

WINDRIDGE PLACE HOMEOWNERS ASSOCIATION

ASSOCIATION BY-LAWS

ARTICLE I

Section 1. The word "Developer" as used herein means Stulberg Properties, Inc., a Michigan corporation, its successors and assigns. Developer may assign all or a portion of the rights of the Developer under these Bylaws and such assignee shall be considered herein as the Developer as to such assigned rights.

Section 2. The word "Association" as used herein means Windridge Place Homeowners Association, a Michigan non-profit corporation.

Section 3. The word "Subdivision" for the purposes of these By-Laws means Windridge Place Subdivision, in Novi, Michigan, Plat recorded in Liber 240, pages 12 - 16, of Plats, Oakland County Records.

Section 4. The word "lot" as used herein means each of Lots 1 through 45, inclusive.

Section 5. The word "Parks" as used herein means collectively real property or easements or licenses, if any, acquired by the Association including any personal or mixed property thereon.

ARTICLE II

Meetings

Section 1. Meetings of the Association shall be held at principal office of the Association or at such other suitable place convenient to the members as may be designated by the Board of Directors.

Section 2. The first annual meeting of the members of the Association shall be held in the first or second week of December, 1996. The time and place of such meeting shall be set by the Board of Directors, and at least ten (10) days written notice thereof shall be given to each member. Thereafter, the annual meeting of the members of the Association shall be held in the first or second week of December of each succeeding year at a time and place as shall be determined by the Board of Directors. At such meeting, there shall be elected by ballot of the members a Board of Directors in accordance with the requirements of Section I of Article III of these By-Laws. The members may also transact at such meeting such other business of the Association as may properly come before them.

Section 3. It shall be the duty of the President to call a special meeting of the members as directed by resolution of the Board of Directors or upon a petition signed by one-third (1/3) of the members presented to the President or Secretary of the Association. The President may also on his or her own volition call a special meeting of the members. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each member of record on the Association books at least ten (10) days, but not more than thirty (30) days, prior to such meeting. The mailing, postage prepaid, of a notice (i) to the representative of each member or (ii) to any one or more of the members where there is more than one owner of the lot or (iii) merely addressed to the occupant if there is a home on the lot, and in each case notice mailed either to the address shown on the records of the Association, or to the address of the lot if there is a home on the lot, shall be deemed notice served, except that any notice to Developer shall be sent certified mail, return receipt requested, postage prepaid to Developer's office address unless such form of

notice is waived by Developer. Any member or Developer may, by written waiver of notice signed by such member, waive such notice, and such waiver when filed in the records of the Association, shall be deemed due notice.

Section 5. If any meeting of members, including annual meetings, cannot be held because a quorum is not in attendance, the members who are present may adjourn the meeting to a place and time not less than forty-eight (48) hours from the time the original meeting was called.

Section 6. The owners of each lot in the Subdivision shall file their name(s) and address(es) and evidence of ownership with the Secretary of the Association for the Association Records, and the successive owners of such lot shall also so file their name(s) and address(es) and evidence of ownership upon acquiring ownership of such lot. In the absence of such filing, the Secretary shall be entitled to elect to use whatever other evidence of name(s) and/or address(es) the Secretary or the President of the Association deem desirable, including use of the name "occupant".

ARTICLE III

Membership and Voting

Section 1. Each Owner of a lot in the Subdivision shall be a member of the Association. Membership in the Association shall be Mandatory for each lot owner and any successive lot owner in the Subdivision. Membership may be expanded pursuant to any mergers or consolidations with other non-profit corporations organized for the same or similar purposes.

Where there is more than one owner of a lot, the membership for such lot shall be joint and several among all the co-owners of the lot, and the co-owners of such lot shall be collectively deemed herein as being only one member and counted as only one member, even though all co-owners of such lot shall be jointly and severally personally liable for all Mandatory Assessments against such lot. Accordingly, each lot in the Subdivision shall be entitled to only one collective membership and each lot shall be entitled to only one vote. Where a person or party owns more than one lot, such person or party shall have a separate membership for each such lot and a separate vote for each lot.

Where a lot is owned by two or more parties, the Officer conducting the meeting shall have the authority in his or her discretion to select any of the owners of the lot to cast the vote for such lot on the particular matter being voted upon, in the absence of a writing signed by all the co-owners of the lot designating one of the co-owners of the lot as having the right or authority to cast the vote for such lot and filed with the Secretary of the Association or the Officer conducting the meeting prior to the time of the vote. Said co-owners shall have the right to designate a different co-owner from time to time if they desire, but the new designation must be filed as aforesaid in order to be effective.

