

BYLAWS
FOR
STEEPLECHASE OF NORTHVILLE OWNERS ASSOCIATION

TABLE OF CONTENTS

<u>Article Number</u>	<u>Section Number</u>	<u>Page Number</u>
1	INTERPRETIVE PROVISIONS	1
	1.1 Defined Terms	1
	1.2 Use of Technology	1
2	MEMBERSHIP; MEETINGS OF OWNERS	1
	2.1 Membership	2
	2.2 Annual Meetings	2
	2.3 Special Meetings	2
	2.4 Notice of Meetings	2
	2.5 Waiver of Notice of Meetings	2
	2.6 Quorum	3
	2.7 Order of Business	3
	2.8 Conduct of Meetings	3
	2.9 Record Date to Determine Owners; List of Owners	3
	2.10. Action by Owners Without Meeting	4
3	CLASSES OF OWNERS; VOTING	4
	3.1. Classes of Owners; Voting Rights	4
	3.2. Additional Provisions Governing Voting	5
	3.3. Manner of Voting	5
	3.4. Proxies	6
4	BOARD OF DIRECTORS	6
	4.1. Powers and Duties of the Board of Directors	6
	4.2. Meetings of Directors	8
	4.3. Action by Directors Without Meeting	9
	4.4. Number of Directors	9
	4.5 Election; Term	9
	4.6 Vacancies	9
	4.7. Deference	9

5	MANAGING AGENT	10
	5.1. Compensation	10
	5.2. Requirements	10
	5.3. Duties	10
	5.4. Standards.....	10
	5.5. Limitations	11
6	OFFICERS	11
	6.1. Designation and Duties of Officers.....	11
	6.2. Election of Officers.....	11
	6.3. Resignation or Removal of Officers	11
	6.4. Vacancies	12
	6.5. President.....	12
	6.6. Vice President.....	12
	6.7. Secretary	12
	6.8. Treasurer	12
	6.9. Managing Agent	12
7	COMMITTEES	12
	7.1. Required Committees.....	12
	7.2. Other Committees	13
	7.3. Appointment and Removal	13
	7.4. Committee Meetings.....	13
	7.5. Action by Committee Without a Meeting.....	13
8	FIDUCIARY DUTIES	13
	8.1. Signature Requirements.....	13
	8.2. Conflicts of Interest	13
	8.3. Liability and Indemnification	14
	8.4. Compensation of Directors and Officers	15
9	BOOKS AND RECORDS.....	15
	9.1. Maintenance.....	15
	9.2. Availability	15
	9.3. Accounting Report.....	16
	9.4. Fiscal Year	16
	9.5. Association Filings	16
10	NOTICES	16
11	AMENDMENTS.....	17

PROXY
VOTING CERTIFICATE

EXHIBIT A
EXHIBIT B

BYLAWS
FOR
STEEPLECHASE OF NORTHVILLE OWNERS ASSOCIATION

ARTICLE 1

INTERPRETIVE PROVISIONS

Section 1.1 Defined Terms. Terms used herein without definition shall have the meanings specified for such terms in the Michigan Nonprofit Corporation Act, MCLA 450.2101 et seq ("Act"). Definitions, terms and other interpretive provisions set forth in the Declaration for Steeplechase of Northville ("Declaration") are equally applicable to these Bylaws.

Section 1.2 Use of Technology.

(a) Electronic Means. To the extent permitted by law, the Association and its Owners and occupants may perform any obligation or exercise any right by use of any technological means providing sufficient security, reliability, identification and verifiability. Acceptable technological means shall include without limitation electronic communication over the internet, the community or other network, whether by direct connection, intranet, telecopier or e-mail.

(b) Signature Requirements. Any requirement for a signature under the Association Documents may be satisfied by a digital signature meeting the requirements of applicable law.

(c) Electronic Funds Transfer. Payment of all sums to and from the Association and the Owners and occupants may be made by electronic transfer of funds creating a record evidencing the transaction for the period such record would be required to be available in non-electronic form.

(d) Voting Rights. Voting and approval of any matter under the Association Documents may be accomplished by electronic means provided that a record is created as evidence thereof and maintained as long as such record would be required to be maintained in non-electronic form.

