



BY-LAWS OF TRAILWOOD HOMEOWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of this corporation is Trailwood Homeowners Association, hereinafter referred to as the "Association". The principal office of the Association shall be located at 2900 West Maple Road, Troy, Michigan 48084, but meetings of members and directors may be held at such places within the State of Michigan as may be designated by the Board of Directors.

II
 1. "Association" shall mean and refer to Trailwood Homeowners Association, a Michigan Non-Profit Corporation, its successors and assigns.

2. "Properties" shall mean and refer to that certain real property described as:
 186 through 371 inclusive, Trailwood Subdivision No. 2, of part of Section 27, 33 and 34, T. 1 S., R. 8 E., Plymouth Township, Wayne County, Michigan, according to the plat thereof as recorded in Liber 95 of Plats, pages 52 through 54 inclusive, Wayne County Records; 372 through 561 inclusive, Trailwood Subdivision No. 3, of part of the N. E. 1/4 of Section 33 and part of the N. W. 1/4 of Section 34, T. 1 S., R. 8 E., Plymouth Township, Wayne County, Michigan, according to the plat thereof as recorded in Liber 97 of Plats, pages 4, 5 and 6, Wayne County Records such additions thereto as may hereafter be brought within the jurisdiction of the Association.

3. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:
 Park "A" 9.3779 acres (Private Park) Park "B" 0.4304 acres (Private Park) the above described Trailwood Subdivision No. 2. Park "C" 9.8046 acres (Private Park) the above described Trailwood Subdivision No. 3. "Common Area" is also referred to as "Open Space Area" in the Subdivision Open Space Agreement with Plymouth Township, recorded in Liber 19070, pages 814 through 821 inclusive, as amended by Amendment recorded in Liber 19622, pages 249 through 252 inclusive.

4. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Properties including land contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

5. "Lot" shall mean and refer to any numbered lot shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

6. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties, recorded in Liber 19070, pages 831 through 841 inclusive, as amended by Amendment recorded in Liber 19148, pages 598 through 600 inclusive, and as further amended by Amendment recorded in Liber 19743, pages 444 and 445, all such Declarations and Amendments having been recorded in the office of the Register of Deeds for Wayne County, Michigan.

7. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

8. "Declarant" shall mean and refer to Dover Homes Company, a Michigan Corporation, its successors and assigns if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

III RIGHTS

1. Owners' Easements of Enjoyment.
 Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

2. Delegation of Use.
 Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

IV AND VOTING RIGHTS

1. Every Owner of a lot which is subject to assessment shall be a mandatory member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.

2. The Association shall have two classes of voting membership:
 A. Class A members shall be all Owners, with the exception of the Declarant and its builder/purchasers, and shall have no voting rights until the happening of either of the following events, whichever occurs earlier: the happening of the first to occur of said events, then and in that event the Class A shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to one lot.
 B. The Class B members shall be the Declarant and/or its builder/purchaser to one vote for each lot owned.

V FOR MAINTENANCE ASSESSMENTS

1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each lot owned within the Properties, hereby covenants, and each owner of any lot by

acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual general assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area.

3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment shall be Twenty-Five (\$25.00) Dollars per lot.

a. From and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment may be increased each year not more than five percent (5%) above the maximum assessment for the previous year without a vote of the membership.

b. From and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment may be increased above five (5%) percent by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

5. Notice and Quorum for Actions Authorized Under Section 3 and 4.

notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty (60%) percent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No subsequent meeting shall be held more than 60 days following the preceding meeting.

6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate within each membership class for all lots and may be collected on a monthly basis.

7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of six (6%) percent per annum. The Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his lot.

9. Exempt Property. All Common Area and all other property exempt from taxation by state or local governments and dedicated for public use shall be exempt from the assessments, charge and lien created herein.

10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien' thereof.

VI

OF MEMBERS

1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of four (4:00) o'clock p. m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

2. Special Meetings. Special meetings of the members may be called at any time by the president or by vote of the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

3. Notice of Meetings. Written notice of each 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, at least thirty (30) 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 by such member to the Association for the purpose of notice. Each member shall register his address with the secretary, and notices of meetings shall be mailed to him at such address. 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. If the business of any meeting shall involve any change in the basis or maximum amount of the annual assessment, or any special assessments, notice of such meeting shall be given or sent as provided herein.

4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration of Covenants, Conditions and Restrictions, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

VII

OF DIRECTORS: SELECTION: TERM OF OFFICE

1. Number. The affairs of this Association shall be managed by a Board of nine (9) Directors who need not be members of the Association. Such Board of Directors may be appointed by the Developer until such time as not less than forty (40%) percent of the residential lots in the Subdivision shall have been sold to Owners. Thereafter the Board of Directors shall be elected by the Owners.

2. Term of Office. At the first annual meeting the members shall elect three directors for a term of one year, three directors for a term of two years and three directors for a

term of three years; and at each annual meetings thereafter the members shall elect three directors for a term of three years to replace the directors whose term of office has expired.

3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association.

4. Vacancies. Vacancies in the Board of Directors caused by death, resignation or removal of a director shall be filled by appointment by and upon the vote of a majority of the remaining directors, and such director or directors, so appointed, shall serve for the unexpired term of his predecessor.

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

6. 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 of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

VIII

AND ELECTION OF DIRECTORS

1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to cast under the provisions of Article IV. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

IX

OF DIRECTORS

1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next business day which is not a legal holiday.

2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days' notice to each director.

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.

X

AND DUTIES OF THE BOARD OF DIRECTORS

1. Powers. The Board of Directors shall have power to:

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

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XI

AND THEIR DUTIES

1. Enumeration of Officers. The officers of this Association shall be a president, any number of vice-presidents, who shall at all times be members of the Board of Directors, a secretary and a treasurer, and such other officers as the Board may from time to time by resolution create.

2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members and shall be by majority vote of the directors.

3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

8. Duties. The duties of the officers are as follows:

XII

Association shall appoint a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

XIII

AND RECORDSbooks, 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 by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

XIV

1. At all meetings of members, each member may vote in person or by proxy.

2. All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond a period of eleven (11) months, and every proxy shall automatically cease upon sale by the member of his lot.

XV

SEALseal shall be required to be adopted as the corporate seal of this Association for the regular conduct of its business. In the event a seal should be required for any transaction, then any blank corporate seal may be utilized as the seal for this Association.

XVI

1. These By-laws may be amended, at a regular or special meeting of the members, by a vote of two thirds of each class of members present either in person or by proxy, provided that any matter stated herein to be or which is in fact governed by the Declaration of Covenants, Conditions and Restrictions applicable to the Properties, and recorded, may not be amended except as provided in such Declaration of Covenants, Conditions and Restrictions.

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 of Covenants, Conditions and Restrictions applicable to the Properties and these By-Laws, the Declaration of Covenants, Conditions and Restrictions shall control.

XVII

fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.