

COLONIAL ACRES PHASE V
BY-LAWS
AND
ARTICLES OF INCORPORATION

**UPDATED
DECEMBER 2009**

Michigan Department of Energy, Labor & Economic Growth

Filing Endorsement

This is to Certify that the CERTIFICATE OF AMENDMENT - CORPORATION

for

COLONIAL ACRES PHASE V, INC.

ID NUMBER: 719186

received by facsimile transmission on December 14, 2009 is hereby endorsed

Filed on December 14, 2009 by the Administrator.

The document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.



In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 14TH day of December, 2009.

A handwritten signature in black ink, appearing to read "A. Hughes", written over a horizontal line.

Director

Bureau of Commercial Services

905/CD-616 (Rev 12/03)

MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH BUREAU OF COMMERCIAL SERVICES	
Date Received	(FOR BUREAU USE ONLY)
	<p>This document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.</p>
Name D. Douglas Alexander	
Address 44670 Ann Arbor Road Suite 170	
City	State ZIP Code
Plymouth	MI 48170
EFFECTIVE DATE:	
<p>Document will be returned to the name and address you enter above. If left blank document will be mailed to the registered office.</p>	

CERTIFICATE OF AMENDMENT TO THE ARTICLES OF INCORPORATION

For use by Domestic Profit and Nonprofit Corporations
(Please read information and instructions on the last page)

Pursuant to the provisions of Act 284, Public Acts of 1972, (profit corporations), or Act 162, Public Acts of 1982 (nonprofit corporations), the undersigned corporation executes the following Certificate:

1. The present name of the corporation is:	Colonial Acres Phase V, Inc.
2. The identification number assigned by the Bureau is:	719186

3. Article	VIII and XIX	of the Articles of Incorporation is hereby amended to read as follows:
<p>Please refer to attachment</p>		

COMPLETE ONLY ONE OF THE FOLLOWING:

4. (For amendments adopted by unanimous consent of Incorporators before the first meeting of the board of directors or trustees.)

The foregoing amendment to the Articles of Incorporation was duly adopted on the _____ day of _____, _____, in accordance with the provisions of the Act by the unanimous consent of the Incorporator(s) before the first meeting of the Board of Directors or Trustees.

Signed this _____ day of _____, _____

_____ (Signature)	_____ (Signature)
_____ (Type or Print Name)	_____ (Type or Print Name)
_____ (Signature)	_____ (Signature)
_____ (Type or Print Name)	_____ (Type or Print Name)

5. (For profit and nonprofit corporations whose Articles state the corporation is organized on a stock or on a membership basis.)

The foregoing amendment to the Articles of Incorporation was duly adopted on the _____ day of _____, 2009, by the shareholders if a profit corporation, or by the shareholders or members if a nonprofit corporation (check one of the following)

- at a meeting the necessary votes were cast in favor of the amendment.
- by written consent of the shareholders or members having not less than the minimum number of votes required by statute in accordance with Section 407(1) and (2) of the Act if a nonprofit corporation, or Section 407(1) of the Act if a profit corporation. Written notice to shareholders or members who have not consented in writing has been given. (Note: Written consent by less than all of the shareholders or members is permitted only if such provision appears in the Articles of Incorporation.)
- by written consent of all the shareholders or members entitled to vote in accordance with section 407(3) of the Act if a nonprofit corporation, or Section 407(2) of the Act if a profit corporation.
- by consents given by electronic transmission in accordance with Section 407(3) if a profit corporation.
- by the board of a profit corporation pursuant to section 611(2).

Profit Corporations and Professional Service Corporations

Signed this _____ day of _____, _____

By _____
(Signature of an authorized officer or agent)

(Type or Print Name)

Nonprofit Corporations

Signed this 11TH day of ~~December~~, 2009

By _____
(Signature, President, Vice-President, Chairperson or Vice-Chairperson)

(Type or Print Name)

ARTICLE VIIIFINANCING OF OPERATIONS

(g) It shall be the duty of the Board of Directors to act promptly in the taking of any and all necessary action against any Member who defaults in the payment of any monetary obligation owed to the Corporation. The Board shall determine which remedies to invoke as provided in the Bylaws at Article IV and/or Article IX.

ARTICLE XXDURATION, NONLIABILITY OF VOLUNTEER DIRECTORS AND OFFICERS

The Corporation's term is perpetual.

A volunteer Officer or Director of the Corporation shall not be personally liable to the Corporation or its members for monetary damages for a breach of fiduciary duty as an Officer or Director, except for liability:

- (a) for any breach of an Officer's or Director's duty of loyalty to the Corporation or its members;
- (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- (c) resulting from a violation of MCLA 450.2551(1);
- (d) for any transaction from which the Officer or Director derived an improper personal benefit;
- (e) an act or omission occurring before the effective date if the provision grants limited liability.
- (f) for any act or omission that is grossly negligent.

The Corporation assumes liability for all acts or omissions of volunteer Officers and Directors occurring on or after the date of these Restated Articles of Incorporation if all of the following are met:

- (i) The volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority.
- (ii) The volunteer was acting in good faith.
- (iii) The volunteer's conduct did not amount to gross negligence or willful and wanton misconduct.
- (iv) The volunteer's conduct was not an intentional tort.
- (v) The volunteer's conduct was not a tort arising out of the ownership, maintenance, or use of a motor vehicle for which tort liability may be imposed as provided in Section 3135 of the insurance code of 1956, Act No. 218 of the Public Acts of 1956, being Section 500.3135 of the Michigan Compiled Laws.

If the Michigan Nonprofit Corporation Act is amended to authorize corporate action further eliminating or limiting the personal liability of Officers or Directors, then the liability of the Officers and Directors of the Corporation shall be eliminated or limited to the fullest extent permitted by the Act, as so amended.

Any repeal, modification or adoption of any provision in these Articles of Incorporation inconsistent with this Article shall not adversely affect any right or protection of the Officers and Directors of the Corporation existing at the time of such repeal, modification or adoption.

TABLE OF CONTENTS

COLONIAL ACRES PHASE V COOPERATIVE

AMENDED AND RESTATED BYLAWS

	<u>PAGE(S)</u>
ARTICLE I, MEMBERSHIP.....	1
Section 1. Classes of Membership.....	1
Section 2. Rights and Privileges.....	1
Section 3. Requirements for Regular Membership.....	1, 2
Section 4. Joint Ownership of Single Certificate	2
Section 5. Termination of Membership.....	2
Section 6. Special Member.....	2, 3
Section 7. Inspection of Records.....	3
Section 8. Limited Liability.....	3
Section 9. Miscellaneous.....	3
ARTICLE II, MEETINGS OF MEMBERS.....	3
Section 1. Annual Meeting.....	3
Section 2. Special Meetings.....	3
Section 3. Notice of Meetings.....	3, 4
Section 4. Quorum.....	4
Section 5. Voting.....	4
Section 6. Matters to be Considered.....	4
Section 7. Delinquent Member.....	4
Section 8. Proxies.....	5
Section 9. Voting by Certain Members.....	5
ARTICLE III, CERTIFICATES.....	5
Section 1. Form.....	5, 6
Section 2. Form of Installment Purchase Contract.....	6
Section 3. Transfer Books.....	6
Section 4. Lien.....	6
Section 5. Legend on Certificates and Contracts.....	6
Section 6. Lost Certificates or Contracts.....	6, 7