Section 2. Membership in the Association shall be established by acquisition of fee simple title to a lot in the Subdivision and by recording with the Register of Deeds for Oakland County, Michigan a deed or other instrument establishing or evidencing such change of record title to such lot, the lot owner thereby becoming a member of the Association and the membership attendant to such lot of the prior owner thereby being terminated; except that in the event of a sale of a lot on Land Contract, the membership attendant to the lot sold therein shall pass to the Land Contract purchaser unless and until title to the lot might become revested in the Land Contract seller, provided evidence of such Land Contract is recorded with the Register of Deeds for Oakland County, Michigan and evidence of same satisfactory to the Association is furnished to the Association.

Section 3. The share of a member in the funds and assets of the Association or other rights of membership cannot be assigned, pledged, encumbered or transferred in any manner except as an appurtenance to the lot.

Section 4. Unless waived by the Officer conducting the meeting, no member, other than the Developer, shall be entitled to vote at any meeting of the Association unless such member has presented evidence of ownership of a lot or has previously filed such

evidence in accordance with Section 6 of Article II above.

Section 5. The presence in person or by written proxy of members representing twenty (20%) percent of the total number of lots shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by these By-Laws, if any, to require a greater quorum. In cases where voting is contemplated, the written vote of the member furnished at or prior to any duly called meeting at which meeting said party is not present in person shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

Section 6. Votes may be cast in person and it shall also be permissible to vote by a writing duly signed by the member who is not present at a given meeting in person. Any written votes must be filed with the Secretary of the Association or the officer conducting the meeting at or before the time of the voting. Also, voting by written proxy shall be permitted. Cumulative voting shall not be permitted.

ARTICLE IV

Board of Directors

Section 1. The affairs of the Association shall be governed by a Board of Directors, all of whom must be Subdivision lot owners or officers, partners, trustees or employees of corporate or partnership or limited liability company lot owners, except for members of the Board of Directors who are appointed by the Developer. Anything in these By-Laws to the contrary notwithstanding, the Developer may control and designate the Board of Directors of the Association up to the time that eighty (80%) percent of the lots in the Subdivision have been sold by the Developer and all land contracts, if any, from Declarant, and all mortgages, if any, to Declarant on said sale of said eighty (80%) percent of the lots in the Subdivision have been paid in full, or such earlier time as the Developer may elect. Thereafter, the Board of Directors shall be elected by the lot owners. Directors shall serve without compensation. Any Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

Section 2. The Board of Directors shall be initially composed of one person. The number of the members of the Board of Directors shall be increased to three (3) persons such time as fifty (50%) of the lots in the Subdivision have houses built thereon and shall have been sold and delivered to homeowners occupying the houses built thereon for residential occupancy, or earlier in the discretion of the Developer. The Board of Directors shall manage the affairs of the Association. A director shall hold office until its successor has been elected or appointed, or until its resignation or removal.

Section 3. The Board of Directors shall have all rights and powers necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law, the Articles of Incorporation, or by these By-Laws, prohibited.

Section 4. In addition to the foregoing rights and powers imposed by these By-Laws, or any further duties which may be imposed by resolution of the members of the Association but subject to the consent of the Developer so long as the Developer holds a record title interest in any lot either in fee or as land contract seller or as mortgagee, the Board of Directors shall have rights and powers including, but not limited to, the following:

- (a) To manage and administer the affairs of and maintenance of the Association and the property (real, personal and otherwise) owned by the Association.
- (b) To collect Mandatory and Voluntary Assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.
- (c) To carry insurance and collect and allocate the proceeds thereof.
- (d) To rebuild improvements after casualty.
- (e) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Association.

(f) To acquire, maintain, improve, buy, sell, convey, assign and grant easements, rights-of-way, licenses and mortgages or leases relating to any real, personal or mixed property on behalf of the Association in furtherance of any of the purposes of the Association.

(g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge, or other lien, on property owned by the Association; provided, however, that any such action shall be approved by affirmative vote of members representing seventy-five (75%) percent of the lots in the Subdivision.

(h) To enforce the provisions of these By-Laws and all restrictions recorded for the Subdivision.

