

**AMENDED AND RESTATED BYLAWS OF
HEATHER LAKE ESTATES HOMEOWNERS' ASSOCIATION**

ARTICLE I
NAME AND LOCATION

This Association shall be known as Heather Lake Estates Homeowners' Association. The Association may have offices within the State of Michigan as the Board of Directors may from time to time determine or the business of the Association may require.

ARTICLE II
NATURE AND PURPOSE

This Association, a non-profit corporation organized under the laws of the State of Michigan, is formed to protect the rights provided to owners of lots in Heather Lake Estates who constitute the members of the Association, including, without limitation, the owners of 274 lots in the phases of Heather Lake Meadows of the overall development known as Heather Lake Estates; to exercise the powers and rights granted to the Association in those certain Declarations of Covenants, Conditions and Restrictions for the Heather Lakes' subdivisions, as amended, recorded in Oakland County Records (collectively, the "Declaration", and together with these Bylaws are sometimes collectively referred to herein as the "Subdivision Documents"); to maintain and improve the residential character of Heather Lake Estates and surrounding area; to provide high standards of maintenance and operation of all property in Heather Lake Estates now or hereafter reserved or dedicated for the common use of all residents and owners of property; to arrange for the provision of services and facilities of common benefit; and to maintain and promote cordial and friendly relationships among the members of the Association.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

A. Membership Defined. Each "Owner" shall be a member of the Association and no other person or entity shall be entitled to membership. For purposes of these Bylaws, "Owner" shall mean and refer to a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which owns one or more lots in Heather Lake Meadows or Heather Lake Estates. Land contract vendees shall be considered Owners and shall be liable for all obligations and responsibilities of Owners under the Subdivision Documents.

B. Owner Voting Designation. Subject to the provisions of these Bylaws relating to suspension of a member's rights and privileges, each member of the Association shall be entitled to one (1) vote for each lot in which he/it is an Owner. Voting shall be by number. When any one lot is owned jointly by more than one (1) Owner, the voting rights appurtenant to that lot may be exercised only jointly as a single vote. In the event that the ownership of the improvements shall ever be severed from the ownership of the lot, only the owner of the lot shall be deemed an Owner hereunder.

C. Designation of Voting Representative. Each Owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Owner. Such notice shall state the name and address of the individual representative designated, the address(s) of the lot(s) owned by the Owner, and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the Owner. Such notice shall be signed and dated by the Owner. The individual representative designated may be changed by the Owner at any time by filing a new notice in the manner herein provided. At any meeting, the filing of such written notice as a prerequisite to voting may be waived by the chairperson of the meeting.

D. Assignment of Membership. No Owner shall assign, pledge, encumber or otherwise transfer all or any part of his membership in, or share of the funds and assets of, the Association, except as an appurtenance to a lot.

E. Suspension of Membership. The rights and privileges of any member (including the right to vote) may be suspended by the Association in the event such member is in default of any provision of the Subdivision Documents, including delinquency in the payment of any dues or assessments, until such default has been cured.

F. Voting. Votes may be cast in person, in writing duly signed by the designated voting representative, or by any other means allowed by the voting procedures adopted by the Association for a given vote, provided the same are not in violation of the provisions of these Bylaws. Any proxies, written votes or other votes cast by means allowed hereunder must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association or voting deadline if no meeting is held. Votes may be cast by mail, fax, delivery, e-mail or any other method approved by the Association in advance of the vote. Cumulative voting shall not be permitted.

ARTICLE IV MEMBERSHIP MEETINGS

A. Annual Meetings. Annual meetings of members of the Association shall be held in October of each year. The time and place of each meeting shall be selected by the Board of Directors of the Association. At such meetings there shall be elected by ballot of the members a Board of Directors in accordance with the requirements of Article V of these Bylaws. The members may also transact at annual meetings such other business as may properly come before them.

B. Special Meetings. Special meetings of the Association may be called at any time at the discretion of the President of the Association, or the Board of Directors, or upon written petition of members holding twenty-five percent (25%) of all of the eligible votes in the Association. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

C. Notice of Meetings. It shall be the duty of the Secretary or other person designated by the Association to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each member, at least ten (10) days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the member at his last known address according to the Association's records shall be deemed notice served. Any member may, by written notice signed by such member, waive such notice and such waiver, when filed in the records of the Association, shall be deemed due notice.

D. Quorum and Voting. At all meetings of this Association, representation by members holding at least twenty-five (25%) percent of the eligible votes in the Association shall constitute a quorum. Proxies (written in form acceptable to the Association and duly executed by the respective member) received prior to the meeting are to be included. A majority vote of the members voting that are present and having voting rights, together with accepted proxies, shall prevail. If any meeting of members cannot be held because a quorum is not in attendance, the members who are present may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

E. Conducting Business. Meetings of the Association members shall be guided in accordance with Roberts Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Articles of Incorporation, the Subdivision Documents or the laws of the State of Michigan. Only Owners in good standing, and their legal representatives, may speak at meetings of the Association and/or address the Board or members at any such meetings. Any person in violation of this provision or the rules of order governing the meeting may be removed from such meeting, without any liability to the Association or its Board of Directors.

