

BY-LAWS
OF
DUNBARTON PINES
HOMEOWNER'S ASSOCIATION
(a Michigan non-profit corporation)

ARTICLE I

Formation

1.01 Name. The name of this corporation shall be "Dunbarton Pines 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 23999 West Ten Mile Road, Southfield, Michigan 48075, until the second 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), storm sewer system, park(s), common entranceway monuments and other common areas, if any, as the same may exist from time to time, for the benefit of the subdivision and the members of the Association. The Association shall enforce all of the provisions, restrictions, terms, covenants and agreements set forth in the Articles of Incorporation of the Association, these By-Laws, and the Dunbarton Pines Subdivision Declaration of Covenants, Agreements and Restrictions dated March 8, 1979 and recorded in Liber 7459, pages 649 through 674, Oakland County Records.

1.04 Registered Agent. The initial registered office for the transaction of business of the Association shall be 23999 West Ten Mile Road, Southfield, Michigan 48075, and the registered agent there shall be Harold Beznos. Upon his resignation, the registered office of the Association shall be located at 531 Griswold Street, Detroit, Michigan 48226, and the registered agent there shall be C. T. Corporation System. 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 Section 1.04, Article 1.

ARTICLE II

Definitions

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

(1) "Declaration" shall mean the Dunbarton Pines Subdivision Declaration of Covenants, Agreements and Restrictions, dated March 8, 1979 and recorded in Liber 7459, pages 649 through 674, Oakland County Records, as amended by instrument dated March 8, 1979 and recorded in Liber 7459, pages 675 through 679, Oakland County Records.

(2) "Property" shall mean all of the real property as described in the plat of subdivision for the Dunbarton Pines Subdivision including the Retention Pond and other common areas, if any, as recorded in Liber 164, pages 40, 41 and 42 of Plats, Oakland County Records, together with any other future development property which may be added to or become a part of the subdivision.

(3) "Common Areas" shall mean those areas designated as the open spaces, retention ponds, parks, common entrance-way 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 shall be a Member of the Association immediately upon becoming an Owner. The term "Owner" shall mean the record Owner, whether one or more persons or entities, of the fee simple title to any Lot or Lots and/or the land contract vendee(s) for any such Lot or Lots. The term "Owner" shall not include any mortgagee(s) unless and until such mortgagee(s) shall have acquired fee simple title to such Lot(s) by foreclosure or other proceeding or conveyance thereof in lieu of foreclosure and shall not include any interest in a Lot(s) held as security for the performance of any obligation. In the event more than one person or entity owns an interest in the fee simple title to any Lot, or has an interest as a land contract vendee, the interests of all such persons collectively shall be that of one Owner.

3.02 Membership Fees and Assessments.

(a) Obligation for Assessments. The Owner of each Lot in the Subdivision shall pay to the Association when due: (i) all regular assessments or charges of the Association, (ii) special assessments, if any, for capital improvements to be established and collected as hereinafter set forth, and (iii) all other assessments for taxes, levies, assessments or other charges lawfully imposed or charged to the Association or the common areas.

(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 operation thereof, additions thereto 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) Regular Annual Assessment. The regular annual assessment for all Lots in the Subdivision which are subject to assessment shall be the sum of \$35.00 per Lot, which shall be adjusted and payable as follows:

(1) Regular assessments for each assessment period shall be due and payable in advance on the first day of March and the first day of September of each year thereafter in the amount of \$17.50 each.

(2) The first regular 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 regular assessment as the remaining number of days in the then current assessment period bears to the total number of days in such assessment period; provided, however, that the first regular assessment shall be the next semi-annual regular assessment date if the assessment for the then current assessment period has been paid in full.

(3) Promptly at the end of each fiscal year of the Association, the Board of Directors shall adjust the regular assessment next due for each Lot to reflect the proportionate share of each Lot for any and all costs, expenses or obligations incurred by the Association in the then ending fiscal year over assessments received or receivable, and each Owner shall pay the regular assessment next due as adjusted.

(4) The Board of Directors, in its discretion, may establish an installment program for the payment of any regular, special or deficit assessment and may charge interest in connection therewith.

