

**BYLAWS
OF
BRISTOL CORNERS SUBDIVISION HOMEOWNER'S ASSOCIATION**

**ARTICLE I.
NAME AND LOCATION**

The name of this corporation is BRISTOL CORNERS SUBDIVISION HOMEOWNER'S ASSOCIATION, hereinafter referred to as the "Association". The principal office of the Association shall be located at 9089 Sherwood, Davisburg, Michigan 48350, but meetings of members and directors may be held at such places within the State of Michigan as may be designated by the Board of Directors.

**ARTICLE II.
DEFINITIONS**

Section 1. "Association" shall mean and refer to the **BRISTOL CORNERS SUBDIVISION HOMEOWNER'S ASSOCIATION**, a Michigan nonprofit corporation, its successors and assigns.

Section 2. "Common Area" shall mean those areas of land within the Subdivision or within any future subdivision if any, hereafter annexed (including improvements thereto) now or hereafter owned by the Association for the common use, benefit and enjoyment of the Owners. A description of and the legal description of the Common Area to be owned by the Association at the time of the conveyance of the first Lot within the Subdivision is set forth in the Declaration.

Section 3. "Declarant" shall mean and refer to Novi Group, L.L.C., a Michigan limited liability company, and its successors and assigns.

Section 4. "Declaration" shall mean and refer to the Declaration of Restrictions for **BRISTOL CORNERS WEST SUBDIVISION NO. 1**, as recorded in Liber 17747, Page 762 through 784 inclusive, of Plats, Oakland County Records and any further amendments thereto.

Section 5. "Lot" shall mean and refer to any numbered lot shown on any recorded Plat of the **BRISTOL CORNERS WEST SUBDIVISION NO. 1** and any future subdivisions hereafter annexed.

Section 6. "Member" shall mean and refer to those persons entitled to membership in the Association, as provided in the Declaration and its amendments.

Section 7. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of the fee simple title to any Lot which is either a part of Bristol Corners West Subdivision No. 1 (the "Subdivision") or any future subdivisions hereafter annexed, or the land contract purchaser of any Lot or party granted an option to purchase any Lot. Notwithstanding the foregoing, optionees or land contract vendees of lots owned by the Declarant shall not be considered Owners of such lots for purposes of determining voting rights hereunder, although such optionees and land contract vendees shall be fully responsible for all assessments, charges and performance obligations imposed against such lots. The term Owner shall not include those having any interest merely as security for the performance of an obligation. When more than one person or entity has an interest in the fee title of a Lot, the interest of all such persons collectively shall be that of a single Owner.

ARTICLE III. **MEMBERSHIP AND VOTING RIGHTS**

Section 1. **Membership.** Every person who or which is the Owner of a Lot shall be a Mandatory Member of the Association. Membership in the Association is, and shall be, appurtenant to, and may not be separated from, ownership of any Lot. Notwithstanding the foregoing, the termination of any person's ownership interest in any Lot, and the consequent termination of such person's membership in the Association, shall not relieve such person from any debt or obligation attributable to such Lot which accrued or arose during the period such person was an Owner of such Lot.

Section 2. **Voting Rights.** All Members shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in a Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves shall determine, but in no event shall more than one vote be cast with respect to any one Lot

ARTICLE IV. **PROPERTY RIGHTS**

Section 1. **Owner's Easements of Enjoyment.** The right and easement of enjoyment of each Owner in and to the Common Area shall be subject to the following prior rights of the Association:

a. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area.

b. The right of the Association to suspend the voting rights and right to use the Common Area by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

c. The right of the Association to levy assessments, as set forth in Article V, below.

Section 2. **Delegation of Use.** Any Owner may delegate, in accordance with these Bylaws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or purchasers who reside on his Lot. Said easement of enjoyment shall not be personal, but shall be considered to be appurtenant to the Lot and shall pass with title to the Lot whether or not specifically set forth in the deed of conveyance of the Lot.

Section 3. **Agreement for Common Area Maintenance.** The rights and obligations of each Owner of a Lot shall in all cases be subject to an Agreement for Common Area Maintenance as set forth in Article III, Section 3 of the Declaration.