	<u>PAGE(S)</u>
ARTICLE IV, TRANSFER, SALE AND RECOVERY OF CERTIFICATES	7
Section 1. Death of a Member.....	7, 8
Section 2. Transfer of Membership During Lifetime.....	8, 9, 10
Section 3. Recovery of Certificate or Contract and Possession by Corporation - Default in Monetary Obligation.....	10, 11
Section 4. Recovery of Certificate or Contract and Possession by Corporation - Violation of Articles of Incorporation, Bylaws, Etc.....	11, 12
ARTICLE V, DIRECTORS.....	12
Section 1. Number and Qualifications.....	12
Section 2. Term of Office.....	12
Section 3. Removal of Directors.....	12
Section 4. Election.....	12, 13
Section 5. Vacancies.....	13
Section 6. Compensation Prohibited; Conflicts of Interest	13
Section 7. Meetings, Notice and Quorum.....	13, 14
Section 8. Organizational Meeting.....	14
Section 9. Powers.....	14
Section 10. Fidelity Bonds; Employee Dishonesty Insurance.....	14
Section 11. Executive Sessions.....	14
Section 12. Director's and Officer's Liability Insurance.....	14
ARTICLE VI, MANAGEMENT BY SPECIAL MEMBER.....	15
ARTICLE VII, OFFICERS.....	15
Section 1. Officers.....	15
Section 2. Election.....	15
Section 3. Subordinate Officers and Agents.....	15
Section 4. Removal and Resignation.....	15
Section 5. Vacancies.....	16
Section 6. President.....	16
Section 7. Vice-Presidents.....	16
Section 8. Treasurer.....	16
Section 9. Secretary.....	16
Section 10. Assistant Secretary.....	17

PAGE(S)

ARTICLE VIII, EXECUTION OF INSTRUMENTS, ACCOUNTS, ETC.....	17
Section 1. Bank Accounts.....	17
Section 2. Checks, drafts, etc	17
Section 3. Contracts, Conveyances, etc.	17
Section 4. Annual Financial Report.....	17
Section 5. Review of Accounts; Financial Statements	17, 18
Section 6. Fiscal Year.....	18
Section 7. Depositories.....	18
Section 8. Employees and Independent Contractors	18
ARTICLE IX, REMEDIES FOR DEFAULT.....	18
Section 1. Remedies.....	18, 19, 20
Section 2. Non-Waiver of Right.....	20
Section 3. Cumulative Rights, Remedies and Privileges.....	20
ARTICLE X, DISSOLUTION.....	20
Section 1. Trustee.....	20
Section 2. Protection of Landlord.....	20
Section 3. Continuing Obligations of Members.....	20, 21
ARTICLE XI, RULES AND REGULATIONS.....	21
Section 1. Enforcement.....	21
Section 2. Additional Rules and Regulations.....	21
ARTICLE XII, INDEMNIFICATION OF OFFICERS AND DIRECTORS.....	21
Section 1. Indemnification of Directors and Officers.....	21, 22
ARTICLE XIII, AMENDMENTS.....	22
ARTICLE XIV, INCONSISTENCY.....	22
Section 1. Pronouns.....	22
Section 2. Capitalized Terms.....	22
ARTICLE XV, SEVERABILITY.....	23

COLONIAL ACRES COOPERATIVE PHASE V, INC.

BYLAWS

ARTICLE I MEMBERSHIP

Section 1. Classes of Membership. The Corporation is organized upon a non-stock basis. There are two classes of membership, Regular and Special, which are defined in the Articles of Incorporation. Installment purchasers of Certificates of Membership are subject to all obligations of and, while not in default, enjoy all benefits of Regular member-occupants.

Section 2. Rights and Privileges. Each Regular member-occupant ("Member"), while in good standing, shall enjoy all rights and privileges set forth in the Articles of Incorporation, these Bylaws and the Rules and Regulations properly adopted by the Directors of the Corporation. Such rights and privileges shall include, but are not limited to, the use of all common facilities, the right to peacefully occupy and enjoy the townhouse apartment unit incident to the Member's Certificate (whether purchased outright or on an installment basis), and the right to the benefit of any and all written representations and warranties given to the Corporation by the developer of the townhouse units and by the Landlord under the Corporation's land lease. Each Member in good standing shall be entitled to the strict enforcement by the Special Member and by the officers and Directors of the Corporation of his rights and privileges and of the obligations of the other members.

Section 3. Requirements for Regular Membership. In addition to those requirements for Regular membership specifically set forth in the Articles of Incorporation of the Corporation, there are established the following additional requirements under the authority of Article VIII (m) of such Articles:

- a) The prospective purchaser shall, by offer to purchase or other appropriate written instrument, evidence his/her willingness to abide by all of the provisions of the Articles of Incorporation, these Bylaws, and the Rules and Regulations of the Corporation;
- b) He/She shall demonstrate his/her financial ability to perform those obligations incident to membership in the Corporation including his/her ability to satisfy any unpaid portion of an installment purchase contract related to his Certificate of Membership;
- c) Prior to occupancy of his unit, he/she shall pay all sums required of him/her for his/her Certificate of Membership or shall execute or assume an installment purchase contract for such certificate and pay any sums required;
- d) Prior to occupancy, he/she shall assume all responsibilities to the Corporation for maintenance charges and he/she shall agree to pay such

- charges as revised from time to time by the Board of Directors; and he shall create any escrow or deposit fund required by the Corporation or other entity with respect to the use or occupancy of his/her dwelling unit;
- e) Subsequent to the execution of all written documents required by the Corporation, he/she shall lawfully take and maintain possession of the dwelling unit assigned to him/her.

Section 4. Joint Ownership of Single Certificate. Individuals who are husband and wife, one of whom is a Qualified Person, or two individuals not husband and wife, one of whom is a Qualified Person, may jointly apply for and (upon approval by the Special Member or the Board of Directors of the Corporation, either of which may impose reasonable conditions which must be satisfied prior to such approval becoming final) be admitted as Members as owners in common or as joint tenants with full rights of survivorship, but in either case such joint or common owners shall be limited to one (1) vote upon the affairs of the Corporation. In such cases their obligations and rights with respect to the Corporation shall be joint and several.

In the event of a membership held under a joint tenancy with full rights of survivorship, upon the death of one of the joint tenants, all rights and obligations of membership shall apply to and be inherent in the survivors, provided such survivor (or one of the survivors) otherwise is a Qualified Person and meets all qualifications of membership; except that if a surviving joint tenant is the spouse of a deceased joint tenant, and said deceased joint tenant and the surviving spouse occupied the dwelling unit represented by the membership, then the minimum age requirement for membership shall not apply to such surviving spouse until such spouse's remarriage or cohabitation.

