

**CRANBERRY ESTATES SUBDIVISION ASSOCIATION
CORPORATE BYLAWS**

**ARTICLE I
INCORPORATION OF DECLARATION**

The Cranberry Estates Subdivision Association is charged with responsibility for administration of the Cranberry Estates Subdivision and Cranberry Estates Subdivision No. 2 (located in Commerce Township, Michigan) and associated common areas, as provided for by the Declaration of Covenants, Conditions and Restrictions for Cranberry Estates Subdivision, recorded in Liber 19092, Pages 517 et seq., as amended by the First Amendment thereto (adding Cranberry Estates Subdivision No. 2 to the coverage of the Declaration), recorded in Liber 24296, Pages 547 et seq., Oakland County Records, (together herein referred to as the "Declaration") all of which are incorporated herein by reference. All terms used herein shall have the same meaning as in said Declaration. For purposes of these Bylaws, the term "Subdivision" shall mean and encompass both Cranberry Estates Subdivision and Cranberry Estates Subdivision No. 2.

**ARTICLE II
MEMBERSHIP AND MEETINGS**

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

A. Designation of Members. Each record fee simple owner of a Lot in the Subdivision shall be a member of the Association, except that in the case any owner is selling a Lot pursuant to an executory Land Contract, the land contract vendor (record fee simple owner), rather than the vendee, shall be considered the "Owner" for purposes of these Bylaws, although any such vendee shall be jointly and severally liable to the Association for all assessments and charges imposed upon the subject Lot until said Land Contract is forfeited, foreclosed or otherwise terminated, and no other person or entity shall be entitled to membership.

B. Owner's Share of the Funds. The share of an owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to a Lot in the Subdivision.

C. Qualification to Vote. Except as limited in these Bylaws, each Owner shall be entitled to one vote for each Lot owned, provided that said Owner is in good standing and not in default of any payment of regular or special assessments or any other charge levied by the Association against said Owner's Lot or in violation of any provision of the Declaration. Voting shall be by number. In the case of any Lot owned jointly by more than one Owner, the voting rights appurtenant to that Lot may be exercised only jointly as a single vote in accordance with the provisions of Article III, Section B of the Declaration.

D. Evidence of Ownership for Voting Purposes. No Owner shall be entitled to vote at any meeting of the Association until he has presented record evidence of ownership of a Lot in the Subdivision.

E. Quorum. A quorum for holding a meeting of the members of the Association (other than the first Annual Meeting which shall be governed by Article V, Section H of the Declaration) shall be thirty (30%) percent of the eligible voting members of the Association.

F. Voting. Votes may be cast in person or in writing duly signed by the member 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 or due date established for voting by alternative means allowed hereunder, by mail, fax, delivery, electronically or by any other method approved by the Association in advance of the vote. Cumulative voting shall not be permitted.

G. Majority. Unless otherwise provided, any action which could be authorized at a meeting of the members or by alternative voting methods allowed hereunder shall be authorized by an affirmative vote of more than fifty (50%) percent in number of the members in person, proxy or by written vote. The foregoing statement and any other provision of the Declaration requiring the approval of a majority (or other stated percentage) of the members or Owners shall be construed to mean, unless otherwise specifically stated, a majority (or other stated percentage) in number of those qualified to vote.

H. Action Without Meeting. Any action which may be taken at a meeting of the members, except the election of Directors, may be taken without a meeting by written vote of the members. Written votes shall be solicited in the same manner as provided in these Bylaws for the giving of notice of meetings of members. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which votes must be received in order to be counted. The form of written vote shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written vote shall be constituted by receipt, within the time period specified in the solicitation, of (i) a number of votes which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of written votes cast.

Section 2. Place of Meetings. Meetings of the Association members shall be held at such suitable places convenient to the Owners as may be designated by the Board of Directors. Meetings of the Association shall be guided by Roberts Rules of Order when not otherwise in conflict with the Declaration or the laws of the State of Michigan.

Section 3. Annual Meetings. Annual meetings of members of the Association shall be held in the month of January each succeeding year at such time and place as shall be determined by the Board of Directors. The Board of Directors may, acting by a two-thirds (2/3) majority vote, change the date of the annual meeting in any given year provided that at least one annual meeting is held in each calendar year. Written notice of each annual meeting, as well as any change in the date of the annual meeting as provided for herein, shall be given to all Owners at least ten (10) days before the date for which the meeting is or was originally scheduled. At the annual meeting, there shall be elected by vote 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 Association as may properly come before them.