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

G. Remote Communication Attendance; Remote Communication Meetings. A member may participate in a meeting of the members by a conference telephone or by other

means of remote communication through which all persons participating in the meeting may hear each other, if the Board determines to permit such participation and (a) the means of remote communication permitted are included in the notice of the meeting or (b) if notice is waived or not required. All participants shall be advised of the means of remote communication in use and the names of the participants in the meeting shall be divulged to all participants. Members participating in a meeting by means of remote communication are considered present in person and may vote at such meeting if all of the following are met: (a) the Association implements reasonable measures to verify that each person considered present and permitted to vote at the meeting by means of remote communication is a member or proxy holder; (b) the Association implements reasonable measures to provide each member and proxy holder a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with the proceedings; and (c) if any member or proxy holder votes or takes other action at the meeting by means of remote communication, a record of the vote or other action is maintained by the Association. A member may be present and vote at an adjourned meeting of the members by means or remote communication is they were permitted to be present and vote by the means of remote communication in the original meetings notice given. The Board may hold a meeting of the members conducted solely by means or remote communication.

H. Minutes. Minutes or a similar record of the proceedings of meetings of members, or of the Board of Directors, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE V BOARD OF DIRECTORS

A. Qualification and Number. The affairs of the Association shall be governed by a Board of seven (7) members, all of whom must be members of the Association. An Owner in default shall not be qualified to run for or function as an officer or Director of the Association. No two occupants of the same lot may serve on the Board of Directors at the same time.

B. Term. At the first annual meeting following adoption of these Bylaws, all candidates shall stand for election as a single slate. The four directors receiving the highest number of votes shall be elected for a term of two years. The three directors receiving the next highest number of votes shall be elected for a term of one year. In each year thereafter either four or three directors shall be elected for two year terms depending on how many directorships expire that year. All subsequent directors shall serve two year terms and shall hold office until their successors have been elected and hold their first meeting. Directors can be reelected with no term limits.

C. Powers. The Board of Directors shall have the powers and duties set forth in the Articles of Incorporation, the Subdivision Documents, and under Michigan law. The Board of Directors may designate one or more committees, each committee to consist of one or more directors of the Association. The committees contemplated by these Bylaws shall include

without limitation: (i) an architectural control committee (which will advise and make recommendations pursuant to Article IV, Paragraph 34, of the Declarations) (ii) quality control committee (to assist in enforcing the provisions of the Declarations as the same relate to the residential structures within Heather Lake Estates), (iii) maintenance committee (to provide recommendations to the Board of Directors with regard to the scheduling and provision of maintenance with respect to common areas and facilities which serve the members of the Association), (iv) a finance committee (to make recommendations to the Board of Directors with regard to annual and special assessments to be levied against members for the purposes set forth in Article VII of the Declaration), and (v) an oversight committee (to make recommendations to the Board of Directors with regard to controlling access to Heather Lake Estates by trespassers, poachers and other persons who are not owners of property with in Heather Lake Estates and their invitees). The Board may also make reasonable rules and regulations consistent with the Subdivision Documents and Michigan law and which concern the enforcement of the Subdivision Documents or the operation or administration of the Association. Copies of all such regulations and amendments thereto shall be furnished to all members of the Association and shall become effective as stated in said rule or regulation. Regulations may be revoked at any time by the affirmative vote of more than fifty (50%) percent of all members of the Association in number.

D. Professional Management. The Board of Directors may employ for the Association a professional management agent at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in subparagraph C of this Article III, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Subdivision Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. In no event shall the Board be authorized to enter into any contract with a professional management agent in which the maximum term is greater than three (3) years, or which is not terminable by the Association upon sixty (60) days' written notice thereof to the other party.

E. Vacancies. Vacancies in the Board of Directors with respect to any of the directors elected by the members caused by any reason other than the removal of a director by a vote of the members of the Association shall be filled by a vote of the majority of the remaining directors, although they may constitute less than a quorum. Each person so elected shall be a director until a successor is elected the next annual meeting of the Association.

F. Removal. At any regular or special meeting of the Association duly called, any one or more of the directors elected by the members may be removed with or without cause by a majority of the members and a successor may then and there be elected to fill the vacancy thus created. Any directors elected by the members whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

G. First Meeting. The first meeting of the Board of Directors after new members have been elected at the Annual Meeting shall be held within thirty (30) days of such election at such place as shall be fixed by the Directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such

meeting, providing a majority of the whole Board shall be present.