Joint or common Members who desire to sever such relationship may apply to the Corporation for discharge or further responsibility by the withdrawing Member for obligations to the Corporation. The continuing Member shall be required to meet all of the requirements for membership and shall submit to the Corporation a current financial statement or statements demonstrating his financial capability to fulfill the obligations under an installment purchase contract for a Certificate of Membership. Upon approval of the Board of Directors of the Corporation (which may impose reasonable conditions which must be met before such approval becomes final), and with the concurrence of any assignee of any installment purchase contract, the withdrawing Member may be relieved of further liability to the Corporation.

Section 5. Termination of Membership. A member may withdraw from membership by written notice delivered to the Special Member or to the officers of the Corporation. No such withdrawal shall be effective nor shall any obligation or liability to the Corporation be discontinued until such time as the Member's Certificate of Membership has been effectively transferred to a successor Member, to the Corporation or to the Special Member; and the Corporation shall have a lien upon the Certificate of Membership for all charges, expenses and obligations of the withdrawing Member until their payment or until they are effectively assumed by a successor Member.

Section 6. Special Member. The composition, powers, duties, rights and responsibilities of the Special Member of the Corporation are set forth or inferred in the

Articles of Incorporation and are specified or inferred in these Bylaws. The designation of a successor Special Member shall be in writing and shall be filed with the Secretary of the Corporation, whether such designation be by a Special Member during his/her lifetime or by the developer (as defined in the Articles of Incorporation) in the event a Special Member has failed to file such a designation in his lifetime.

Section 7. Inspection of Records. Any member shall be entitled to inspect the books of account and membership and other records of the Corporation at the offices of the Corporation at any reasonable time during regular business hours.

Section 8. Limited Liability. As provided by law, Members shall not be liable for any debts or obligations of the Corporation and shall not be subject to assessment except for assessments required by the Corporation for maintenance charges, ground rents, taxes and those other items set forth in the Articles of Incorporation. No Regular Member shall be liable for the obligations or liabilities of the Special Member, the developer or the Landlord under the Corporation's land lease.

Section 9. Miscellaneous. Wherever throughout these Bylaws benefits or obligations are conferred or imposed upon "Members", such term shall include any installment purchaser of a Certificate of Membership, and the suspension of rights of Members in default to the Corporation shall be applied to defaults by such installment purchasers under their purchase contracts as well.

ARTICLE II MEETINGS OF MEMBERS

Section 1. Annual Meeting. The annual meeting of Members shall be held on such date and at such time during the month of September each year. Such meeting shall be held at principal office of the Corporation or at such other place as the Board of Directors may determine. Such meeting shall be for the purpose of electing Directors of the Corporation when permitted by the Articles of Incorporation and for the transaction of any other business within the power of the Members.

Section 2. Special Meetings. Special meetings of the Members shall be called by the President; or upon the request of the Special Member; or upon the receipt by the President of a petition signed by twenty percent (20%) of the Members in good standing. Any such resolution, request, or petition shall state the purpose or purposes for which the meeting is to be called, and the business transacted at any such meeting shall be limited to the purpose or purposes stated in the notice thereof.

Section 3. Notice of Meeting. The Secretary shall serve on each Member personally or by regular mail a notice of each annual or special meeting which shall set forth the time and place of the meeting and, in the case of a special meeting, the purpose thereof. Notices sent by mail shall be addressed to the Members so being served at the address appearing on the membership book of the Corporation. Whether delivered personally or by mail, such notices shall be served at least ten (10) days and not more

than sixty (60) days prior to the meeting. The Secretary shall note the manner in which such notice was served on each member upon and appropriate proof of service sworn to by him before a notary public.

Attendance of a person at a meeting of Members, in person or by proxy, constitutes a waiver or notice of the meeting, except when a shareholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Section 4. Quorum. Twenty percent (20%) of the Members in good standing shall constitute a quorum at any membership meeting, with the Members present at a duly convened meeting continuing to do business until adjournment notwithstanding the withdrawal of some Members, leaving less than a quorum present. If a quorum is lacking at any meeting, the President may, and upon the request of the Board of Directors shall, call an adjourned meeting to be held after due notice within the time limitations of Section 3 of this Article has been given. At such adjourned meeting ten percent (10%) of the Members shall constitute a quorum.

Section 5. Voting. Each Member shall be entitled to one (1) vote upon any matter presented to the membership for decision. Votes may be cast by mail, by proxy or in person; if a Member, having cast a vote by mail, attends the meeting in person, he/she may not vote at the meeting. The double envelope system of mailing votes shall be used by Members wishing to cast their ballots by mail so as to determine who has voted by mail while preserving the secrecy of such vote. Except as otherwise provided by law, the Articles of Incorporation or these Bylaws, all matters voted upon shall be decided by a majority of the Regular Members who vote thereon. Only those persons who are Members of record and not delinquent in the payment of any amount owed the Corporation on the day prior to the day the meeting notices are issued shall be entitled to vote.

Section 6. Matters to be Considered. Among the matters which Members may consider and vote upon at a meeting are the following:

- a) The election of Directors;
- b) The removal from office of a Director (but not including the Special Member) whether with or without cause;
- c) Amendment of Bylaws or adoption or amendment of Rules and Regulations;

These matters are intended to be specific, but not all-inclusive examples.

Section 7. Delinquent Member. In the event that a Member becomes past due in any monetary obligations to the Corporation or in any obligation under an installment purchase contract for a Certificate of Membership, the Board of Directors may cause notice to be sent to such Member that he/she will not be permitted to vote until his/her delinquency is remedied. Such Member shall not be entitled to vote whether or not such notice is sent or received until such delinquency has been corrected.

Section 8. Proxies. Every person entitled to vote shall have the right to do so either in person or by an agent authorized by a written proxy executed by such person and filed with the Secretary of the Corporation at or before the meeting at which it is intended to be used. No such proxy shall be valid after the expiration of one (1) year from the date of its execution. Any proxy duly executed shall be deemed not to have been revoked and to be in full force and effect and, in the absence of any limitation to the contrary contained in the proxy, it shall extend to all Members' meetings, unless and until an instrument revoking said proxy or a duly executed proxy bearing a later date is filed with the Secretary of the Corporation. A proxy shall be deemed sufficient if it appears on its face to confer the requisite authority and is signed by the Member; no witnesses to the execution of any proxy shall be required. Notwithstanding that a valid proxy may be outstanding, except in the case of an irrevocable proxy coupled with an interest which shall state that it is irrevocable on its face, the powers of the proxy holder or holders shall be suspended if the person or person executing such proxy shall be present at the meeting and elect to vote in person.

Section 9. Voting by Certain Members. Certificates held by an administrator, executor, guardian, conservator, receiver, trustee, or other fiduciary may be voted without a transfer of such certificates, provided the Corporation is furnished satisfactory proof of the authority of such person to vote such certificate. No such fiduciary shall be entitled to vote such certificate if the beneficiaries of such fiduciary relationship would not be entitled to vote such certificate if such beneficiaries held such certificate directly.

A Member whose certificate is pledged shall be entitled to vote such certificate unless in the transfer the pledgor has expressly empowered the pledgee to vote such certificate and had the same indicated on the books of the Corporation, in which case only the pledgee or his/her proxy may represent and vote such certificate.