ARTICLE V. **COVENANT FOR MAINTENANCE ASSESSMENTS**

Section 1. **Creation of the Lien and Personal Obligation of Assessments.** Each Owner of a Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual general assessments or charges, and (2) special assessments for capital improvements. Such assessments shall be established and collected as hereinafter provided. The general and special assessments, together with interest thereon, and collection costs, including reasonable attorney's fees, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest thereon, and costs of collection thereof, including reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time the assessment fell due. The personal obligation for delinquent assessments shall not pass to Owner's successors in title unless expressly assumed by them.

Section 2. **Purpose of Assessments.** The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Subdivision and in particular for the construction, reconstruction, repair, replacement and preservation of the Common Area now or hereafter owned by the Association and the facilities and structures located thereon, the woodlands, wetlands, subdivision entrances, retaining walls, fixtures, personal property and other property now or hereafter under the control of the Association; for planting and maintenance of trees, shrubs and grass; for construction, operation and maintenance of recreational facilities; for caring for vacant Lots; for providing community services; and for the protection of the Owners.

Section 3. **Maximum Annual Assessment.** Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the annual assessment shall be One Hundred Dollars (\$100.00) per Lot owned by an Owner.

a. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the annual assessment may be increased each year to an amount which is not more than ten percent (10%) greater than the maximum assessment which was permissible to be assessed hereunder for the previous year without a vote of the Members.

b. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the annual assessment may be increased above the ten percent (10%) increase permitted by subsection 3a above by a vote of two-thirds (2/3) of the Members who are voting in person or by proxy, at a meeting duly called for that purpose.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy against each Owner, in any assessment year, a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, replacement and preservation of any improvement upon the Common Area and other areas which now or hereafter may be under the control of the Association and facilities and structures thereon, including without limitation those listed in Section 2 above, or for any other legal purpose desired by the Association, provided that any such special assessment shall have the assent of two-thirds (2/3) of the votes of Members who are voting in person or by proxy at a meeting duly called for that purpose.

Section 5. Notice and Quorum for Actions Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 and 4 of this Article shall be sent to all Members not less than 15 days nor more than 30 days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast twenty-five percent (25%) of the votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than ninety (90) days following the preceding meeting.

Section 6. Rate of Assessment. Both the general and the special assessments shall be set by the Board at a uniform rate for the Owners of all Lots and may be collected on a monthly or an annual basis.

Section 7. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the first Lot to an Owner. A conveyance to a builder who has purchased a Lot for the intended purpose of constructing a residence thereon for sale to an Owner shall not be deemed a conveyance to an Owner. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board shall fix the amount of the annual assessment against each Lot and to establish the assessment due date at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be

established by the Board. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot shall be binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid in full within thirty (30) days following the due date shall be increased by a later fee equal to ten percent (10%) of the initial amount of the assessment. The increased assessment shall thereafter bear interest from the due date at the rate of eleven percent (11%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the assessment, interest, late payment fee and deficiency, and may foreclose the lien against the Lot. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

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

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein on any Lot shall be subordinate to the lien of any first mortgage covering the Lot. Sale or transfer of any Lot shall not affect the lien of the assessments. However, the sale or transfer of any Lot pursuant to mortgage foreclosure, or any proceeding in lieu thereof, shall extinguish the lien of the assessment, but shall not extinguish the personal obligation of the Lot's Owner for payment of assessments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments becoming due after such sale or from the lien of such assessments.

Section 11. Failure of Association to Maintain Storm Water Retention Basin, Woodlands and Wetlands. In the event the Association shall at any time fail to maintain the storm water retention areas, woodlands and wetlands located within the Subdivision in a reasonable order and condition, the City of Novi may avail itself to the rights and remedies described in the Declaration.

Section 12. Charges for Compliance with Ordinances, Laws, Rules or Regulations and Street Cleaning. Each lot, during and immediately after construction of any structure on the lot, is subject to such charges as are necessary to defray the cost of street cleaning and to pay any other costs imposed by the City of Novi or any other governmental entity on the Declarant or The Subdivision that are directly or indirectly related to construction activities on lots in the Subdivision. Any cost imposed by the City or any other governmental entity on the Declarant or the Subdivision that directly or indirectly relates to the construction activities on one or more lots shall be assessed against, and shall be payable by, the Owners (or, if applicable, the land contract or option purchasers from Declarant) of the lots to which the costs are attributable.

