

HAGER PARK WEST PROPERTY OWNERS ASSOCIATION
BYLAWS

ARTICLE I
VOTING AND MEMBERSHIP

Section 1. Membership in the Association and voting by members of the Association shall be in accordance with the following provisions:

(a) Each owner of a lot in the Hager Park West Development, ("Development") shall be a member of the Association and no other person or entity shall be entitled to membership.

(b) Each owner shall be entitled to one vote for each lot owned.

(c) No owner shall be entitled to vote at any meeting of the Association until he has paid his initial fee and presented evidence of ownership of a lot in the Development to the Association. The vote of each owner may only be cast by the individual representative designated by such owner in the notice required in subparagraph "d" below or by a proxy given by such individual representative.

(d) Each owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such owner. Such notice shall state the name and address of the individual representative designated, the number or numbers of the lot or lots owned by the owner, and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the owner. Such notice shall be signed and dated by the owner. The individual representative designated may be changed by the owner at any time by filing a new notice in the manner herein provided.

(e) The presence in person or by proxy of a majority of the owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

(f) Votes may be cast in person or by proxy or by a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

(g) A majority, except where otherwise provided herein, shall consist of more than fifty percent (50%) of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association.

ARTICLE II MEETINGS

Section 1. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Sturgis' Code of Parliamentary Procedure, Roberts Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Articles of Incorporation or the laws of the State of Michigan.

Section 2. The date, time and place of the First Annual Meeting shall be set by the Board of Directors, and at least fifteen (15) days' written notice thereof shall be given to each owner. Thereafter, the annual meetings of members of the Association shall be held on the anniversary date of the first annual meeting each succeeding year at such time and place as shall be determined by the Board of Directors. At such meetings there shall be elected by ballot of the owners a Board of Directors in accordance with the requirements of Article III of these Bylaws. The owners may also transact at annual meetings such other business of the Corporation as may properly come before them.

Section 3. It shall be the duty of the President to call a special meeting of the owners as directed by resolution of the Board of Directors or upon a petition signed by one-third (1/3) of the owners presented to the Secretary of the Association. 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 owner of record, at least ten (10) days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each owner at the last known address of said owner shall be deemed notice served. Any member 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 owners cannot be held because a quorum is not in attendance, the owners who are present may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

ARTICLE III BOARD OF DIRECTORS

Section 1. The affairs of the corporation shall be governed by a Board of Directors all of whom must be members of the corporation or officers, partners, trustees, employees or agents of

members of the corporation except for the first Board of Directors designated in the Articles of Incorporation of the Association. Directors shall serve without compensation.

Section 2. The first Board of Directors designated in the Articles of Incorporation shall be composed of two (2) persons and such first Board of Directors shall manage the affairs of the corporation until a successor Board of Directors is elected at the First Meeting of Members of the corporation. The successor Board of Directors elected at the First Meeting of Members of the corporation and each successor Board of Directors elected thereafter shall be composed of three (3) persons. The term of office (except for the original Board of Directors) of each Director shall be one (1) year. The Directors shall hold office until their successors have been elected and hold their first meeting.

Section 3. The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association. In addition to the foregoing general duties imposed by these Bylaws, or any further duties which may be imposed by resolution of the members of the Association, the Board of Directors shall be responsible specifically for the following:

(a) Administration of the affairs of and maintenance of the common areas in the Development.

(b) To establish and collect 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 contract for and employ persons, firms, corporations or other agents to assist in the maintenance and administration of the common areas in the Development.

(e) To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property on behalf of the Association in furtherance of any of the purposes of the Association.

(f) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business 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 also be approved by affirmative vote of more than sixty percent (60%) of all of the members of the Association.

(g) To make rules and regulations consistent with the purposes of the Association.

(h) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Development and to delegate to such committees any functions or responsibilities which are deemed desirable.

(i) To establish and collect an initial fee to be paid as a condition of membership in the Corporation.

Section 4. Vacancies in the Board of Directors (including the First Board of Directors named in the Articles of Incorporation) 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 the remaining Directors, even though they may constitute less than a quorum. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

Section 5. At any regular or special meeting of the Association, any one or more of the Directors may be removed with or without cause by a majority of the owners and a successor may then and there be elected to fill the vacancy. Any Director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

Section 6. The first meeting of a newly elected Board of Directors shall be held 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 notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, providing a majority of the whole Board shall be present.

Section 7. 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, but at least two such meetings shall be held during each fiscal year. 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 8. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director, given personally, 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 on the written request of one Director.

Section 9. Before or at 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 by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 10. At all 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. 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 joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof, shall constitute the presence of such Director for purposes of determining a quorum.

Section 11. The Board of Directors shall 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.

ARTICLE IV 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. The Directors may appoint such other officers as in their judgment may be necessary. Any two 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 meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Upon 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 successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

Section 4. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He 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 may in his 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 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 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 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 shall have charge of the corporate seal and of such books and papers as the Board of Directors may direct and he shall, in general, perform all duties incident to the office of the Secretary.