A certificate held by two or more persons as joint tenants or as tenants in common may be voted only by the Qualified Person if only one of the certificate holders is such. If more than one of the certificate holders is a Qualified Person, the written agreement, if any, which governs the manner in which the certificate shall be voted controls if presented at the meeting. If no such agreement is presented at the meeting, the majority in interest of the qualified joint tenants or qualified tenants in common present shall control the manner of voting. If there is no such majority, the vote represented by the certificate shall be divided among the qualified joint or qualified common owners in accord with their interests in the certificates.

Certificates held by the Corporation shall not be voted, directly or indirectly, at any meeting or for any purpose.

ARTICLE III CERTIFICATES

Section 1. Form. The Corporation, through its Board of Directors or its Special Member, shall adopt a form of Certificate of Membership which shall be issued to each Member and which shall evidence the Member's right while not in default to

peaceful use and occupancy of the dwelling unit represented by the certificate. Such certificate shall be signed by the President or Vice President, the Secretary and/or by the Special Member and shall be transferred only by recording such transfer on the books of the Corporation.

Section 2. Form of Installment Purchase Contract. The Corporation, through its Board of Directors or its Special Member, shall adopt a form of Installment Purchase Contract of a Certificate of Membership which shall be issued to those persons purchasing their memberships on an installment basis. Such contracts shall entitle the holders thereof, while not in default, to the peaceful use and occupancy of a dwelling unit selected by the purchaser. Such contracts shall be signed by the President or Vice President, the Secretary and/or by the Special Member. Certificates of Membership shall be prepared for such purchasers, numbered and signed, but the Corporation shall not deliver such certificates to the purchaser until the purchaser has fully performed his installment contract. The Corporation may deliver such certificate to its assignee of the installment contract who shall be obligated under such assignment to deliver the certificate to the purchaser upon full performance of the installment contract. The contract may be transferred only by recording such transfer on the books on the Corporation.

Section 3. Transfer Books. The Corporation shall at all times maintain transfer books in which all Members shall be listed, together with the Member's address, date of birth, telephone number, status as certificate holders or installment contract holders, and the names of those "family" members (as defined in the Articles of Incorporation) who are occupying a dwelling unit with the Member.

Section 4. Lien. The Corporation shall have a lien upon all Certificates of Membership and upon all installment purchase contracts for such certificates for all debt of Members to it or its assignee (by reason of assignment of such installment purchase contracts or otherwise). In the event of the withdrawal, expulsion or removal of a Member, or in the event of a sale of a certificate or contract by the Member, the certificate shall not be transferred and a new certificate shall not be issued nor shall an installment purchase contract be transferred unless and until any and all unpaid installment payments and assessed charges due to the Corporation and its assignees have been paid in full.

Section 5. Legend on Certificates and Contracts. Each Certificate of Membership and each installment purchase contract shall have endorsed thereon a legend stating that transfer thereof is restricted by the Articles of Incorporation, the Bylaws and the Rules and Regulations of the Corporation.

Section 6. Lost Certificates or Contracts. Upon presentation to the Corporation of a proper affidavit attesting the loss, destruction or mutilation of any certificate or contract, the Board of Directors may direct the issuance of a new certificate or contract to replace the certificate or contract so alleged to be lost, destroyed or

mutilated. The Board of Directors may require as a condition precedent to the issuance of a new certificate or contract any or all of the following:

- a) Additional evidence of the loss, destruction or mutilation claim;
- b) Advertisement of the loss in such manner as the Board of Directors may direct or approve;
- c) A bond or agreement of indemnity in such form and amount, with or without such sureties as the Board of Directors may approve; or
- d) The order of approval of a Court.

The Corporation may recognize the person in whose name the new certificate or contract, or any certificate or contract thereafter, is issued as the owner thereof for all purposes until the owner of the original certificate or contract shall enjoin the Corporation and the holder of any new certificate or contract, or any certificate or contract issued in exchange or substitution therefore, from so acting.

ARTICLE IV TRANSFER, SALE AND RECOVERY OF CERTIFICATES OR CONTRACTS

Section 1. Death of a Member. In the event of the death of the holder of a Certificate or an installment purchase contract, it shall be the obligation of the surviving joint or common member, or the heirs, successor or administrators to forthwith and promptly meet any and all obligations and indebtedness owed to the Corporation and to meet such obligations as further accrue prior to the effective transfer of the certificate or contract. If the dwelling unit of the deceased Member is occupied at the time of death by a person who is a Qualified Person as defined in the Articles of Incorporation and meets the additional requirements of membership of these Bylaws, and if all obligations of the deceased Member to the Corporation and under any installment purchase contract have been satisfied, then the Corporation shall issue a new certificate to such person, if such person is otherwise entitled to the ownership of such certificate by operation of law or by order or other determination of a Court. Upon failure to meet such obligations within one hundred twenty (120) days after the death of the Member, the Corporation may move forthwith for the recovery and sale of such certificate or contract. The Corporation is authorized to proceed to the sale of such certificate or contract at the best market price then obtainable directly or through any licensed real estate broker, and upon such sale is empowered to deduct from the net proceeds to the sale of such sale any and all accrued debts, installment payments, maintenance charges, ground rents, taxes and any other amounts owed by the deceased Member with respect to his/her certificate or contract. If the Corporation has been unable to obtain from the heirs, successors or personal representatives such certificate for the purposes of sale, it may issue a new certificate for such purpose, thereby canceling the former certificate. Any excess of the net proceeds over such deductible amounts shall be paid to the estate or other successors-in-interest of the deceased Member. Any excess of such deductible amounts over the net proceeds of the sale shall remain a debt of the decedent's estate and may be enforced against such estate or the successor-in-interest of such certificate or contract. The Corporation may,

but shall not be required to, withhold the enforcement of lien rights during the pendency of probate proceedings with respect to the estate of the deceased Member.

Section 2. Transfer of Membership During Lifetime. If any Member or his/her successor-in-interest desires to sell the certificate or the installment purchase contract, he/she may do so only under the following conditions:

- a) He/She may sell the certificate or contract to the Corporation or to the Special Member in direct negotiations with them if they are so willing. Such negotiations may occur whether or not the Member is then in default. Neither the Corporation nor the Special Member need meet any particular requirements in order to purchase such certificate or contract except that if the Special Member is to occupy the dwelling unit represented by such certificate or contract, he/she must satisfy all of the requirements applicable to a Regular Member;
- b) He/She may sell the certificate or contract to others but only after first meeting the following requirements:
 - (1) He/She shall first notify the Corporation in writing and at the office of the Corporation of his/her intention to sell and the proposed price and terms of sale;
 - (2) The Corporation shall have the right to purchase the certificate at such price and terms for thirty (30) days after it has been so notified, and if, during such period, the Corporation declines or neglects to purchase such certificate or contract, the Special Member shall have such right.
 - (3) After such period has expired, and if the Corporation or Special Member has not purchased such certificate or contract, the Member shall have one hundred eighty (180) days within which to complete the sale without again notifying the Corporation of the proposed sale; however, if within such one hundred eighty (180) day period there shall be any change from the price or terms of the proposed sale, the Member shall again notify the Corporation in the same manner as above, and the Corporation or the Special Member shall have ten (10) days from the date of such notification to purchase such certificate or contract upon such new terms.
 - (4) The prospective purchaser from the selling Member must demonstrate to the Corporation and the Special Member his/her ability to meet the definition of a Qualified Person

as defined in the Articles of Incorporation and these Bylaws. To this end, he/she shall meet with the Special Member and any membership committee of the Corporation and submit those statements and agreements required of a new Member and shall, in writing delivered to the Corporation, for its benefit, expressly undertake all of the obligations of Membership. He/She shall also demonstrate that as between the selling member and himself/herself, proper arrangements have been made for the satisfaction of all outstanding obligations of the selling member to the corporation or under the installment purchase contract, if any. Should any prospective purchaser be deemed, for any reason, to be ineligible for membership, the corporation shall notify the selling member and the purchaser of such fact together with a written statement of the reasons for such ineligibility.