(i) To suspend the voting rights and/or the right to the use of the Parks owned by the Association of a member during any period during which such member shall be in default in the payment of any Mandatory assessment levied by the Association. Such right may also be suspended for a period not to exceed sixty (60) days for infraction of Rules and/or Regulations adopted by the Board of Directors.

(j) To adopt Rules and/or Regulations governing the activities of the Association and its members, including but not limited to the use of the Parks and any property, including easements and licenses, owned by the Association.

Section 5. In the event the Association should acquire any Parks, the use of the Parks is limited to members of the Association and their families, guests and tenants. The Board of Directors may adopt Regulations respecting the use and enjoyment of the Parks owned by the Association and for the personal conduct in the Parks by the members, and their families, guests, and tenants, if any, and the personal conduct in the Subdivision generally of the members and their families, guests, and tenants, if any, all in connection with their use and enjoyment of the Parks and to establish penalties for the infraction thereof, and such other Regulations as are desirable in the opinion of the Board of Directors for proper maintenance and control of the Parks.

Section 6. After the duration of time when the prior rights of the Developer to appoint all Directors is no longer applicable, as set forth in Section 1 of Article IV above, vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the members of the Association shall be filled by vote of the majority of remaining Directors, even though they may constitute less than a quorum.

Section 7. Each person elected as a Director of the Association shall be a Director until a successor is (i) appointed by the Developer so long as the Developer still has the right to appoint all Directors pursuant to Section 1 of Article IV above, or (ii) elected at the next annual meeting of the Association or (iii) otherwise elected by the remaining Directors, or (iv) elected at a special meeting of the Association called for this purpose, except that a resignation or removal of a Director shall take immediate effect and the person shall no longer be a Director after his or her resignation or removal.

Section 8. The first meeting of a newly elected Board of Directors shall be held immediately after the meeting at which such Directors were elected or within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no formal notice of such first meeting shall be necessary to the newly elected Directors in order legally to constitute such meeting providing some form of notice is given to each Director and providing a majority of the whole Board shall be present.

Section 9. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors. Notice of regular meetings of the Board of Directors shall be given to each Director, personally, by mail, telephone or telegraph, at least ten (10) days prior to the date named for such meeting.

Section 10. Special meetings of the Board of Directors may be called by the President on at least three (3) days' prior notice to each Director, given personally, or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the

meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice upon written request of any two Directors.

Section 11. Before, at, or after any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meetings of the Board shall be deemed a waiver of notice except for his or her presence for the sole expressed purpose of protesting notice. If all the Directors are present at any meeting of the Board, no prior notice shall be required and any business may be transacted at such meeting not otherwise prohibited by these By-Laws.

Section 12. At all duly held meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time upon giving three (3) days notice of the adjourned meeting in the manner set forth in Section 9 above unless all Directors concur to an earlier meeting. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The later joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof or in the action thereof shall constitute the prior presence of such Director for the purposes of determining a quorum and shall constitute the affirmance of such Director as the action taken to the extent the Director so indicates its concurrence, and concurrence to the minutes thereof is deemed concurrence with all actions taken by the Board of Directors at such meeting.

Section 13. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration of the Association and paid for by the Association.

Section 14. The meetings of the Board of Directors may be had by telephone or any other means of communication as well as meetings in person.

ARTICLE V

Officers

Section 1. The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice President, a Secretary and a Treasurer, all of whom shall serve without compensation if they are members of the Board of Directors and otherwise may be reasonably compensated at the discretion of the Board of Directors. The Directors may appoint an assistant Treasurer and an assistant Secretary and such other officers as in their judgment may be necessary. Any three offices except that of President and Vice President may be held by one person.

Section 2. The Officers of the Association shall be elected annually by the Board of Directors at the organizational annual meeting of each new Board, and shall hold office at the pleasure of the Board.

Section 3. Upon an affirmative vote of a majority of the members of the Board of Directors, any Officer may be removed either with or without cause, and his or her successor elected at any regular meeting of the Board of Directors, respectively, or any special meeting of the Board respectively called for such purpose.

Section 4. The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Board of Directors. He or she shall have all of the general powers and duties which are usually vested in the office of the President of an Association, including but not limited to the power to appoint committees from among the members of the Association from time to time as he or she may in his or her discretion deem appropriate to assist in the conduct of the affairs of the Association.

