

BY-LAWS

OF

QUAIL RIDGE HOMEOWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of this Corporation is QUAIL RIDGE HOMEOWNERS ASSOCIATION, hereinafter referred to as the "Association". The principal office of the Association shall be located at 3250 West Big Beaver Road, Suite 526, Troy, Michigan, 48064, but meetings of members and directors may be held at such places within the State of Michigan, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to the QUAIL RIDGE HOMEOWNERS ASSOCIATION, a Michigan Non-Profit Corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities of the fee simple title to a lot, including land contract purchasers, but excluding those having such interest merely as security for the performance of an obligation. When more than one person or entity has an interest in the fee title of a lot, the interest of all such persons collectively shall be that of a single Owner.

Section 3. "Common Area" shall mean those areas of land shown on a recorded Plat of the Subdivision (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners and shall include such additions of land as may hereafter be brought within the jurisdiction of the Association by the development of contiguous Subdivisions by the Declarant. The initial Common Area to be owned by the Association, and which shall be conveyed to the Association within one (1) year from date of recordation of the Declaration of Restrictions, is described as follows:

Quail Ridge Private Park of Quail Ridge Subdivision No. 1, according to the Plat thereof, recorded in Liber 165, Pages 1 through 5, inclusive, of Plats, Oakland County Records.

Section 4. "Lot" shall mean and refer to any numbered lot shown on any recorded Plat of the Quail Ridge Subdivision(s) excepting therefrom the Common Areas.

Section 5. "Declarant" shall mean and refer to QUAIL RIDGE DEVELOPMENT COMPANY, a Michigan Corporation, its successors and assigns.

Section 6. "Declaration" shall mean and refer to the Declaration of Restrictions, as recorded in Liber 7459, Pages 731 through 748, inclusive, Oakland County Records, and any and all amendments thereto, as recorded in the office of the Oakland County Register of Deeds, State of Michigan.

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

ARTICLE III

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every lot, whether or not specifically set forth in the deed of conveyance of said lot, subject to the following provisions:

- a. the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;
- b. the right of the Association to suspend the voting rights and the right to use the recreational facilities by an Owner for any period during which any assessment against the Owner's lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;
- c. the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purpose and subject to such conditions as may be agreed to by a majority of the members. No such dedication or transfer shall be effective until an instrument agreeing to such dedication or transfer having been signed by a majority of the members has been recorded with the Oakland County Register of Deeds, and provided further, that no such dedication or transfer or determination as to the conditions thereof shall be effective unless the prior consent thereto of the Township of Avon by and through its Township Board of Trustees shall have first been obtained;
- d. the Common Area may be used for all forms of recreation, including hiking, nature study, picnicking and similar pursuits in keeping with the nature

of the area, as well as for the storage of surface water. No change shall be permitted in the Common Area which would alter the storm water and surface water retention and storage facilities constructed thereon without the express approval of the Township of Avon. Recreational Facilities, including but not limited to, picnic shelters, grills and similar items, may be constructed in the Common Area by the Association or the Declarant. Nothing in this paragraph, however, shall be construed to create an obligation to construct any recreational facilities by the Association or the Declarant. All members of the Association, and guests accompanying said members, shall have equal access to the Common Area and all facilities located thereon, subject to rules and regulations established by the Association, including, but not limited to the right to place limitations on the number of guests or to prohibit guests at certain prescribed times.

Section 2. Delegation of Use. Any Owner may delegate in accordance with these By-Laws, his right of enjoyment in and to the Common Area and facilities to the member's family, his tenant(s), or his land contract purchasers.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

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

Section 2. The Association shall have two classes of voting membership.

Class A. Class A members shall be all Owners, with the exception of the Declarant and its builder/purchasers. Class A members shall have no voting rights until the first to occur of the following:

a. The Class A members having attained at least seventy five (75%) percent or more of the number of votes of the original Class B members as herein-after defined.

b. The arrival of January 1, 1983.

Upon the happening of the first to occur of said events, the Class A members shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons collectively shall be members, and the vote

for each such lot shall be exercised as they determine; provided that in no event shall more than one vote be cast with respect to any one lot.

