

BY -LAWS
OF
SPRING LAKE SUBDIVISION
HOMEOWNERS ASSOCIATION

ARTICLE I

NAME AND OFFICES

The name of the Corporation is SPRING LAKE SUBDIVISION HOMEOWNERS ASSOCIATION (hereinafter referred to as the "Association"). The registered office of the Corporation shall be located at 27655 Middlebelt Road, Suite 130, Farmington Hills, Michigan 48334, or such other place as may be designated as the registered office by the Board of Directors. The meetings of Members and directors may be held at such places within the State of Michigan, County of Oakland, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to SPRING LAKE SUBDIVISION HOMEOWNERS ASSOCIATION, and its successors and assigns.

Section 2. "Subdivisions" shall mean and refer to the real property described in Exhibit "A" attached hereto and made a part hereof and known as Spring Lake Subdivision South, which is platted at this time, and proposed Spring Lake Subdivision North.

Section 3. "Lot" shall mean and refer to each lot in the Subdivisions as shown upon the final recorded subdivision plats.

Section 4. "Member" shall mean and refer to every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenant or record to assessment by the Association, including land contract purchasers. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation.

Section 5. "Declarant" shall mean and refer to THE SELECTIVE GROUP, INC., a Michigan corporation, and its successors and assigns.

Section 6. "Declarations" shall mean and refer to the Declarations of Covenants, Conditions and Restrictions applicable to Spring Lake Subdivision South recorded in Liber 11666, Page 524, Oakland County Records, and the proposed Spring Lake Subdivision North.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members of the Association may be convened only by the Declarant and may be called at any time after eighty percent (80%) of all Lots in Spring Lake Subdivision South have been sold and the purchasers thereof qualified as Members of the Association, provided, however, that said meeting shall be called no later than December 1, 1993. Each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter. 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. The officer or agent who has charge of the records of the Association shall make and certify a complete list of all Members entitled to vote at the meetings of the Association, or any adjournment thereof. The list shall be arranged in alphabetical order and show the address of each Member. The list shall also be produced and kept at the time and place of meetings of the Association during the whole time thereof and may be inspected by any Member who is present.

Section 3. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of twenty-five percent (25%) of the Members who are entitled to vote.

Section 4. 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 ten (10) days before such meeting to each Member entitled to vote at such meeting, addressed to the Member's address last appearing on the records of the Association or supplied by such Member to the Association for the purpose of notice. 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.

Section 5. Quorum. The presence at the meeting of twenty percent (20%) of the Members entitled to vote, or their proxies, shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the

Declarations, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote at such meeting 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 6. 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 IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. Until the first annual meeting of the Members of the Association, the affairs of this Association shall be managed by a Board of five (5) directors who need not be Members of the Association; thereafter, the Board shall consist of nine (9) directors who shall be Members of the Association.

Section 2. Term of Office. At the first annual meeting, the Members shall elect three (3) directors for a term of one (1) year, three (3) directors for a term of two (2) years and three (3) directors for a term of three (3) years; and at each annual meeting thereafter, the Members shall elect three (3) directors for a term of three (3) years.

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. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. 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.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-Members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declarations. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held not less often than quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) directors, after not less than three (3) days notice to each director unless such notice requirement is waived by a majority of the members of the Board of Directors.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of

the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) Adopt and publish rules and regulations pertaining to the subdivisions, including, but not limited to, the use and maintenance of the open space areas of the subdivisions;

(b) Suspend the voting rights 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 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 Members by other provisions of these By-Laws, the Articles of Incorporation or the Declarations;

(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 regular meetings of the Board of Directors; and

(e) Employ a manager, an independent contractor or such other employees as they deem necessary, and to prescribe their duties.

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

(a) To cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting at which such statement is requested in writing by twenty-five percent (25%) of the Members who are entitled to vote;

(b) To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declarations,
to:

(i) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

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

(iii) Foreclose the lien against any Lot for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Member personally obligated to pay the same;

(d) To 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; and

(e) To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President and Vice President, who shall at all times be Members of the Board of Directors, a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the initial meeting of the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of 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.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes;

(b) The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board;

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board;

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the

Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Members at the regular annual meeting, and deliver a copy of each to the Members.

ARTICLE IX

COMMITTEES

The Association shall appoint an Architectural Control Committee, at the request of Declarant, as provided in the Declarations, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint such other committees as it deems appropriate in carrying out its purposes.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declarations, Articles of Incorporation and By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declarations, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the Lot against which the assessment is made. Any assessments which are not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of seven percent (7%) per annum, and the Association may bring an action at law against the Member personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No member may waive or otherwise escape

liability for the assessment provided for herein by abandonment of his Lot.

ARTICLE XII

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 XIII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of seventy-five percent (75%) of the Members of the Association.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declarations and these By-Laws, the Declarations shall control.

ARTICLE XIV

FISCAL YEAR

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.

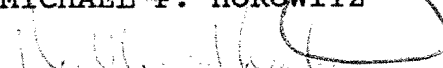
IN WITNESS WHEREOF, we, being all of the Directors of the SPRING LAKE SUBDIVISION HOMEOWNERS ASSOCIATION, have hereunto set our hands as of this 3rd day of October, 1991.



STEVEN G. FRIEDMAN

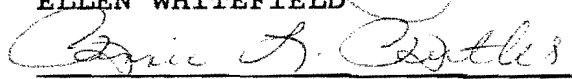


MICHAEL P. HOROWITZ



MATTHEW THURBER


ELLEN WHITEFIELD


BONNIE L. BUTLER

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of the SPRING LAKE SUBDIVISION HOMEOWNERS ASSOCIATION, a Michigan non-profit corporation; and

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 3rd day of October, 1991.

IN WITNESS WHEREOF, I have hereunto subscribed my name as of this 3rd day of October, 1991.


MATTHEW THURBER, Secretary