H. Regular Meeting. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally, by mail, email or telephone, at least ten (10) days prior to the date named for such meeting.

I. Special Meeting. Special meetings of the Board of Directors may be called by the President on three (3) business days' notice to each director, given personally, or by mail, email or telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of one (1) director.

J. Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meetings of the Board shall be deemed a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

K. Quorum and Voting. At all meetings of the Board of Directors, a majority of the sitting Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. A Director will be considered present and may vote on matters before the Board by proxy, by teleconference, electronically or by any other method giving the remainder of the Board sufficient notice of the absent Director's vote and position on any given matter, provided however, that any vote not in writing is confirmed in writing not later than the next meeting of the Board. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring the minutes thereof, shall constitute the presence of such director for purposes of determining a quorum.

L. Attendance. Board members should attend both Board meetings and Association meetings regularly, unless excused. A Director will be considered absent unless they contact another director or a Property Manager if such position is under contract to the Association, and request to be excused prior to the start of the meeting. After three (3) consecutive unexcused Board meetings and/or Association meetings, a director will have abdicated their position, and the Board of Directors must act to fill the vacancy in accordance with Article V, subparagraph E hereof.

M. Action Without Meeting. Any action permitted to be taken by the Board of Directors at a meeting of the Board shall be valid if consented to in writing by the requisite majority of the Board of Directors. Further, the presiding officer of the Association, in

exceptional cases requiring immediate action, may poll all Directors by phone or e-mail for a vote, and provided the action is consented to by the requisite number of Directors, such vote shall constitute valid action by the Board, provided the results of the vote and the issue voted upon are noted in the minutes of the next Board meeting to take place.

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

O. Remote Communication Participation. Members of the Board of Directors may participate in any meeting by means of conference telephone or other means of remote communication through which all persons participating in the meeting can communicate with the other participants. Participation in a meeting by such means constitutes presence in person at the meeting.

ARTICLE VI
OFFICERS

A. Officers. The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice President, Secretary and a Treasurer. The directors may appoint an Assistant Treasurer, and an Assistant Secretary, and such other officers as in their judgment may be necessary. Any two officers except that of President and Vice president may be held by one person.

B. Election. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

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

D. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of an association, including, but not limited to, the power to appoint committees from among the members of the Association from time to time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association. The President shall serve as an ex-officio

member of all committees.

E. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

F. Secretary. The Secretary, or other person designated by the Association, shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association. He shall have charge of the corporate seal and of such books and papers as the Board of Directors may direct; and shall, in general, perform all duties incident to the office of the Secretary.

G. Treasurer. The Treasurer shall have responsibility for the association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, and in such depositaries as may, from time to time, be designated by the Board of Directors.

H. Other Duties. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Directors.

ARTICLE VII FINANCE

A. Finances. The finances of the Association, including, without limitation, dues, assessments and disbursements, shall be handled in accordance with the Articles of Incorporation and the Subdivision Documents.

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

C. Banking. The funds of the Association shall be deposited in such bank as may be designated by the directors and 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. Funds of the Association shall only be held in accounts that are fully insured and/or backed by the full faith and credit of the United States Government. Only depositories or instruments where there is no risk of principal loss may be utilized by the Association for investment of its monies.

ARTICLE VIII
INDEMNIFICATION OF OFFICERS AND DIRECTORS

Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become Involved, by reason of his being or having been a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association, The foregoing right of Indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten (10) days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all members thereof.

ARTICLE IX
COMPLIANCE AND AMENDMENTS

A. Compliance With Documents. The Association and all present or future Owners, tenants, future tenants, or any other persons acquiring an interest in or using the facilities of the Association in any manner are subject to and shall comply with the provisions of these Bylaws, the Declaration, the Articles of Incorporation of the Association and the Rules and Regulations of the Association. In the event that the Declaration, these Bylaws or the Articles of Incorporation conflict with the provisions of any Statute, the Statute shall govern. If any provision of these Bylaws conflicts with any provision of the Declaration, the Declaration shall govern.

B. Amendments. These Bylaws may be amended by the Association by an affirmative vote of two-thirds (2/3) of all eligible voters.

C. Proposed Amendments. Amendments to these By-Laws may be proposed by a majority of the Board of Directors of the Association or by one-third (1/3) of the eligible voters of the Association.

D. Effective Date. Any amendment to these By-Laws shall become effective upon adoption of the same in accordance with subparagraph B of this Article IX

ARTICLE X
CONTRACTS

No member of the Association shall have the authority to make any contract for the Association or commit the Association to any course of action without the prior written approval of the Board of Directors. Contracts of the Association shall be signed by any two of the following: President, Vice President and Secretary/Treasurer.

Prepared by the Heather Lake Estates Board of Directors and
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