Section 13. **License Agreement.** Declarant and the City of Novi have entered into a License Agreement permitting the erection and maintenance of a Subdivision entranceway sign within the boulevard traffic island at The Subdivision entranceway. A copy of the License Agreement is available upon request from Declarant or the City of Novi. To the extent legally permitting now or in the future, Declarant hereby assigns all of its rights and obligations under the License Agreement to the Association. Among other provisions, the License Agreement requires that the City of Novi be provided with comprehensive general liability insurance coverage to protect the City against claims related to the licensed premises and the Subdivision entranceway sign.

ARTICLE VI. **MEETINGS OF MEMBERS**

Section 1. **Annual Meetings.** The first annual meeting of the Members entitled to vote shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at the hour of six o'clock (6:00) p.m. local time. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. **Special Meetings.** Special meetings of the Members may be called at any time by the president or by vote of the Board, or upon written request of the Members who are entitled to vote one-half (1/2) of all of the votes of the Association.

Section 3. **Notice of Meetings.** Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days before such meeting of each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice, **or by emailing such notice to an email address supplied by such Member to the Association for the purpose of notice.** Each Member shall register his postal address **and optionally email address** with the secretary, and notices of meetings shall be mailed **or emailed** to him at such address. Such notice shall specify the place, date and hour of the meeting, and in the case of a special meeting, the purpose of the meeting. If the business of any meeting shall involve any change in the basis or maximum amount of the annual assessment set forth in Article V, or any special assessments therein authorized, notice of such meeting shall be given or sent as therein provided.

Section 4. **Quorum.** The presence at the meeting of the Members entitled to cast, or of proxies entitled to cast, twenty-five percent (25 %) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

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

ARTICLE VII.
BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. **Number.** The business and affairs of this Association shall be managed by a Board of not less than five (5) nor more than fifteen (15) directors who need not be Members of the Association, provided that the Board may contain between one (1) and five (5) members at any time until all Members become eligible to vote pursuant to Article ID of the Articles of Incorporation. The Board of Directors of the Association may be appointed by the Declarant until the earlier of such time ("Transition Date") as (a) sixty-five percent (65 %) of the Lots have been sold to Owners, or (b) such earlier time as may be elected by Declarant, and thereafter shall be elected by the Owners. In the event that, as of the Transition Date, the Owners are unwilling or unable to elect a Board of Directors, the Declarant reserves the right to grant to the Management Agent of the Association or to such other designee chosen by Declarant the right to appoint a Board of Directors composed of either Owners or Non-Owners, or some combination thereof. The fee charged by the Management Agent or other designee and by the Directors shall be paid directly by the Association. The right of the Management Agent or other designee to appoint the Board of Directors shall continue until the first annual meeting at which the Owners are willing and able to elect a Board of Directors of Owners who desire to serve as Directors. When more than one person holds an interest in a Lot, all such persons shall be Members. The vote for such Lot shall be exercised as such persons among themselves shall determine, but in no event shall more than one vote be cast with respect to any one Lot. Any transition of control of the Association under this article shall not in any way affect the membership of the Architectural Control Committee or the power of Declarant to appoint Committee members. Declarant reserves the right at any time, but shall not be obligated, to assign to the Association the right to appoint one or more of the Committee members.

Section 2. **Transfer of Right to Appoint Board.** In the event that following the transfer of operating rights by the Declarant, the Owners are unwilling or unable to elect a Board who desire to serve as directors, the Declarant reserves the right to grant to a management agent of the Association or to such other designee chosen by Declarant the right to appoint a Board composed of either Owners or non-Owners, or some combination thereof. The fee charged by such management agent or other designee and by the directors shall be paid directly by the Association. The right of the management agent or other designee to appoint the Board shall continue until the next annual meeting of the members at which the Owners are willing and able to elect a Board of Owners who desire to serve as directors.

Section 3. **Term of Office.** At the first annual meeting, and at each annual meeting thereafter, the Members of the Association entitled to vote shall elect at least three (3) directors for a term of one (1) year. A Director shall hold office for the term for which he is elected and until his successor is elected and qualified or until his resignation or removal.