- (5) Upon satisfaction of all of the above requirements, the corporation shall so notify the selling member and the purchaser and, subject to the satisfaction of the obligations of the selling member to the corporation and to the closing of the sale between the selling Member and the purchaser, shall accept the purchaser as a Member. In furtherance thereof, in order to fully inform the purchaser of the selling Member's obligations, the Corporation, shall deliver to the purchaser a complete statement of the Corporation, indicating the extent of any default therein; the consent of the selling Member to such disclosure is given by reason of such Member's receipt of a Certificate of Membership or of an installment purchase contract therefore.
- (6) Upon the completion of the sale of any certificate or contract and the satisfaction or assumption of all obligations to the Corporation, the selling Member shall be released from any further financial responsibility to the Corporation. Upon thereafter taking possession of the dwelling unit the New Member shall be entitled to a transfer of the certificate or contract on the books of the Corporation.
- (7) Should a selling Member offer their certificate or contract to the Corporation under this Section 2(b) at a price or upon terms deemed by the Board of Directors or the Special Member to be unrealistic in light of market conditions, such certificate or contract shall be appraised as provided in the Articles of Incorporation. Whether the appraisal value tends

to support the selling Member's offering price or not, the Corporation shall, in any event, have a right of first refusal. The Corporation may, in its sole discretion, then offer to purchase such certificate or contract at the appraised value on terms of cash within thirty (30) days after receipt of the results of the appraisal. The Member may reject such offer and withdraw from any sales effort, but in such event the entire cost of the appraisal shall be borne by the Member. However, should the price and terms of sale offered by the Member prove to be the market value and conditions as determined by the appraisal, the entire cost of the appraisal shall be borne by the persons claiming that such value and conditions are unrealistic whether such person be the Corporation through its Board of Directors or the Special Member. The period of first refusal by the Corporation or the Special Member shall run from the date of the receipt by the selling Member of the results of the appraisal. In determining the value of a certificate or contract, the appraisal shall be based on the then current market value of the underlying dwelling unit as such, including, among others, the value of the rights incident thereto in the common areas.

Section 3. Recovery of Certificate and Possession by Corporation – Default in Monetary Obligations. In the event any Member shall fail to pay any assessment, charge, expense, fee, fine or other monetary obligation owed to the Corporation, then the Board of Directors shall have the right to initiate proceedings to terminate such Member's Membership, terminate the Member's occupancy and recover his/her Certificate, as follows:

- a) By commencement of summary proceedings to recover possession in accordance with the Summary Proceedings Act, as amended from time to time and in accordance with its notice requirements.
- b) The defaulting Member may cure a monetary default by paying, in full, all accrued assessments, charges, expenses, fees and fines together with all of the Corporation's legal fees and court costs prior to ten (10) days after the date of the judgment of possession and/or money judgment.
- c) The defaulting Member shall immediately surrender and deliver to the Corporation his/her Certificate(s) upon expiration of ten (10) days after the entry of any judgment of possession and/or money judgment. In the event the Member shall fail to do so within said time period, the Corporation may issue a new Certificate or Certificates, thereby canceling the former Certificate(s). The

Corporation shall then be entitled to proceed with the sale of the defaulting Member's Certificate(s). The Corporation shall proceed to sell such Certificate(s) and shall deduct from the proceeds thereof the costs of sale, any accrued and unpaid amounts due from such Member, the costs of repair or replacement of any property by the Corporation or others damaged by the Member in the course of the complained of actions and inactions and any legal expenses and costs incurred by the corporation in such legal proceedings.

Section 4. Recovery of Certificate and Possession by Corporation - Violation of Articles of Incorporation, Amended and Restated Bylaws, Etc. The suspension or termination of the rights of a Member in a Certificate may occur as a result of the expulsion of such Member for his failure, refusal or neglect to abide by the provisions of the Articles of Incorporation, these Amended and Restated Bylaws or those Rules and Regulations adopted by the Corporation, or for the willful destruction or conversion of the property of the Corporation, or for the willful commission of any nuisance, whether any of such acts be done by the Member or any other resident of the dwelling unit. The procedures for such suspension or termination shall be as follows:

- a) The Board of Directors shall first send a letter to such Member giving such Member ten (10) days within which to cease the prohibited practice (such as permitting a non-family member to reside in the dwelling unit) or to act in conformity with such requirements, to restore any damage done to the property of the Corporation or others and to remedy any nuisance. Such letter shall specify in detail the nature of the complaint against the Member.
- b) Should such Member fail, neglect or refuse to take the action required by such letter within such ten (10) day period, the Board of Directors shall have the right to commence summary proceedings to recover possession as provided in the Summary Proceedings Act as amended from time to time and in accordance with its notice requirements.
- c) The defaulting Member shall immediately surrender and deliver to the Corporation his/her Certificate(s) upon expiration of ten (10) days after the entry of any judgment of possession and/or money judgment. In the event the Member shall fail to do so within said time period, the Corporation may issue a new Certificate or Certificates, thereby canceling the former Certificate(s). The Corporation shall then be entitled to proceed with the sale of the defaulting Member's Certificate(s). The Corporation shall proceed to sell such Certificate(s) and shall deduct from the proceeds thereof the costs of sale, any accrued and unpaid amounts due from such Member, the costs

of repair or replacement of any property by the Corporation or others damaged by the Member in the course of the complained of actions and inactions and any legal expenses and costs incurred by the corporation in such legal proceedings.

- d) At any time, the Corporation may enter in any court of competent jurisdiction a motion or other pleading requesting the granting of a temporary restraining order or preliminary or permanent injunction restraining the actions of a Member which are deemed by the Corporation to present an immediate danger to the safety and well-being of the Members of the Corporation or others, or for the protection or preservation of the property of the Corporation, its Members or others. Each Member of the Corporation is deemed to consent to the granting of any such order or injunction.

ARTICLE V DIRECTORS

Section 1. Number and Qualifications. At such time as the Corporation has issued eighty percent (80%) of the Certificates of Membership to be issued by it, or at such earlier time as determined by the Special Member as provided in Article XIII(f) of the Articles of Incorporation, the Members shall elect five (5) Regular Members to the Board and they, together with the Special Member, shall thereafter constitute the full Board of Directors of the Corporation. Each elected Director must be a Regular Member (i.e. he/she may not be simply a resident of the dwelling unit of a Member).

