTICLE XVII - RULES OF ORDER

Robert's Rules of Order shall be the parliamentary authority governing matters of procedure.

ARTICLE XVIII - AMENDMENTS

This Constitution may be amended at any meeting of the members after a thirty (30) day written notice of intention to amend, together with the wording of the proposed amendment or amendments, is given to all members and upon an affirmative vote of the majority of the members present.

ARTICLE XIX - NOTICE

Notice shall be deemed given when deposited in the U.S. mails, with postage fully prepaid thereon, addressed to the member at the last known address for such members or when a copy is deposited in the letter box or at the home of a member; and one copy per home shall be deemed sufficient.

AMENDED NOVEMBER, 1975

Amendment to the Constitution and Bylaws of the Holly Hill Farms Association

Approved at the November 11, 2003 Semi-Annual Meeting

**COMPLIANCE WITH MICHIGAN NON PROFIT CORPORATION LIMITING OFFICER,
DIRECTOR AND VOLUNTEER LIABILITY**

A volunteer director or volunteer officer of the Corporation shall not be personally liable to the Corporation or its members for monetary damages for a breach of its fiduciary duty as a director or officer, except for liability:

- (a) For any breach of the director's or officer's duty of loyalty to the Corporation or its members;
- (b) For acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- (c) Resulting from a violation of Section 450.2551(l) of the Michigan Nonprofit Corporation Act;
- (d) For any transaction from which the director or officer derived an improper personal benefit;
- (e) An act or omission that is grossly negligent; or
- (f) An act or omission occurring before the effective date of this ARTICLE XX.

The Corporation 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 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; or
- (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 provided in Section 3135 of the Insurance Code of 1956, Act No. 218 of the Public Acts of 1956, being Section 500.3135 of the Michigan Compiled Laws.

In the event the Michigan Non-profit Corporation Act is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of directors, officers or volunteers, then the liability of a director, officer or volunteer of the Corporation shall be eliminated or limited to the fullest extent permitted by the Michigan Non-profit Corporation Act, as so amended. Any repeal, modification or adoption of any provision in these Articles of Incorporation inconsistent with this Article shall not adversely affect any right or protection of a director, officer or volunteer of the Corporation existing at the time of such repeal, modification or adoption.