Section 4. **Removal.** Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association entitled to vote.

Section 5. **Vacancies.** Vacancies in the Board caused by death, resignation or removal of a director shall be filled by appointment by and upon the vote of a majority of the remaining directors, and such director or directors, so appointed, shall serve for the unexpired term of his predecessor.

Section 6. **Compensation.** No director other than as set forth in Section 2, shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE VIII. **MEETINGS OF BOARD**

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

Section 2. **Meetings.** Meetings of the Board may be called at any time by the president or the secretary or by a majority of the Board. The directors shall be notified in writing of the time, place and purpose of all meetings of the Board at least three (3) days prior to the date scheduled for said meeting with the exception of the annual meeting of the Board, for which no notice shall be provided, and which shall be held immediately after the annual meeting of the Members. Attendance of a director at a meeting constitutes a waiver of notice of said meeting, except where the director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

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

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

ARTICLE IX. **POWERS AND DUTIES OF THE BOARD**

Section 1. **Powers.** The Board shall have power to, in addition to any and all powers conferred by statute, to:

- (a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) Suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of the published rules and regulations;
- (c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, the Declaration, the Open Space Agreement (as defined in Article III, Section 3 of the Declaration);
- (d) Declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive scheduled meetings of the Board;
- (e) Employ a manager, an independent contractor, professional maintenance contractors or such other employees as they deem necessary, and to prescribe their duties; and
- (f) To delegate to the appropriate officers the carrying out of its policies and directives.

Section 2. Duties. The Board shall:

- (a) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
- (b) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;
- (c) Initiate collection of delinquent assessments including, in their discretion, the foreclosure of the lien against any property for which assessments are not paid after due or to bring an action at law against the Owner personally obligated to pay the same;
- (d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

- (e) Procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (f) Cause the Common Area, if any, to be maintained and preserved, as is more fully defined in the Declaration; and
- (g) To exercise for the Association all powers, duties and authority vested in or delegated to the Association.

ARTICLE X. **OFFICERS**

Section 1. At the annual meeting of the Board, the Board shall elect a president, a secretary and a treasurer and may select one or more vice presidents, assistant secretaries and assistant treasurers who shall serve for a period of one (1) year or until their successors shall be chosen. Two or more offices may be held by the same person but an officer shall not execute, acknowledge or verify an instrument in more than one capacity if the instrument is required by law or the Articles of Incorporation or Bylaws to be executed and acknowledged or verified by two (2) or more officers.

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

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

ARTICLE XI. **DUTIES OF OFFICERS**

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

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

Section 3. **Treasurer.** The Treasurer shall have custody and keep account of all money, funds and property of the Association, unless otherwise determined by the Board, and he shall render such accounts and present such statement to the directors and president as may be required of him. He shall deposit all funds of the Association which may come into his hands in such bank or banks as the Board may designate. He shall keep his bank accounts in the name of the Association, and shall exhibit his books and accounts, at all reasonable times, to any Director of the Association upon application at the office of the Association during business hours. He shall pay out money as the affairs of the Association require upon the order of the properly constituted officer or officers of the Association, taking proper vouchers therefor; provided, however, the Board shall have power by resolution to delegate any of the duties of the Treasurer to other officers, and to provide by what officers, if any, all bills, notes, checks, vouchers, orders or other instruments shall be countersigned. He shall perform, in addition, such other duties as may be delegated to him by the Board.

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

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

ARTICLE XII.
COMMITTEES

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

ARTICLE XIII.
PROXIES

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

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

ARTICLE XIV.
CORPORATE SEAL

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

ARTICLE XV. AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of two-thirds (2/3) of the Members present, either in person or by proxy, and entitled to vote, **or by collection of original signatures of two-thirds of the Members entitled to vote, or by other official means including registered email address, electronic voting media or similar**, provided that any matter stated herein to be or which is in fact governed by the Declaration or the Open Space Agreement applicable to the Subdivision, and recorded, may not be amended except as provided in such Declaration or Open Space Agreement. **Requirements for notification and quorum shall be observed.**

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control.