Section 5. The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If neither the

President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board or officer of the Association to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him or her by the Board of Directors.

Section 6. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he or she shall have charge of the corporate seal, if any, and of such books and papers as the Board of Directors may direct; and he or she shall, in general, perform all duties incident to the office of the Secretary.

Section 7. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He or she shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall also within a reasonable time respond in writing on behalf of the Association to written requests to the Association as to whether there are unpaid Mandatory Assessments against any particular lot according to the books of the Association, and the amount thereof, and if the Treasurer is absent or unable to act, any officer of the Association may give such written response.

Section 8. The Officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Directors.

ARTICLE VI

Seal

Section 1. The Association may, but is not required to, have a seal which shall have inscribed thereon the name of the corporation, the words "corporate seal" and "Michigan".

ARTICLE VII

Finance

Section 1. The fiscal year of the Association shall be from January 1 to December 31.

Section 2. The funds of the Association shall be deposited in such banks or savings and loan associations (herein "bank accounts") as may be designated by the Directors and shall be withdrawn only upon the check or other draft of such Officers, employees or agents as are designated by resolution of the Board of Directors from time to time. The Association may keep the same bank accounts for Mandatory Assessments and for Voluntary Assessments but shall keep separate records for each type of assessment, so that receipts and expenses of the two different Assessments will not be mixed together on the Association records.

Section 3. The Association shall keep detailed books of account pertaining to the financial administration of the Association in accordance with reasonable accounting principles. Such accounts shall be open for inspection by the members at reasonable intervals and during reasonable working hours and shall be audited annually by an auditor selected by the Board of Directors and which auditor does not have to be an accountant. The cost of such audit, if any, shall be an expense of administration of the Association.

Section 4. There shall be two types of Association charges. One shall be Mandatory Assessments against the lot, and the member owners of such lot are obligated to pay same. The other shall be Voluntary Assessments requested from lot owners, and lot owners may elect not to pay same although they are hereby encouraged to pay same for the benefit of themselves, their neighbors, the Association and the Subdivision. Anything contained herein to the contrary notwithstanding, **the Association may not levy fees, dues or assessments upon lots owned by the Developer or by a builder prior**

to residential occupancy and in no event shall the Developer or such builder be obligated to pay fees, dues or assessments to the Association. All fees, dues or assessments by the Association shall be charged equally to each lot subject to levy by the Association. However, the Association may levy fees, dues or assessments to take effect after the lot is no longer owned by the Developer, and is no longer owned by a builder prior to residential occupancy, and such fees, dues or assessments shall be prorated on a calendar year basis and imposed for the balance of the year thereafter.

a. Mandatory Assessments. No fees, dues or assessments on any lot levied by the Association, except for charges under Paragraph 17, 18 and 31 of Article II of the Declaration of Building and Use Restrictions recorded for the Subdivision in Liber 15427, Page 524, et. seq., Oakland County Records (herein the "Declaration"), and except for amounts and expenses incurred in enforcing the restrictions which are reimbursable under Article VI of the Declaration, shall exceed in total \$200.00 per calendar year unless the amount in excess is voted upon and approved by the Association members representing at least seventy-five (75%) percent of the lots in the Subdivision which have been sold to and occupied by residential homeowners and provided such amount in excess has also received Developer's approval in writing if Developer still owns an interest in any lot whether by fee title or as land contract purchaser or land contract seller or as mortgagor or mortgagee of an as yet unpaid mortgage or as assignee or assignor of an as yet unpaid land contract, except that assessments up to \$50.00 per lot per calendar year in addition to all of the fees, dues and assessments provided for herein may be charged to the lot owner of each lot in the Subdivision, including lots owned by Developer or a builder prior to occupancy, for snow removal from the streets by the Association provided such amount for snow removal has also received Developer's approval in writing. Mandatory Assessments shall not commence prior to the calendar year starting January 1, 1996. Late charges as a handling fee (in addition to interest) not to exceed \$50.00 per assessment may be established by the Board of Directors on any Mandatory Assessments which are more than thirty (30) days delinquent in payment but may be waived by the Board of Directors in its discretion for any given lot. The Association may use the fees, dues or assessments collected for such purposes as the Association shall determine as necessary and advisable, including, but not limited to: improving, maintaining and protecting any property of the Association, including any future property, real, personal or mixed, acquired by the Association; maintaining and improving entryways of the Subdivision; planting and maintaining trees and shrubbery; collecting and disposing of garbage, debris and rubbish; snow removal; employing night watchpersons; caring for vacant property; removing grass or weeds; establishing and operating any community programs and facilities which in the opinion of the Association benefit the general welfare of the members; expenses incident to the examination of building plans and specifications or any other items or matters requiring approvals or waivers by the Architectural Control Committee; the enforcement of provisions in the Declaration or any other building restrictions applicable to the Subdivision; or for any other purposes for which the Association is incorporated.