Section 2. Term of Office. Elected Directors of the Corporation shall be elected by its Members at each annual meeting and shall hold office for a term of two (2) years or until their successors are elected and qualified; an elected Director's term, however, shall automatically terminate upon his ceasing to be a Member in good standing of the Corporation. A Director may serve any number of terms of office.

Section 3. Removal of Directors. Any one or more of the elected Directors may be removed with or without cause at any time by vote of the majority of the entire membership of the Corporation, at any regular meeting or any special meeting called for that purpose, and a successor may then and there be elected to fill the vacancy thus created. Any Director(s) whose removal has been proposed shall be given an opportunity to be heard at such meeting before the balloting on the proposed recall occurs.

Section 4. Election. Two (2) weeks prior to the annual meeting, the Secretary shall provide each Member with a list of the current Directors indicating those who do not wish to stand for re-election. The Secretary shall also provide a ballot to each Member in good standing indicating those Members who wish to be considered for the position of Director. Additional nominations may be made from the floor, and for such nominations the Secretary shall provide blank spaces on the ballots. Only Members in

good standing may be nominated and placed on the ballot. At any meeting, each Member in good standing shall be entitled to cast one (1) vote for each of the Director's positions to be filled. There shall not be cumulative voting. Election shall be by ballot. The candidates for Directors receiving the highest number of votes shall be declared elected. In the case of any tie vote, the decision as to who is to be elected shall be made by lot. The President shall appoint a Member in good standing who is not a candidate for election to count the votes. The Secretary or another Member in good standing who is not a candidate for election, who shall be appointed by the President, shall be present at the counting of the votes.

Section 5. Vacancies. In the event of any vacancy in the Board of Directors for any reason other than the removal of a Director by the Members, the Directors then in office may fill such vacancy until the next annual meeting of the Members or until a special meeting of the Members is called for the purpose of filling the vacancy. In the event the vacancy occurs prior to the time the Regular Members are entitled to elect Directors, the vacancy shall be filled by appointment by the Special Member.

Section 6. Compensation Prohibited; Conflicts of Interest. No compensation shall be paid to Directors for their services as such. The validity of any contract or other transaction between the Corporation and any Regular Member, Special Member or officer or Director, shall not be affected by the fact that such Regular Member, Special Member, officer or Director has a pecuniary interest in said contract, direct or indirect, either individually, as partner, joint venturer, stockholder, officer, Director or employee of another corporation with whom this Corporation is engaged in business; provided, however, that such interest shall be fully disclosed in writing prior to the entering of any such contract and prior to any action by the Corporation thereon. No such interested person shall vote in any capacity whatever upon letting of such contract or contracts.

Section 7. Meetings, Notice and Quorum. The Board of Directors shall hold regular meetings at such times and places as are designated by the Board by resolution. Special meetings may be called by the President, and special meetings shall be called by the President at the request of the Special Member or at the request of any two of the elected Directors who are Regular Members. No notice is required for regular meetings. Not less than five (5) days notice in writing shall be given for all special meetings unless such notice is waived by all of the Directors before, at or after such meeting. The notice of the special meeting shall specify the business to be conducted at such meeting. No business may be transacted at a special meeting other than the business referred to in the notice unless the conduct of such business is unanimously consented to by all of the Directors then in office. The Special Member and a majority of the Regular Member Directors then in office shall constitute a quorum at any meeting during the period when the Special Member is not acting, under the Articles of Incorporation, in strictly an advisory capacity. During that time when the Special Member is acting only in an advisory capacity, a quorum shall consist of a majority vote of those Directors present at the meeting, subject to the right of veto, if any, of the Special Member. All official actions of the Board shall be preserved in the written records of the Corporation.

Section 8. Organizational Meeting. Within ten (10) days subsequent to each annual meeting, the Directors shall meet. No notice to the Directors shall be necessary for such meeting if the date thereof is designated by the President at the meeting at which the Directors have been elected. If such designation is not made, at least one (1) day written notice shall be required. In either event, such business as may come before such meeting may be transacted without regard to the specification thereof in any notice.

Section 9. Powers. All of the powers of the Corporation not expressly reserved to or conferred upon the Members or the Special Member by statute, the Articles of Incorporation or these Bylaws shall be vested in the Board of Directors of this Corporation which shall control and manage its business and affairs unless expressly provided otherwise. Although such Board may create a membership committee for the prospective Members, such applications, and final decisions on such application shall be made by the Board.

Section 10. Fidelity Bonds/Employee Dishonesty Insurance. The Board of Directors shall require that all directors, officers, agents and employees of the Corporation handling or responsible for Corporation funds and/or property shall be covered by adequate fidelity bonds and/or employees dishonesty insurance purchased by the Corporation. The premiums on such bonds and/or insurance shall be expenses of the Corporation. Such bonds and/or insurance shall not be less than the estimated maximum of funds held by the Corporation at any time, including maximum expected reserve funds.

Section 11. Executive Sessions. The Board of Directors, in its discretion, may close a portion or all of any meeting of the Board of Directors to the membership of the Corporation or may permit Members of the Corporation to attend a portion or all of any meeting of the Board of Directors. Any Member 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 shall be entitled to review or copy any minutes which reference privileged communications between the Board of Directors and counsel for the Corporation, 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.

Section 13. Director's and Officer's Liability Insurance. Directors and officers liability insurance shall be carried in such limits as the Board of Directors may from time to time determine to be appropriate. The liability insurance shall cover any persons who now are, or shall become duly elected or appointed directors or officers of the Corporation. The policy may also have to be endorsed to include "prior acts" coverage for persons who had been duly elected or appointed directors or officers of the Corporation if it is determined that previous expiring policies do not cover claims for wrongful acts reported after the expiration or termination date of those expiring policies.

ARTICLE VI MANAGEMENT BY SPECIAL MEMBER

Article V 2. (c) of the Articles of Incorporation provides for the management of the affairs of the Corporation until the occurrence of certain events specified therein. Until such time (or otherwise of the Special Member resumes such authority as provided by the Articles of Incorporation) the Special member has authority to sign Certificates of Membership and installment purchase contracts on behalf of the Corporation, enter into purchase contracts on behalf of the Corporation, enter into contracts for maintenance and otherwise on behalf of the Corporation, formulate budgets for capital and other expenditures of the Corporation, issue annual reports, open bank accounts for the Corporation and make deposits and draw checks or drafts against such accounts or make withdrawals therefrom and, in general, carry on the financial affairs of the Corporation. The Special Member shall, however, account for such financial affairs to the members of the Corporation and shall maintain adequate records in furtherance thereof.

ARTICLE VII OFFICERS

Section 1. Officers. The officers of the Corporation shall be a President, a Secretary, and a Treasurer, and if desired, a Chairman of the Board, one or more Vice-Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as may be appointed in accord with the provisions of Section 3 of this Article VII. No person shall be permitted to hold more than one office simultaneously. Except when the powers of the Special Member are simply advisory under the Articles of Incorporation, such Special Member shall have the right to veto the actions of the officers.

Section 2. Election. The officers of the Corporation shall be elected by the Board, and each shall hold office until he/she resigns, until he/she is removed or otherwise disqualified to serve, or until his/her successor is elected and qualified.