ARTICLE XVI. MISCELLANEOUS

Section 1. **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 the first fiscal year shall begin on the date of incorporation.

Section 2. **Liability of Board Members.** Neither any Member of the Board nor the Declarant shall be personally liable to any Owner, or to any other party, for the damage, loss or prejudice suffered or claimed on account of any act or omission of the Association, the Board, the Declarant or any other representatives or employees of the Declarant, the Board or the Association.

Section 3. **Management Agent.** The Board of the Association shall be permitted to retain the services of a management agent to aid them in administering and carrying out the purposes of the Association, and may utilize a portion of the Association assessments to pay such management agent a fee deemed reasonable by the Board.

ARTICLE XVII. INDEMNIFICATION

Section 1. **Indemnification of Director, Officer, Partner, Trustee, Employee, Nondirector Volunteer or Agent: Claims by Third Parties.** The Association shall, to the fullest extent authorized or permitted by the Michigan Nonprofit Corporation Act (the "Act") or other applicable law, as the same presently exists or may hereafter be amended, indemnify a person ("Indemnitee") who was or is a 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 Association, by reason of the fact that Indemnitee is or was a director, officer, employee, nondirector volunteer or agent of the Association, or is or was serving at the request of the Association as a director, officer, partner, trustee, employee, nondirector volunteer or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not for profit, against expenses, including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by Indemnitee in connection with the action, suit, or proceeding, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Association or its members, and with respect to any criminal action or proceeding, if Indemnitee had no reasonable cause to believe the conduct was unlawful. The termination of any 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 Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the Association or its members, and with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct was unlawful.

Section 2. Indemnification Against Expenses of Director, Officer, Partner, Employee, Nondirector Volunteer or Agent: Claims Brought by or in the Right of the Association. The Association shall, to the fullest extent authorized or permitted by the Act or other applicable law, as the same presently exists or may hereafter be amended, indemnify an Indemnitee who was or is a party to or is threatened to be made a party to a threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that Indemnitee is or was a director, officer, employee, nondirector volunteer or agent of the Association, or is or was serving at the request of the Association as a director, officer, partner, trustee, employee, nondirector volunteer or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, against expenses, including actual and reasonable attorneys' fees, and amounts paid in settlement incurred by Indemnitee in connection with the action or suit, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Association or its members. However, indemnification under this Section shall not be made for a claim, issue, or matter in which Indemnitee has been found liable to the Association unless and only to the extent that the court in which the action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for the expenses which the court considers proper.

Section 3. Actions Brought by Indemnitee. Notwithstanding the provisions of Sections 1 and 2 of this Article, the Association shall not indemnify an Indemnitee in connection with any action, suit, proceeding or claim (or part thereof) brought or made by such Indemnitee; unless such action, suit, proceeding or claim (or part thereof) (i) was authorized by the Board of the Association, or (ii) was brought or made to enforce this Article and such Indemnitee has been successful in such action, suit, proceeding or claim (or part thereof).

Section 4. Approval of Indemnification. An indemnification under Sections 1 or 2 of this Article, unless ordered by a court, shall be made by the Association only as authorized in the specific case upon a determination that indemnification of Indemnatee is proper in the circumstances because Indemnatee has met the applicable standard of conduct set forth in Sections 1 and 2 of this Article. This determination shall be made promptly in any of the following ways:

- (a) By a majority vote of a quorum of the board consisting of directors who were not parties to the action, suit, or proceeding.
- (b) If the quorum described in subdivision (a) is not obtainable, then by a majority vote of a committee of directors who are not parties to the action. The committee shall consist of not less than two (2) disinterested directors.
- (c) By independent legal counsel in a written opinion.
- (d) By the Members.

Section 5. Advancement of Expenses. Expenses incurred in defending a civil or criminal action, suit, or proceeding described in Sections 1 or 2 of this Article shall be paid by the Association in advance of the final disposition of the action, suit, or proceeding upon receipt of any undertaking by or on behalf of Indemnatee to repay the expenses if it is ultimately determined that Indemnatee is not entitled to be indemnified by the Association. The undertaking shall be by unlimited general obligation of the person on whose behalf advances are made but need not be secured.