b. Voluntary Assessments. Voluntary Assessments may be requested by the Association in any amount but shall not be an obligation against a member or its lot and is in the nature of a voluntary contribution to be made or not made at the discretion of each member, and which contributions may be used to fund any of the above purposes in this Section 4 and other purposes of the Association for items not contained in this Section 4. Voluntary Assessments shall not be included in computing the \$200.00 per calendar year figure referred to in Section 4.a. above.

Section 5. Each year prior to December 31st the Board of Directors may levy annual Mandatory Assessments for the coming calendar year and may levy additional Mandatory Assessments from time to time during the year as needed, except that the total cumulative Mandatory Assessments levied for a given lot for any calendar year cannot exceed the maximum permitted under these by-laws and any levy in excess of such restriction shall be deemed a levy only at the level of the maximum permitted under these By-Laws. The existing year's total cumulative Mandatory Assessment(s) shall be the following year's initial Mandatory Assessment in the event the Board of Directors does not levy an annual Mandatory Assessment by December 31st. The Board of Directors may also request Voluntary Assessments from time to time during the year.

Section 6. All charges against any lot or lots in the Subdivision in connection with these By-Laws, or in connection with the provisions of Paragraph 17 or 31 of Article II, or in connection with the provisions of Article IV or of Article VI of the above referenced Declaration of Building and Use Restrictions recorded for the Subdivision with the Oakland County Register of Deeds (herein the "Declaration"), shall be the personal liability, jointly and severally, of those owner(s) of the lot(s) who owned the lot(s) at the time the respective charges were incurred, and shall also be a lien against such lot(s) to secure payment. Further, all charges which shall remain due and unpaid sixty (60) days after the date said charges become due and payable shall be subject to interest at the highest legal rate allowable as of the date said sums become due, but not to exceed eleven (11%) percent per annum. The Association shall have the right to enforce collection for any and all charges incurred in connection with these By-Laws or in connection with exercising the rights provided in said Paragraph 17 or 31 of Article II of the Declaration or in connection with the provisions of said Article IV or of Article VI of the Declaration by a suit at law for a money judgment or by foreclosure of a lien that secures payment of the charges which the Association may record against the subject lot or lots. Each owner of a lot or lots in the Subdivision shall be deemed to have granted to the Association the unqualified right to assess and lien the subject lot for charges incurred in connection with said Paragraph 17 or 31 of Article II or in connection with the provisions of said Article IV or of Article VI and further to permit the Association the right to elect to foreclose such lien either by judicial action or by advertisement. The lien shall be subordinate and junior to the lien of any first mortgage securing a loan for the acquisition or improvement of any lot in the Subdivision.

The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action or by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purpose of establishing the various procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each lot owner, and every other person who from time to time has an interest in any of the lots in the Subdivision, shall be deemed to have authorized and empowered the Association in such lien foreclosure actions to sell or cause to be sold the lot with respect to which the outstanding obligation is delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each owner of a lot in the Subdivision acknowledges that at the time of acquiring title to such lot it was notified of the provisions of this Section, or is deemed to have been notified by virtue of the recordation of the Declaration, and that it voluntarily, intelligently and knowingly waives notice of any proceedings brought by the Association to foreclose by advertisement the lien for non-payment of any charges and waives notice of a hearing on the same prior to the sale of the subject lot.

Notwithstanding the foregoing, neither judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent owner(s) of the subject lot(s) at its last known address of a written notice that charges have been incurred against the subject lot(s) and are unpaid and are delinquent and that Association, may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the signer's capacity to make the affidavit, (ii) the authority for the lien, (iii) the amount of charges outstanding (exclusive of interest, costs and attorney fees, but all or some of which may be optionally included in the affidavit), (iv) the legal description of the lot(s), and (v) the name(s) of the owner of record. Such affidavit shall be recorded in the office of the Register of Deeds for Oakland County prior to the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the ten (10) day period, the Declarant, its successors and assigns, including the Association, may take such remedial action as may be available to it hereunder under Michigan Law.