(d) Capital Improvement Special Assessment. In addition to the regular assessments provided for herein, the Association may levy a special assessment by resolution for the purpose of defraying, in whole or in part, the cost of any construction, 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 be first approved by 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. Such special assessment 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 regular, 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 provisions, 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 thereupon 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 assessment(s) a certificate in writing signed by an officer 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

4.01 Association Rights.

(a) The Association is empowered and directed to hold and transfer property and to collect and disburse monies for the purposes specifically and generally provided for by the Articles of Incorporation, these By-laws, and the Dunbarton Pines Subdivision Declaration of Covenants, Agreements and Restrictions.

(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 Dunbarton Pines Subdivision Declaration of Covenants, Agreements and Restrictions.

(c) The Association may dedicate or transfer all or any part 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 execution of an instrument signed by the holders of two-thirds (2/3) of each class of all outstanding Class A and Class B Memberships and which is recorded and confirms or approves such dedication, transfer or determination; and further 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 on the first Tuesday of August 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 fifteen (15) days prior to said meeting; provided, however, that any annual meeting and the notice therefor 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 in the same manner as for annual meetings of Directors and Members.

5.03 Quorum. The presence of Members or of proxies entitled to cast sixty percent (60%) of all of the votes of each of the outstanding Class A and Class B memberships shall constitute a quorum. In the event a required quorum is not present at such 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 Voting Rights. The Association shall have two classes of membership, which shall be and vote as follows:

(a) Class A Membership shall consist of all Owners other than Developer and each Class A Membership 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 such Lot and 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 (30) days of the date set for the 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 Owner to vote shall be binding and conclusive on all such multiple Owners.

(b) Class B Membership shall consist of Developer and builders, developers and real estate companies who own or hold any Lots for resale to customers in the ordinary course of their business. Class B Members shall not be entitled to any votes for any Lot(s) owned. Class B Membership shall terminate as to any Lots owned by a Class B Member and shall be converted to and become Class A Membership when such Lot(s) are sold or conveyed to an Owner other than a Class B Member and such Owner becomes a Member.

5.05 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, and 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.

5.06 Voting. The record date for voting purposes is hereby established as the tenth day prior to the date upon which any meeting is first noticed to be held and only persons in whose names memberships entitled to vote stand on the records of the corporation 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.

5.07 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 shareholders entitled to vote, not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, 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.

5.08 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.

5.09 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 control of its property shall be vested in a Board of Directors consisting of five (5) Members, at least one of whom shall be appointed by the Developer, if the Developer then continues to own any Lots in the Subdivision. Promptly after the organization of the Association, the Developer shall appoint the first Board of Directors, which Board shall serve until the first annual membership meeting; thereafter, the Board of Directors, except such Member as is appointed by the Developer, shall be elected and re-elected in the manner provided by the By-Laws.

6.02 Election. At each annual membership meeting, the then currently existing Board of Directors shall be deemed to be re-elected unless the Membership resolves through a majority vote to elect a new Member(s) to replace the Member(s) then serving, other than the Member appointed by the Developer, which Member shall be appointed only by the Developer. Nominations shall be made from the floor or by the filing of a nomination with the secretary. The Membership shall then determine, by a vote of the majority, the number of positions to be filled other than as to the Member appointed by the Developer. The voting shall be by secret ballot, with each

Member having one vote for each position to be filled. The number of nominees corresponding with the number of Members to be elected who shall receive the highest number of votes shall be declared elected and shall hold office until their successors are elected and qualified.

6.03 Meetings. The Board of Directors shall meet at such times and at 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. Vacancies occurring because of death, resignation or inability to act of any Member of the Board of Directors shall be filled by the remaining Members of the Board, and such appointee shall serve for the unexpired portion of such appointee's predecessor's term, except that a vacancy resulting from the resignation, death or inability to act of the Developer's appointee may be filled only by an appointee of the Developer.

6.05 Powers. Subject to limitations of the Declaration, the Articles of Incorporation, of the By-Laws and of the Michigan General 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 limitations, it is hereby expressly declared that the directors shall have the following powers, to-wit:

First: To select and remove all 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, manage, and control the affairs and business of the Association, and to make such rules and regulations therefor 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 corporation from one location to

another within the State of Michigan, to designate any place within or without 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 whom 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. 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 not 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 corporation, 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 authorized, the notice given thereof, the names of those present at directors meetings, and the proceedings thereof. The Secretary shall give, or cause to be given, notice of all the meetings of the Members and of the Board of Directors 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 corporation, 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 moneys and other valuables in the name 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 Dunbarton Pines Subdivision Declaration of Covenants, Agreements and Restrictions, and for the necessary expenses of the Association. 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 or Executive Manager, 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 Blinding Effect and Amendments. The Articles of Incorporation

and these By-Laws shall continue for a term ending on March 8, 1999, after which time they shall automatically be extended for successive periods of ten (10) years, unless then terminated by instrument executed by not less than seventy-five (75%) percent of the Lot Owners and the Developer, in the event the Developer then continues to own any Lots. The Articles of Incorporation and these By-Laws may be amended during the first twenty (20) year period only by instrument executed by not less than ninety (90%) percent of the Lot Owners and thereafter by instrument signed by not less than seventy-five (75%) percent of the Lot Owners and by Developer in the event Developer continues to own any Lots and in the event any amendment affects in any way the retention pond and/or common areas, if any, such amendment shall not be effective unless the prior written consent of the City of Novi, Michigan is first obtained.

9.02 Future Development Property. The Association and the Members shall have no duties and no rights with respect to the future development property described as the Phase II property in the Declaration unless and until said property is developed. Thereafter, the Declaration, Articles of Incorporation and these Bylaws shall apply to all of the property as a whole, and the Owners of Lots in Phase II shall become members of the Association and shall have all the rights and duties of members of the Association, and the Association shall have all the rights and duties with respect to the Lots and members in Phase II that it has with regard to the Lots and members in Phase I, it being the intent and purpose of the Declaration that all of the property and all of the common areas and facilities therein are to be administered and operated as an integrated whole should both Phases be developed for single family residential purposes.

ARTICLE X

Fiscal Year

10.01 Fiscal Year. The fiscal year of the Association shall be the calendar year, with the exception that the first fiscal year shall begin as of the date of the Articles of Incorporation of the Association and shall end on the succeeding December 31.

ARTICLE XI

Conflicts

11.01 Conflicts. No provision of the Articles of Incorporation, these By-Laws or any action of the Officers, Executive Manager, Board of Directors

or other action of the Association shall be effective to modify, waiver or extend any Member's performance obligations under the Dunbarton Pines Sub-division Declaration of Covenants, Agreements and Restrictions 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 and dues, provided, however, that no Member shall be entitled to a distribution in excess of such Member's paid-in membership fees and dues, 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.

ACTION
BY
UNANIMOUS WRITTEN CONSENT
OF THE
BOARD OF DIRECTORS
OF
DUNBARTON PINES HOMEOWNER'S ASSOCIATION,
A MICHIGAN NON-PROFIT CORPORATION

The undersigned, being all of the directors of Dunbarton Pines Homeowner's Association, a Michigan non-profit corporation (the "Association"), hereby take the following actions in lieu of a meeting on this 1st day of August, 1980:

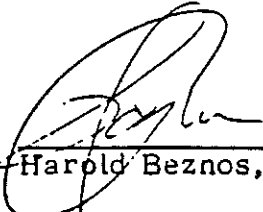
RESOLVED, that the actions of the Board of Directors of the Association taken on the 31st day of July, 1980, be and the same are hereby approved, ratified and confirmed; and

FURTHER RESOLVED, that the annual assessment for each lot in the subdivision for the Association's assessment period, which begins on September 1, 1980 and which will end on August 31, 1981 shall be the sum of \$35.00 per lot, payable in two installments of \$17.50 each on September 1, 1980 and March 1, 1981.

FURTHER RESOLVED, that the officers of the Association are hereby authorized, empowered, and directed to send all such bills, invoices, notices and other materials to the members of the association as they may deem necessary or convenient to collect the assessments hereby levied.

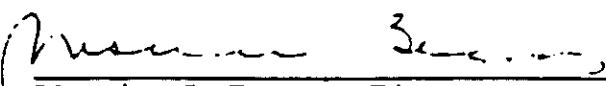
FURTHER RESOLVED, that the Treasurer of the Association shall prepare a roster of all of the lots in the subdivision for the purpose of accounting for the 1980 annual assessments, and shall mark in the roster beside each lot number the date of payment of the annual assessment for that lot, and the amount paid.

IN WITNESS WHEREOF, the undersigned directors have executed this Action by Unanimous Written Consent the day and year first above written.



Harold Beznos, Director

Norman Beznos, Director



Maurice J. Beznos, Director

Jerry D. Luptak, Director



Walter S. Kutchins, Director