Class B. The Class B members shall be the Declarant and/or its builder/purchasers. Class B members shall be entitled to one vote for each lot owned.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments.

Each Owner of a lot, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual general assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual general and special assessments, together with interest thereon, collection costs, including reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest thereon, costs of collection thereof, including reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to a successor in title unless expressly assumed by them, but shall remain a lien upon the property, unless paid. For the purpose of assessment, the term "Owner" shall exclude Declarant and any builder or developer who purchases a lot for the purpose of constructing improvements thereon for resale to an Owner.

Section 2. Purpose of Assessments. Assessments shall be levied by the Association against each Owner who is not the Developer or a Builder/Purchaser from the Developer who purchases more than one (1) lot for the purpose of construction and sale of houses upon said lots, which parties are specifically excluded from any such assessments. Assessments shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the Owners of lots in the Subdivision, and in particular, for the operation, maintenance, management and improvement of the Common Area and storm water retention facilities thereon, including but not limited to the payment of taxes and insurance, maintenance, repair

and replacement of improvements thereon, and additions thereto, including the Subdivision entrance, walks, and for the cost of labor, equipment, materials, management and supervision for and in connection with the Common Areas and the Association itself.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first lot in Quail Ridge Subdivision to an Owner, the maximum annual assessment shall be Fifty and 00/100 (\$50.00) Dollars per lot.

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

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

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

Section 5. Notice and Quorum for Actions Authorized Under Section 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than ten (10) days nor more than thirty (30) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty (60%) percent of all votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the

same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all lots and may be collected on a monthly or an annual basis.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all lots on the first day of the month following the conveyance of the first lot in the Subdivision to an Owner who is not the Declarant, a builder or a developer under the provisions of Section 1, of this Article. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year and shall be collected at the time of the Owner's permanent closing on his lot. The Board of Directors shall fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an Officer of the Association setting forth whether the assessments on a specified lot have been paid. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

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

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

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien. The sale or transfer of any lot pursuant to mortgage foreclosure proceedings or a judgment of foreclosure, shall extinguish the lien of such assessments as to payments which became due prior to such foreclosure sale but shall not relieve such lot from liability for any future assessments thereafter becoming due or from the lien thereafter created.

Section 11. Storm Water Retention Basins. The Association shall be responsible for the maintenance of the storm water retention basin(s) located in the Common Area(s) and the cost thereof, as hereinafter more fully set forth:

(a) The storm water retention basin(s) shall be used for no purpose other than retention of surface water until such time as the Township may determine and signify by written notice to the Association or its successors that there is no further need for such facility. Notwithstanding this requirement, the Association may use water from the basin(s) for purposes of irrigation.

(b) Maintenance of the retention basin(s) shall include keeping the bottom of the retention basin(s) free from silt and debris, removing harmful algae, maintaining a steel grating across the pond's inlets and/or outlets, the control of erosion, and such other maintenance as is reasonable and necessary to the intended functioning of the basin(s).

ARTICLE VI

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of five (5:00) o'clock p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by vote of the Board of Directors, or upon

written request of the members who are entitled to vote one-half (1/2) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Each member shall register his address with the secretary, and notices of meetings shall be mailed to him at such address. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting. If the business of any meeting shall involve any change in the basis or maximum amount of the annual assessment set forth in Article V of the Declaration, or any special assessments therein authorized, notice of such meeting shall be given or sent as therein provided.

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

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

ARTICLE VII

BOARD OF DIRECTORS:SELECTION:TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of not less than four (4), but not more than fifteen (15) Directors who need not be members of the Association. Such Board of Directors may be appointed by the Developer until such time as not less than seventy five (75%)

percent of the residential lots in the Subdivision shall have been sold to Owners. Thereafter, the Board of Directors shall be elected by the Owners.

Section 2. Term of Office. At the first annual meeting, and at each annual meeting thereafter, the members of the Association entitled to vote shall elect at least four (4) Directors for a term of one year. A Director shall hold office for the term for which he is elected and until his successor is elected and qualified or until his resignation or removal.