ARTICLE VIII

Reimbursement of Developer

The Association shall reimburse Developer for all funds previously expended or to be expended by Developer or loans or advances previously made or to be made to the Association by Developer or advances by Developer to others on behalf of the Association for any purpose of the Association. The Association may sell, rent, lease or mortgage or otherwise in any manner dispose of any of its property, be it real property, personal property or mixed property (collectively herein referred to as the "Disposition of Assets"), for the purposes of reimbursing Developer.

It is understood and acknowledged that Developer is controlled by Edward Barry Stulberg, its President, and that the Association is presently controlled, and may be controlled in the future at the time of the Disposition of Assets, by Developer and Developer shall have, and hereby has, the authority in its sole discretion to act on behalf of the Association and execute instruments on behalf of the Association in the Disposition of Assets now and in the future and even beyond the time Developer controls the Association in order to obtain reimbursement to Developer for loans or advances to the Association and advances to others on behalf of the Association (hereinafter referred as "Reimbursable Matters"), and Developer can make a Disposition of Assets of the Association on such terms and conditions as it in its sole discretion elects for reimbursement to Developer and any proceeds of any such Disposition of Assets in excess of the amount reimbursable to Developer shall be held by the Association to pay future reimbursements to Developer, and at such time as Developer has stated in writing there will be no further reimbursements due Developer or has stated a potential future maximum amount of reimbursements due Developer, such excess may be retained and used by the Association for Association purposes.

ARTICLE IX

Indemnification of Officers and Directors

Every Director and every Officer of the Association shall be indemnified by the Association against all expenses and liabilities including attorneys' fees, reasonably incurred by or imposed upon him or her in connection with any proceeding to which he or she may be a party, or in which he or she may become involved, by reason of his or her being or having been a Director or an Officer of the Association, except in such cases wherein the Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled. The Association may purchase insurance to protect Officers, Directors and employees from liability for their actions or inactions as Officers, Directors and employees, and the cost of which insurance shall be an expense of administration of the Association.

ARTICLE X

Amendments

Section 1. Amendments to these By-Laws may be proposed by the Developer or the Board of Directors of the Association acting upon the vote of the majority of the Directors or by one-third or more in number of the votes of the members of the Association whether meeting as members or by an instrument in writing signed by them.

Section 2. Upon any such amendment being proposed, a meeting for the consideration of the same shall be duly called in accordance with the provisions of these By-Laws.

Section 3. The Association may amend or modify these By-Laws upon the affirmative vote of lot owners representing at least seventy five (75%) percent of the lots in the Subdivision, but such amendment or modification shall not have retroactive effect, and so long as Developer owns or is the seller on land contract

or holder of a mortgage of any lot in the Subdivision such an amendment to be effective must have the approval of Developer in writing.

Section 4. Anything herein to the contrary notwithstanding, the various provisions of these By-Laws which are in bold type in Section 1 of Article IV, Sections 4, 4.a and 6 of Article VII and Section 3 of this Article X are also set forth in the above referred to Declaration of Building and Use Restrictions recorded for the Subdivision with the Oakland County Register of Deeds (the "Declaration"), and such provisions in bold type cannot be amended unless (i) such amendment also amends said Declaration in accordance with the terms for amending the Declaration or by operation of law and (ii) such amendment is also made in accordance with the provisions for amendment in these By-Laws.

Section 5. A copy of each amendment to the By-Laws shall be mailed or delivered to every member of the Association after adoption at the latest address of the member on the Association's address list or at the address of the member's lot.

ARTICLE XI

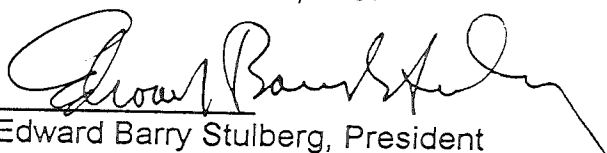
Severability

Section 1. In the event that any of the terms or provisions of these By-Laws are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms or provisions or of the remaining portions of any terms or provisions exclusive of those portions held to be partially or wholly invalid or unenforceable.

Dated: September 8, 1995

Signed:

STULBERG PROPERTIES, INC.

By: 
Edward Barry Stulberg, President