Section 4. Special Meetings. 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. The President shall also call a special meeting upon a petition signed by more than one third (1/3) of the Owners in number presented to the Secretary of the Association. Notice of any special meeting shall state the time and place of such meeting and the purpose. No business shall be transacted at a special meeting except as stated in the notice. Any such meeting requested shall be held not less than 10, nor more than 60, days after the request is made.

Section 5. Notice of Meetings. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence), or any managing agent, 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, at least ten (10) days, but not more than sixty (60) days, prior to such meeting. The personal delivery, mailing postage prepaid, or delivery by written communication by any other means authorized by the Board of Directors in advance of a meeting, of a notice to the owner at the address of the Lot owned by the 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. Attendance at any meeting shall be deemed a waiver of notice.

Section 6. Adjournment of Meeting

- A. Adjournment for Lack of Quorum. If any meeting of Owners cannot be held because a quorum is not in attendance, the Owners who are present shall adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.
- B. Adjournment of a Meeting. A majority of members present at any duly constituted meeting of the Association may adjourn such meeting from time to time as they may decide.

Section 7. Minutes. Minutes or a similar record of the proceedings of meetings, when signed by the president or secretary, shall be considered truthful and accurate. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE III BOARD OF DIRECTORS

Section 1. Qualification of Directors. The affairs of the Association shall be governed by a Board of Directors all of whom must be Owners of Lots in the Subdivision. The Board shall consist of five (5) members. No more than one person from any Lot may run for the Board at any time. Directors shall serve without compensation. All Directors must be in good standing (current in all payments to the Association and not in violation of any provision of the Declaration) in order to run for, be elected or continue to serve on the Board.

Section 2. Term of Directors. At the first annual meeting following adoption of these Bylaws, all five (5) members of the Board shall stand for election as a single slate. The sitting Board, as well as any Owner or Owners, shall be entitled to solicit and recommend a slate of candidates. The three (3) candidates receiving the highest number of votes shall be elected for a two-year term, and the two (2) candidates receiving the next highest numbers of votes shall be elected for a term of one year. In each year thereafter either three (3) or two (2) directors shall be elected for two-year terms depending on how many directorships expire that year (not counting election of directors to fill vacancies created mid-term). After the initial meeting hereunder, all directors shall serve two-year terms, and shall hold office until their successors have been elected and hold their first meeting. To promote continuity and transition of duties, the former president of the association will be an ex-officio, nonvoting board advisor for the term of one year.

Section 3. Powers. The Board of Directors shall have the powers and duties set forth in the Declaration, Articles of Incorporation and these Bylaws.

Section 4. Vacancies. 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 the remaining directors, even though they may constitute less than a quorum. Each person so appointed shall be a director until the end of the term of the Director who he/she replaced and a successor is elected at such annual meeting of the Association.

Section 5. Removal of Directors. At any regular or special meeting of the Association duly called and held, any one or more of the directors may be removed with or without cause only by a majority of all of the Owners in number (not just a majority of a quorum or a majority of those voting), and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting. In addition to the power of the Owners to remove directors, any director who becomes delinquent in the payment of assessments or other charges to the Association, and who's delinquency continues for more than thirty (30) days, and any director who misses more than two (2) consecutive Board meetings during a calendar year (without being excused by a majority of directors then serving), shall be automatically disqualified from serving on the Board, and the remaining directors shall have the power to then and there appoint a replacement director to serve until the next annual meeting, at which time the directorship shall be filled for the remainder of the original director's term, if any, by a vote of the Owners. If a Director who

also served as president is removed by the Owners, that former president shall not serve as ex-officio board advisor pursuant to Section 2 of this Article.

Section 6. First Meeting of New Board. The first meeting of a newly elected Board of Directors shall be held within thirty (30) days of election at such place and time 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 legally to constitute such meeting, provided a majority of the entire Board is present at such a meeting.