Section 7. The Treasurer shall have responsibility for the 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. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, and in such depositories as may, from time to time, be designated by the Board of Directors. The Treasurer shall, in general perform all duties incident to the office of the Treasurer.

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 V ASSESSMENTS

Section 1. Assessments shall be determined in accordance with the following provisions:

(a) The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper maintenance of the common areas of the Development.

(b) Upon adoption of an annual budget by the Board of Directors, copies of said budget shall be delivered to each owner and the assessment for said year shall be established based upon said budget, although the delivery of a copy of the budget to each owner shall not affect the liability of any owner for any existing or future assessments. Should the Board of Directors, at any time determine, in the sole discretion of the Board of Directors (1) that the assessments levied are or may prove to be insufficient to pay the costs of maintenance of the common areas of the Development, (2) to provide replacements to common areas, (3) to provide repairs to the common areas not exceeding \$1,000 annually, or (4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary.

(c) Special assessments, in addition to those required above, may be made by the Board of Directors from time to time and approved by the owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to (1) assessments for construction, reconstruction, repair or replacement of any capital improvements on the common areas of a cost exceeding \$1,000 per year, (2) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subparagraph (c) shall be levied, if not rejected by forty-nine percent (49%) of the owners, at a meeting called for this purpose.

(d) Written notice of any meeting called for the purpose of taking any action authorized under Section 1(c) shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast fifty percent (50%) of all the votes 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 such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 2. (a) All assessments levied against the owners to cover expenses of administration shall be apportioned among and paid equally by the owners. Annual assessments as determined in accordance with Article V, Section 1 above shall be payable by owners in twelve (12) equal monthly installments, commencing with acceptance of a deed to a lot or with acquisition of fee simple title to a lot by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. Assessments in default shall bear interest at the rate of seven percent (7%) per annum until paid in full. Each owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments pertinent to his lot which may be levied while such owner is the owner thereof.

(b) Notwithstanding anything herein to the contrary, in the event that any unusual expenses are incurred by the Association which benefit less than all of the lots, or any expenses are incurred by the Association as a result of the conduct of less than all those entitled to occupy the lots in the Development or by their lessees, licensees, or invitees, then such expenses shall be specially assessed against the lot involved, or if more than one lot is involved, against all such lots so that the total of such expenses equal the total of such assessments.

(c) All properties expressly dedicated to and accepted by a local public authority shall be exempt from the assessments.

Section 3. No owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the common areas or by the abandonment of his lot.

Section 4. (a) The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. Each owner, and every other person who from time to time has any interest in the Development, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement.

(b) The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each owner and every other person who from time to time has any interest in the Development, shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the lot with respect to which the assessment(s) is or are 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 Development acknowledges that at the time of acquiring title to such lot, he was notified of the provisions of this section and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject lot.

(c) Notwithstanding the foregoing, neither a 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) at his or their last known address or a written notice that one or more installments of the annual assessment levied against the pertinent lot is or are delinquent and that the 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 affiant's capacity to make the affidavit, (ii) the amount outstanding (exclusive of interest, costs, attorney fees and future assessments), (iii) the legal description of the subject lot(s), and (iv) the name(s) of the owner(s) of record. Such affidavit shall be recorded in the Office of the Register of Deeds in the county in which the Development is located prior to the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid.

(d) If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the representative designated above and shall inform such representative that he may request a judicial hearing by bringing suit against the Association. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorney's fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the owner in default and shall be secured by the lien on his lot. In the event of default by any owner in the payment of any installment of the annual assessment levied against his lot, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to an owner in default upon seven (7) days' written notice to such owner of its intention to do so. An owner in default shall not be entitled to utilize the common areas in the Development and shall not be entitled to vote at any meeting of the Association so long as such default continues. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the lot from the owner thereof or any persons claiming under him.

ARTICLE VI SEAL

Section 1. The corporation shall 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 corporation shall be an annual period commencing on such date as may be initially determined by the Directors. The commencement date of the fiscal year shall be subject to change by the Directors for accounting reasons or other good cause.

Section 2. The funds of the corporation shall be deposited in such bank, credit union or other financial institution as may be designated by the Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time.

ARTICLE VIII AMENDMENTS

Section 1. These Bylaws may be amended by the Association at a duly constituted meeting for such purposes, by an affirmative vote of a simple majority of the owners present in person, by proxy or written vote.

Section 2. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or by one-third (1/3) or more in number of the members of the Association whether meeting as members or by instrument in writing signed by them.

Section 3. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of Article II of these Bylaws.

Section 4. Any amendment to these Bylaws shall become effective upon adoption of the same in accordance with Section 1 of this Article VIII.

Section 5. A copy of each amendment to these Bylaws shall be furnished to every member of the Association after adoption.

ARTICLE IX COMPLIANCE

Section 1. In case any of these Bylaws conflict with the provisions of the Michigan Statutes, the provisions of the Statutes shall be controlling.