Section 3. Subordinate Officers and Agents. The Board 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 Corporation as may be designated by the Board. Without limitation of any right of an agent to recover damages for breach of contract, the Board may remove any agent, with or without cause.

Section 4. Removal and Resignation. Any officer or agent may be removed by a majority of the whole Board at the time in office at any regular or special Board meeting.

Section 5. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board in the manner prescribed in these Bylaws for regular appointments to such office.

Section 6. President. The President shall, subject to the control of the Board and the Special Member when acting in other than a purely advisory capacity, have general supervision, direction and control of the business and affairs of the Corporation. He/She shall preside at all Members' meetings and shall have the general powers and duties of management usually vested in the office of President of a corporation; shall see that all orders and resolutions of the Board are carried into effect; and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 7. Vice-Presidents. In the event of the President's absence, disability, or refusal to act, the Vice-Presidents, if more than one, in order of their rank as fixed by the Board or, if not ranked, the Vice-President designated by the Board shall perform all the duties of and shall be subject to all the restrictions upon the President. The Vice-Presidents shall have such other powers and authority and shall perform such other duties as from time to time may be prescribed for them respectively by the Board or these Bylaws.

Section 8. Treasurer. The Treasurer shall, subject to the direction of the Board, have custody and keep account of all money, funds, securities, and property of the Corporation, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation.

Section 9. Secretary. The Secretary shall attend all shareholders' meetings and all Board meetings and shall keep or cause to be kept, in his/her custody at the principal or registered office if the Corporation in the State of Michigan or such other place as the Board may order, a book recording the minutes of all Board and Members' meetings setting forth: the place, date, and hour of holding; whether regular or special, and, if special, how authorized; the notice thereof given; the names of those present at the Board meetings; the number of Members present or represented at Members' meetings; and the proceedings thereof.

The Secretary shall keep or cause to be kept at the registered office of the Corporation in the State of Michigan, a membership register or a list showing the names of the Members and their addresses; the number and date of certificates or contracts issued for the same; and the number and date of cancellation of every certificate or contract surrendered for cancellation.

The Secretary shall keep in safe custody the seal of the Corporation and, when authorized by the Board, affix the same or cause the same to be affixed to any instrument requiring it, and when so affixed, the seal shall be attested by his or her signature. If the Corporation does not possess a corporate seal, the signature of the Secretary, or other officer designated by the Board, shall be legally sufficient and possess the same power and authority as a corporate seal.

The Secretary shall give or cause to be given notice of all Board and Members' meetings required by the Bylaws or by law, and shall perform such other duties and have such other authorities as are directed to him or her by the Board.

Section 10. Assistant Secretary. In the event of the Secretary's absence or disability, any Assistant Secretary, if one is appointed by the Board, shall act as Secretary

in all respects. The Assistant Secretaries shall exercise such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board, the President, the Secretary, or these Bylaws.

ARTICLE VIII EXECUTION OF INSTRUMENTS, ACCOUNTS, ETC.

Section 1. Bank Accounts. Each bank account of the Corporation shall be established and continued only by order of the Board or by the Special Member.

Section 2. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by the Special Member or by the such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board.

Section 3. Contracts, Conveyances, etc. The Board may authorize any officer or officers, agent or agents, to enter into any contract, to execute and deliver any instrument, or to acknowledge any instrument required by law to be acknowledged in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances but the appointment of any person other than an officer to acknowledge an instrument in writing. When the Board authorizes the execution of a contract or of any other instrument in the name of and on behalf of the Corporation, without specifying the executing officers, the President or Vice President, and the Secretary or Treasurer may execute the same. These restrictions shall not apply to the Special Member when he/she is acting for the Corporation in a capacity other than one which is purely advisory under the Articles of Incorporation.

Section 4. Annual Financial Report. The Corporation shall cause a financial report of the Corporation for the preceding fiscal year to be made and distributed to each Member thereof on or before one (1) week prior to the annual Members' meeting. The report shall include the Corporation's statement of receipts and disbursements and its year-end balance sheet.

Section 5. Review of Accounts; Financial Statement. The Corporation shall keep detailed books of account showing all expenditures and receipts, and which shall specify the maintenance and repair expenses and any other expenses incurred by or on behalf of the Corporation. Such accounts and all other non-privileged Corporation records shall be open for inspection by the Members during reasonable working hours. The Board of Directors shall prepare and distribute to each Member at least once a year a financial statement, the contents of which shall be defined by the Board of Directors. The Board of Directors shall annually engage a qualified, independent certified public accountant to perform a compilation, review or audit of the books of account. Copies of the report of such accountant shall be furnished to each Member of the Corporation at the same time the financial statements of the Corporation are presented to the Members.

Section 6. Fiscal Year. The fiscal year of the Corporation shall be an annual period commencing on such date as may be initially determined by the directors. Absent such determination by the Board of Directors, the fiscal year of the Corporation shall be the calendar year. The commencement date of the fiscal year shall be subject to change by the Directors for accounting reasons or other good cause.

Section 7. Depositories. The funds of the Corporation may be invested from time to time in accounts or deposit certificates of such banks or credit unions as are insured by an agency of the federal government and may also be invested in interest-bearing obligations of the United States Government or in such other depositories as may be adequately insured in the discretion of the Board of Directors. The funds of the Corporation 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.

Section 8. Employees and Independent Contractors. It shall be the responsibility of the Special Member initially and the elected Board of Directors thereafter to engage such employees and independent contractors as are required to discharge the responsibility of the Corporation to its Members.

ARTICLE IX REMEDIES FOR DEFAULT

Section 1. Remedies. Any default by a Member shall entitle the Corporation to the following relief:

(a) **Legal Action.** Failure to comply with any of the terms and provisions of the Articles of Incorporation or these Amended and Restated Bylaws, including any of the Rules and Regulations made by the Board of Directors hereunder, shall be grounds for relief, which may include without intending to limit the same, an action for summary proceedings to recover possession, to recover sums due for damages, injunctive relief or any combination thereof, and such relief may be sought by the resolution of the Board of Directors on behalf of the Corporation.

(b) **Recovery of Costs.** In the event of a default by a Member or the Member's guests, invitees and/or contractors, the Corporation shall be entitled to recover from the Member the pre-litigation costs and attorney fees incurred in obtaining or attempting to obtain their compliance. In any legal proceeding arising because of an alleged default by any Co-owner, the Corporation, if successful, shall also be entitled to recover the costs of the proceeding and such reasonable attorney fees, (not limited to statutory fees) as may be determined by the Court, but in no event shall any Member be entitled to recover such attorney fees. The Corporation, if successful, shall also be entitled to recoup the costs and attorney's fees incurred in defending

any claim, counterclaim or other matter from the Member asserting the claim, counterclaim or other matter.

(c) **Removal and Abatement.** The violation of any of the provisions of the Articles of Incorporation, these Amended and Restated Bylaws or the Rules and Regulations of the Corporation, shall also give the Corporation, or its duly authorized agents, the right, in addition to the rights set forth above, to enter upon the common areas, or into any dwelling unit, where reasonably necessary, and summarily remove and abate, at the expense of the Member in violation, any structure, thing or condition existing which is in violation of any of the provisions of the Articles of Incorporation, these Amended and Restated Bylaws or the Rules and Regulations of the Corporation; provided, however, that judicial proceedings shall be instituted before items of construction are altered or demolished pursuant to this subsection. The Association shall have no liability to any Member arising out of the exercise of its removal and abatement power authorized herein.