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

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

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

ARTICLE VIII

MEETINGS OF DIRECTORS

Section 1. Place of Meeting. The Directors may hold their meetings in such place or places within or without this State as a majority of the Board of Directors may, from time to time determine.

Section 2. Meetings. Meetings of the Board of Directors may be called at any time by the president or the secretary or by a majority of the Board of Directors. The Directors shall be notified in writing of the time, place and purpose of all meetings of the Board at least three days prior to the date scheduled for said meeting with the exception of the annual meeting of the Board of Directors, for which no notice shall be provided, and which shall be held immediately after the annual meeting of the members. Attendance of a Director at a meeting constitutes a waiver of notice of said meeting, except where the Director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 3. Quorum. A majority of the members of the Board then in office constitutes a quorum for the transaction of business. The vote of the majority of members present at a meeting at which a quorum is present constitutes the action of the Board; provided that amendment of the By-Laws by the Board of Directors requires the vote of not less than a majority of the members of the Board then in office.

Section 4. Action Without a Meeting. Any action which might be taken at a meeting of the Board may be taken without a meeting if before or after the said action all members of the Board consent thereto in writing. The written consents shall be filed with the Minutes of the proceedings of the Board. The consent has the same effect as a vote of the Board for all purposes.

ARTICLE IX

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to, in addition to any and all powers confined by Statute, to:

a. Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

b. Suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of the published rules and regulations;

c. Exercise for the Association all powers duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, the Declaration, or Open Space Agreement;

d. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive scheduled meetings of the Board of Directors; and

e. Employ a manager, an independent contractor, professional maintenance contractors or such other employees as they deem necessary, and to prescribe their duties;

f. To delegate to the appropriate officers the carrying out of its policies and directives.

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

a. Fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period; and

b. Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

c. Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due or to bring an action at law against the Owner personally obligated to pay the same;

d. Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

e. Procure and maintain adequate liability and hazard insurance on property owned by the Association;

f. Cause the Common Area(s) to be improved, maintained, and preserved, as is more fully defined in the Declaration;

g. Comply with the requirements of any recorded Subdivision Open Space Agreement entered into by the Declarant and the Township of Avon;

h. To exercise for the Association all powers, duties and authority vested in or delegated to the Association.

ARTICLE X

OFFICERS

Section 1. At the annual meeting of the Board of Directors the Board shall select a president, a secretary and a treasurer and may select one or more vice presidents, assistant secretaries and assistant treasurers who shall serve

for the period of one year or until their successors shall be chosen. Two or more offices may be held by the same person but an officer shall not execute, acknowledge or verify an instrument in more than one capacity if the instrument is required by law or the Articles of Incorporation or By-Laws to be executed and acknowledged or verified by two or more officers.

Section 2. The Board of Directors may also appoint such other officers and agents as they may deem necessary for the transaction of the business of the Corporation. All officers and agents shall respectively have such authority and perform such duties in the management of the property and affairs of the Association as may be designated by the Board of Directors. The Board of Directors may remove any officer or agent whenever, in their judgment, the interests of the Association will be served thereby.

Section 3. The Board of Directors may secure the fidelity of any or all of such officers by bond or otherwise.

ARTICLE XI

DUTIES OF OFFICERS

Section 1. PRESIDENT. The President shall be the chief executive officer of the Association, and in the recess of the Board of Directors shall have the general control and management of its business and affairs, subject, however, to the right of the Board of Directors to delegate any specific power except such as may be by statute exclusively conferred upon the President, to any other officer or officers of the Association. He shall preside at all meetings of the Directors and all meetings of the members.

Section 2. VICE-PRESIDENT. In case the office of President shall become vacant by death, resignation, or otherwise, or in case of the absence of the President, or his disability to discharge the duties of his office, such duties shall, for the time being, devolve upon the Vice-President who shall do and perform such other acts as the Board of Directors may, from time to time, authorize him to do.