Section 6. Partial Indemnification. If an Indemnatee is entitled to indemnification under Sections 1 or 2 of this Article for a portion of expenses including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount thereof, the Association shall indemnify Indemnatee for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which Indemnatee is entitled to be indemnified.

Section 7. Indemnification of Employees, Nondirector Volunteers and Agents. Any person who is not covered by the foregoing provisions of this Article and who is or was an employee, nondirector volunteer or agent of the Association, or is or was serving at the request of the Association as a trustee, director, officer, employee, nondirector volunteer or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not for profit, may be indemnified to the fullest extent authorized or permitted by the Act or other applicable law, as the same exist or may hereafter be amended, but in the case of any such amendment, only to the extent such amendment permits the Association to provide broader indemnification rights than before such amendment, but in any event only to the extent authorized at any time or from time to time by the Board.

Section 8. Other Rights of Indemnification. The indemnification or advancement of expenses provided under Sections 1 to 7 of this Article is not exclusive of other rights to which

a person seeking indemnification or advancement of expenses may be entitled under the Articles of Incorporation, these Bylaws, or a contractual agreement. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses. The indemnification provided for in Sections 1 to 7 of this Article continues as to a person who ceases to be a trustee, director, officer, employee, nondirector volunteer or agent and shall inure to the benefit of the heirs, executors, and administrators of the person.

Section 9. Liability Insurance. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, nondirector volunteer or agent of the Association, or is or was serving at the request of the Association as a trustee, director, officer, employee, nondirector volunteer or agent of another corporation, business corporation, partnership, joint venture, trust or other enterprise against any liability asserted against the person and incurred by the person in any such capacity or arising out of the person's status as such, whether or not the Association would have the power to indemnify the person against such liability under the provisions of the Act.

Section 10. Contract with the Association. The right to indemnification conferred in this Article shall be deemed to be a contract between the Association and each director, officer, partner, trustee, employee, nondirector volunteer or agent who serves in any such capacity at any time while this Article is in effect, and any repeal or modification of any such law or of this Article shall not affect any rights or obligations then existing with respect to any state of facts then or theretofore existing or any action, suit or proceeding theretofore or thereafter brought or threatened based in whole or in part upon any such state of facts. In the event this Article is repealed or modified, the Association shall give written notice thereof to any director, officer, partner, trustee, employee, nondirector volunteer or agent and any such repeal or modification shall not be effective for a period of sixty (60) days after such notice is delivered.

Section 11. Application to a Resulting or Surviving Corporation or Constituent Corporation. The definition for "corporation" found in Section 569 of the Act, as the same exists or may hereafter be amended, is and shall be, specifically excluded from application to this Article. The indemnification and other obligations of the Association set forth in this Article shall be binding upon any resulting or surviving corporation after any merger or consolidation of the Association. Notwithstanding anything to the contrary contained herein or in Section 569 of the Act, no person shall be entitled to the indemnification and other rights set forth in this Article for acting as a director, officer, partner, trustee, employee, nondirector volunteer or agent of another corporation prior to such other corporation entering into a merger or consolidation with the Association.

Section 12. Definitions. "Other enterprises" shall include employee benefit plans; "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and "serving at the request of the Association" shall include any service as a director, officer, employee, nondirector volunteer or agent of the Association which imposes duties on, or involves services by, the director, officer, employee, nondirector volunteer or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good

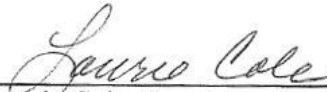
faith and in a manner he or she reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be considered to have acted in a manner "not opposed to the best interests of the Association or its members" as referred to in Sections 1 and 2 of this Article.

Section 13. Severability. Each and every paragraph, sentence, term and provision of this Article shall be considered severable in that, in the event a court finds any paragraph, sentence, term or provision to be invalid or unenforceable, the validity and enforceability, operation, or effect of the remaining paragraphs, sentences, terms, or provisions shall not be affected, and this Article shall be construed in all respects as if the invalid or unenforceable matter had been omitted.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting secretary of **BRISTOL CORNERS SUBDIVISION HOMEOWNER'S ASSOCIATION** and that the above is a true copy of the Bylaws of this Association adopted by the Association on 4-15-98.



Laurie Cole, Secretary