(d) **Assessment of Fines.** The violation of any of the provisions of the Articles of Incorporation, these Amended and Restated Bylaws or the Rules and Regulations of the Corporation by any Member, in addition to the rights set forth above, shall be grounds for assessment by the Association of a monetary fine for such violation.

(i) **Procedures.** Upon any violation being alleged by the Corporation, a written notice shall be sent to the offending Member describing the facts constituting the alleged violation, the specific restriction alleged to have been violated and the notice shall set forth the date (no less than seven (7) days from the date of the notice), time and place for a hearing before the Board of Directors, at which the Member shall have the right to appear before the Board and offer evidence in defense of the alleged violation, with or without legal counsel. The Board shall issue a written notice of its determination within ten (10) days after the hearing and, upon finding that a violation has occurred, the Board of Directors may levy a fine in accordance with the following subsection.

(ii) **Fine Schedule.** Upon a determination that a material violation of any of the provisions of the cooperative documents has occurred the following fines may be levied:

1st Violation- No fine shall be levied unless the Board determines that the nature of the violation is such as to be best deterred in the future if a fine is imposed for a first violation.

2nd Violation - \$25.00 fine

3 rd Violation	-	\$50.00 fine
4 th & Subsequent Violation	-	\$100.00 fine

Section 2. Non-Waiver of Right. The failure of the Corporation to enforce any right, provision, covenant or condition shall not constitute a waiver of the right of the Corporation to enforce such right, provision, covenant or condition in the future.

Section 3. Cumulative Rights, Remedies, and Privileges. All rights, remedies and privileges granted to the Corporation pursuant to any terms, provisions, covenants or conditions of the Articles of Incorporation, these Amended and Restated Bylaws or the Rules and Regulations of the Corporation shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the Corporation from exercising such other and additional rights, remedies or privileges as may be available to it at law or in equity.

ARTICLE X DISSOLUTION

Section 1. Trustee. In the event the Regular Members, with the consent of the Special Member, vote to dissolve the Corporation in a manner which satisfies the requirements of the Articles of Incorporation, then the Members shall, at the special meeting adopting the plan of dissolution, designate three Members to act as Trustees, who shall receive the property of the Corporation subject to its liabilities and, within the time set forth in the plan of dissolution or any extension thereof, liquidate the corporate assets, discharge its debts and distribute any remaining assets in accord with the plan of dissolution.

Section 2. Protection of Landlord. A plan of dissolution shall become effective only if a successor tenant to the Corporation under its land lease has been approved by the Landlord thereunder, and the dissolution will become final only after such successor tenant has in writing assumed all obligations of the Corporation thereunder and the Corporation has been discharged therefrom by the Landlord.

Section 3. Continuing Obligations of Members. The fact of dissolution shall not impair the obligation of any Member to meet land lease rentals, to make installment purchase contract payments or to satisfy any other obligation resulting from his membership in the Corporation or his purchase of such membership until such time as said member is specifically relieved of such obligations by the obligee or his assignee. It shall be an additional duty of the Trustee hereinbefore appointed to collect payments against such obligations and to disburse said payments as required by the Articles of Incorporation, these Bylaws and those contracts of the Corporation or its Members.

ARTICLE XI RULES AND REGULATIONS

Section 1. Enforcement. In addition to the remedies available to the Corporation under Article IV, Section 4 of these Bylaws, the Board of Directors may warn or reprimand a Member who has violated any of the provisions of the Articles of Incorporation, these Bylaws and any further Rules and Regulations adopted by the Corporation or suspend the use of common facilities for not to exceed thirty (30) days.

Section 2. Additional Rules and Regulations. Additional Rules and Regulations may be adopted by the Board of Directors or the Members as the needs of the Corporation requires. Such additional Rules and Regulations whether or not becoming part of the By-Laws and whether adopted by the Board or the Members, shall nevertheless be enforced by the Corporation in the manner above provided.

ARTICLE XII INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Indemnification of Directors and Officers. The Corporation shall indemnify any person who was or is party or is threatened to be made a party to a threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal, other than an action by or in the right of the Corporation, by reason of the fact that he or she is or was a Director, Officer, or employee of the Corporation, against expenses, including attorneys' fees, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit or proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation or its members, was not guilty of willful and wanton misconduct or gross negligence and, with respect to a criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful. The termination of an action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Corporation or its members and, with respect to a criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful or was not guilty of willful and wanton misconduct or gross negligence; provided, however, that in the event of any claim for reimbursement or indemnification hereunder based upon settlement by the Director, Officer or other person seeking such reimbursement or indemnification, the indemnification provided for herein shall apply only if the Board of Directors (with the person seeking reimbursement or indemnification abstaining) approves such settlement and reimbursement or indemnification as being in the best interest of the Corporation. The foregoing right of reimbursement or indemnification shall be in addition to and not exclusive of other rights to which such Director, Officer or other person may be entitled. At least ten days prior to payment of any reimbursement or indemnification which it has approved, the Board of Directors shall notify all Co-owners thereof.

The Corporation shall indemnify any person who was or is party or is threatened to be made a party to a threatened, pending or completed action or suit in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a Director, Officer, or employee of the Corporation, against expenses, including attorneys' fees and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action or suit, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation or its members and was not guilty of willful and wanton misconduct or gross negligence. Indemnification shall not be made for a claim, issue or matter in which the person has been found to be liable to the Corporation except as provided in Section 564c of the Business Corporation Act.

ARTICLE XIII AMENDMENTS

These Bylaws may be amended or revoked by a vote of the majority of the Members of the Corporation at any duly called meeting, or by action of the Board of Directors, provided that the notice of such meeting, whether annual or special, shall set forth in detail the amendment or revocation to be acted upon. No obligations or benefits of the Special Member without his consent thereto in writing. The original Bylaws are properly adopted by the Board of Directors.

ARTICLE XIV INCONSISTENCY

Section 1. Pronouns. Whenever in these Bylaws words, including pronouns, are used in any particular gender, they shall be read and constructed in the masculine, feminine or neuter, whenever they would so apply, and whenever other words, including pronouns, are used in the singular or plural, they shall be read and construed in the plural or singular, respectively wherever they would so apply.

Section 2. Capitalized Terms. Where appropriate, capitalized terms shall be construed in the same manner as such terms are otherwise defined in other applicable documents, including the Articles of Incorporation and the lease between the Corporation and Colonial-Hunt Club Land Company.

ARTICLE XV SEVERABILITY

In the event that any of the terms, provisions, or covenants of these Bylaws are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or

covenants of such documents or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

CERTIFICATE OF SECRETARY

The undersigned certifies that:

- 1) *Clayton A. Throckmorton* is the duly elected and acting Secretary of Colonial Acres Cooperative Phase V, Inc.
- 2) The foregoing By-Laws constitute the Amended Bylaws of said Corporation as duly adopted at the meeting of the Board of Directors thereof duly held on the 11TH day of NOVEMBER, 2009