Section 3. TREASURER. The Treasurer shall have custody and keep account of all money, funds and property of the Association, unless otherwise determined by the Board of Directors, and he shall render such accounts and present

such statement to the Directors and President as may be required of him. He shall deposit all funds of the Association which may come into his hands in such bank or banks as the Board of Directors may designate. He shall keep his bank accounts in the name of the Association, and shall exhibit his books and accounts, at all reasonable times, to any Director of the Association upon application at the office of the Association during business hours. He shall pay out money as the affairs of the Association require upon the order of the property constituted officer or officers of the Association, taking proper vouchers therefor; provided, however, that the Board of Directors shall have power by resolution to delegate any of the duties of the Treasurer to other officers, and to provide by what officers, if any, all bills, notes, checks, vouchers, orders or other instruments shall be countersigned. He shall perform, in addition, such other duties as may be delegated to him by the Board of Directors.

Section 4. SECRETARY. The Secretary of the Association shall keep the minutes of all the meetings of the members and Board of Directors in books provided for that purpose; he shall attend to the giving and receiving of all notices of the Association to the members, he shall have charge of the books and papers as the Board of Directors may direct; all of which, shall, at all reasonable times, be open to the examination of any Director upon application at the office of Secretary, and in addition such other duties as may be delegated to him by the Board of Directors; and shall keep appropriate records of the names and addresses of the members.

Section 5. Contracts Signed by Officers. Any of the following officers, President, Vice President, Secretary or Treasurer may sign any contracts of the Association unless otherwise provided by the Board of Directors.

ARTICLE XII

COMMITTEES

The Board of Directors may appoint such committees as deemed appropriate in carrying out its purposes.

ARTICLE XIII

PROXIES

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

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

ARTICLE XIV

CORPORATE SEAL

No seal shall be required to be adopted as the corporate seal of this Association for the regular conduct of its business. In the event a seal should be required for any transaction, then any blank corporate seal may be utilized as the seal for this Association.

ARTICLE XV

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of two thirds (2/3) of each class of members present, either in person or by proxy, and entitled to vote, provided that any matter stated herein to be or which is in fact governed by the Declaration of Restrictions or Open Space Agreement or any Amendments thereto applicable to the Subdivision(s) and recorded, may not be amended except as provided in such Declaration of Restrictions or Open Space Agreement or any Amendments thereto.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in case of any conflict between any Declaration of Restrictions and Open Space Agreement applicable to the Subdivision(s) and these By-Laws, the Declaration of Restrictions and Open Space Agreement and any Amendments to said documents shall control.

ARTICLE XVI

MISCELLANEOUS

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

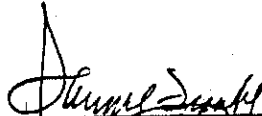
ARTICLE XVII

INDEMNITY

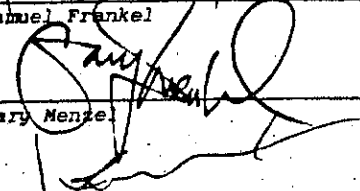
To the full extent permitted by law, the Corporation shall indemnify and defend each person made or threatened to be made a party to any civil or

criminal action or proceeding by reason of the fact he, or his testator or intestate representative is or was a Director, Officer or managerial employee of the Corporation unless such person is finally adjudged to be liable for gross negligence or acted in bad faith in the performance of his duties.

IN WITNESS WHEREOF, we, being all of the Directors of the QUAIL RIDGE HOMEOWNERS ASSOCIATION have hereunto set our hands this _____ day of _____, 1979.

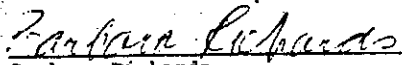


Samuel Frankel



Gary Menzel

Henry Velleman

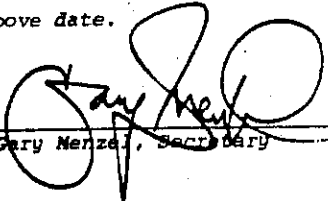


Barbara Richards

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of QUAIL RIDGE HOMEOWNERS ASSOCIATION; and that the above is a true copy of the By-Laws of this Association adopted by the Association on the above date.



Gary Menzel, Secretary