Section 7. Regular Meetings. 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. At least six (6) 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, or by mail, facsimile, electronically, or by telephone (to the extent available and approved by the Board) at least three (3) days prior to the date of the meeting, unless waived by said director. The Board of Directors shall set and communicate to the Owners, electronically (website) or by other written means, the board meeting schedule in advance for each year. Such schedule may be changed, and such changes also communicated to the Owners by like means, by the Board in its sole discretion. The Board shall set aside a period of time during each meeting at which it hear concerns of the Owners. Any Owner asking to be heard must notify the Board at least seven (7) days in advance of any meeting of the issue or concern to be addressed (in reasonable detail so as to allow the Board the opportunity to be informed as to the exact subject matter) via written communication. Only Owners who satisfy this requirement will be heard. Upon required notification, the Board shall notify the Owner of the time at which they will be heard at the next meeting to take place. The Board reserves the right to limit comments or discussion to any specified period of time so as to allow completion of all business within a reasonable time. The Board is not obligated to vote on any item addressed by an Owner at the meeting during which the item was first addressed.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by any director on forty-eight (48) hours notice to each director, given personally, or by mail, telephone, electronically, or by facsimile (to the extent available and approved by the Board), which notice shall state the time, place and purpose of the meeting.

Section 9. Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing or orally, 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 that director of the time and place. 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. Quorum. 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. A Director will be considered present and may vote on matters before the Board by teleconference, video conference, web conference or by any other method approved by the Board allowing discourse and the exchange of views between the

members of the Board. 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 signing of the minutes of a meeting, shall constitute the presence of such director for purposes of determining a quorum. No proxies are allowed.

Section 11. Action Without Meeting. Any action permitted to be taken by the Board of Directors at a meeting of the Board shall be valid if consented to in writing by the requisite majority of all members of the Board of Directors.

Section 12. Fidelity Bonds. The Board of Directors shall require that all officers and volunteers of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums for such bonds shall be expenses of administration.

Section 13. Closing of Board of Directors' Meetings to Members; Privileged Minutes. The Board of Directors, in its discretion, may close a portion or all of any meeting of the Board of Directors to the members of the Association or may permit members of the Association to attend a portion or all of any meeting of the Board of Directors. Any member of the Association shall have the right to inspect, and make copies of, the minutes of the meetings of the Board of Directors; provided, however, that no member of the Association shall be entitled to review or copy any minutes of meetings of the Board of Directors to the extent that said minutes reference privileged communications between the Board of Directors and counsel for the Association, or any other matter to which a privilege against disclosure pertains under Michigan Statute, common law, the Michigan Rules of Evidence, or the Michigan Court Rules.

ARTICLE IV OFFICERS

Section 1. Designation. The principal officers of the Association shall be a president, vice president, secretary and treasurer. The directors may appoint such other officers or advisors as in their judgment may be necessary, however, only directors shall have a vote. Any two offices except that of president and vice president may be held by one person. The president must be a member of the Board of Directors.

Section 2. Appointment. The officers of the Association shall be appointed annually by the Board of Directors and shall hold office at the pleasure of the Board.

Section 3. Removal. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed by the Board of Directors either with or without cause, and the successor to the removed officer may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

Section 4. President. The president shall be the chief executive officer of the Association, and shall preside at all meetings of the Association and of the Board of Directors. The president shall have all of the general powers and duties which are usually

vested in the office of the president of a corporation, including, but not limited to, the power to appoint committees from among the members of the Association from time to time in the president's discretion as may be deemed appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The vice president shall take the place of the president and perform the president's duties whenever the president shall be absent or unable to act. If neither the president nor the vice president are able to act, the Board of Directors shall appoint some other member of the Board to so do on an interim basis. The vice president shall also perform such other duties as shall from time to time be imposed by the Board of Directors.

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

Section 7. Treasurer. The treasurer shall have responsibility for, or supervise, all Association funds and securities and shall be responsible for keeping, or to supervise the keeping of, full and accurate accounts of all receipts and disbursements in books belonging to the Association. The treasurer shall be responsible for, or supervise, the deposit of all monies and other valuable papers of the Association, in the name of and to the credit of the Association, in such depositories as may from time to time be designated by the Board of Directors.

ARTICLE V FINANCES

Section 1. Administration. The finances of the Association shall be overseen by the Board of Directors in accordance with these Bylaws.

Section 2. Fiscal Year. The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the Board of Directors. The commencement date of the fiscal year of the Association shall be subject to change by the Board of Directors for accounting reasons or other good cause.

Section 3. Banking and Contracts. Funds of the Association shall only be held in accounts that are fully insured and/or backed by the full faith and credit of the United States Government. Only depositories or instruments where there is no risk of principal loss may be utilized by the Association for investment of its monies. No contract for services of any kind shall extend for a period exceeding one (1) year unless the contract contains a provision allowing cancellation by the Association, with or without cause, upon sixty (60) days written notice, and the Board (and any manager) will be without authority to sign contracts not in compliance with these requirements.

Section 4. Collection of Assessments. The following provisions shall apply to collection of assessments pursuant to the Declaration:

- A. Default. Assessments in default shall bear interest at the highest rate allowed by law until paid in full. In addition, all assessments which remain unpaid as of thirty (30) days after the due date, shall incur a late charge of \$25.00 to compensate the Association for administrative costs incurred as a result of the delinquency. The Board of Directors may revise said late charges, and may levy additional late fees for special assessments, without the necessity of an amendment, by rule and regulation.
- B. Liability for Expenses, and Application of Payments. All expenses incurred in collecting unpaid assessments, including interests, fines, costs, actual attorneys' fees (not limited to statutory fees) and advances for taxes or other liens or costs 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. Each Owner (whether one or more persons) shall be personally liable for the payment of all assessments (including late fees and costs of collection and enforcement of payment) levied against his Lot while such Owner has an ownership interest therein. Payments on account of assessments or other charges in default shall be applied as follows: first, to costs of collection and enforcement of payment, including attorney's fees; second, to any interest charges and late fees on such installments; and third, to installments in default in order of their due dates.

Assessment Status Upon Sale of Lot. Upon the sale or conveyance of a Lot, any unpaid assessments, interest, late fees, costs and attorney's fees against the Lot shall be paid out of the net proceeds of the sale price to the purchaser in preference over any other assessments or charges of whatever nature except (a) amounts due the State of Michigan or any subdivision thereof for taxes or special assessments due and unpaid and (b) payments due under mortgages having priority to the unpaid assessments. A purchaser of a Lot is entitled to a written statement from the Association setting forth the amount of unpaid assessments, interest, late fees, costs and attorney's fees outstanding against the Lot and the purchaser is not liable for any unpaid assessments, interest, late fees, costs and attorney's fees in excess of the amount set forth in such written statement, nor shall the Lot be subject to any lien for any amounts in excess of the amount set forth in the written statement. Any purchaser or grantee who fails to request a written statement from the Association as provided herein at least five (5) days before the conveyance shall be liable for any unpaid assessments against the Lot together with interest, late fees, costs and attorneys' fees incurred in connection with the collection of such assessments.

ARTICLE VI INDEMNIFICATION

Section 1. Indemnification. Indemnification of any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal including all appeals (other than an action, suit, or proceeding by or in the right of the Association), by reason of the fact that he or she is or was a Director, officer, or volunteer of the Association, or is or was serving at the request of the Association as a Director, officer, or employee of another corporation (whether non-profit or for profit),

partnership, joint venture, trust or other enterprise, shall be in accordance with the provisions contained in the Articles of Incorporation for the Association.

Section 2. Rights Not Exclusive. The indemnification or advancement of expenses provided by the Articles of Incorporation shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled as a matter of law, these Bylaws, or any contractual agreement. However, the total amount of expenses for indemnification from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses. The indemnification provided for in the Articles of Incorporation shall continue as to a person who has ceased to be a Director, officer, or volunteer and shall be for the benefit of the heirs, executors, and administrators of such a person.

Section 3. Directors and Officers Liability Insurance. The Association shall purchase and maintain insurance on behalf of any person who is or was a Director, officer, or volunteer of the Association, or is or was serving at the request of the Association as a Director, officer, or employee of another corporation (whether non-profit or for profit), partnership, joint venture, trust, or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of the Articles of Incorporation or of the Michigan Non-Profit Corporation Act.

ARTICLE VII AMENDMENTS

Section 1. Proposal of Amendments. 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 fifty (50%) percent or more in number of all members by instrument in writing signed by them.

Section 2. Voting. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of the Association Bylaws, or the same may be submitted for a vote without a meeting in accordance with the provisions of Article II.

Section 3. Approval. These Bylaws may be amended by the Association at any regular annual meeting or a special meeting called for such purpose, or by other alternative voting methods allowed, provided advance notice of the terms of the proposed amendment is given with the notice of vote. The affirmative vote of a majority of all Owners entitled to vote will be required to approve any amendment.

Section 4. Copies. A copy of each amendment to these Bylaws shall be furnished to every member of the Association after adoption. Any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Association whether such persons actually receive a copy of the amendment.

ARTICLE VIII CONFLICT WITH DECLARATION OR STATUTE

These Bylaws are set forth to comply with the requirements of Act No. 162 of the Public Acts of Michigan of 1982, as amended, and with the duly recorded Declaration. In case any of these Bylaws conflict with the provisions of said Statute or with the provisions of the Declaration, the provisions of the Statute and the Declaration shall be controlling.