(e) Non-technology Alternatives. If any Owner, occupant or third party does not have the capability or desire to conduct business using electronic or other technological means, the Association shall make reasonable accommodation, at its expense, for such person to conduct business with the Association without use of such electronic or other means until such means has become generally (if not universally) accepted in similar communities in the area.

ARTICLE 2

MEMBERSHIP; MEETINGS OF OWNERS

Section 2.1. Membership. Members of the Association shall at all times be, and be limited to, the Declarant (during the Development Period) and other Persons who constitute Owners of the Lots. If more than one Person owns a Lot, then all such Persons shall collectively constitute one Owner and be one member of the Association. Each member and the Persons constituting each Owner are entitled to attend all meetings of the Association. Membership in the Association is mandatory and automatic with ownership of a Lot.

Section 2.2. Annual Meetings. The first annual meeting of the Association shall be held, not later than the first anniversary of the incorporation of the Association which occurs after there is an Owner other than the Declarant or a Builder, at such place, date and time as may be fixed by a resolution of the Board of Directors. Subsequent annual meetings of the Association shall be held on weekdays (other than legal holidays recognized as such in Michigan) at least ten months but not more than fourteen months after the preceding annual meeting at such place, date and time as may be fixed from time to time by resolutions of the Board of Directors.

Section 2.3. Special Meetings. The Association shall hold a special meeting: (1) upon the call of the President; (2) if so directed by resolution of the Board of Directors; (3) upon a petition presented to the Secretary and signed by Owners entitled to cast at least ten percent of the total number of votes (excluding the Declarant's votes); or (4) upon request of the Declarant during the Development Period. The signatures on a petition requesting a special meeting shall be valid for a period of one hundred-eighty days after the date of the first such signature. Such resolution, petition or request must: (1) specify the time and place at which the meeting is to be held; (2) either specify a date on which the meeting is to be held which will permit the Secretary to comply with Section 2.3, or else specify that the Secretary shall designate the date of the meeting; (3) specify the purposes for which the meeting is to be held; and (4) be delivered to the Secretary. No business other than that stated in such resolution, request or petition shall be transacted at such special meeting.

Section 2.4. Notice of Meetings. Written notice stating the place, date and time of each annual or regularly scheduled meeting and, in the case of a special meeting, the purposes for which the meeting is called, shall be given by the Secretary (or as directed by the Secretary) to each Owner entitled to vote at such meeting not less than ten days nor more than sixty days before the date of any annual or regularly scheduled meeting, and at least ten days before any other meeting, except for meetings to vote on extraordinary actions, in which case notice shall be given as provided in Subsection (b). The giving of notice in the manner provided in this section, Articles 1 and 10 and the Act shall be considered service of notice.

Section 2.5. Waiver of Notice of Meetings

(a) Written Waiver. Whenever any notice is required to be given of any meeting of the Association, a waiver thereof in writing signed by an Owner entitled to such notice, whether given before or after the meeting, shall be equivalent to the giving of such notice to that Owner and such waiver shall be delivered to the Secretary for inclusion in the minutes or filing with the Association records.

(b) Waiver by Attendance. An Owner who attends a meeting shall be conclusively presumed to have had timely and proper notice of the meeting or to have duly waived notice thereof, unless such Owner attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called or convened and so notifies the person conducting the meeting at or prior to the commencement of the meeting or, in the case of a special meeting, at or prior to consideration of the matter subject to objection.

Section 2.5. Quorum. A quorum shall be deemed to be present throughout any meeting of the Association if Owners entitled to cast at least fifty (50%) percent of the total number of votes are present, in person or by proxy, at the beginning of such meeting. Once an Owner is present at a meeting such Owner is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new Record Date is set for that adjourned meeting. When voting on any matter requiring a vote by a specified percentage of each class of Owners or of a specific class of Owners, a quorum of each class of Owners or the specific class of Owners must be present in person or by proxy.

If at any meeting of the Association a quorum is not present, a majority of the Owners who are present at such meeting in person or by proxy may: (1) recess the meeting to such place, date and time as such Owners may agree not more than forty-eight hours after the time the original meeting was called; or (2) adjourn the meeting to a time not less than forty-eight hours or more than thirty days after the time the original meeting was called at such date and place as such Owners may agree, whereupon the Secretary shall announce the place, date and time at the meeting and make other reasonable efforts to notify all Owners of such date, time and place at which the meeting will be resumed. At any such future resumption of the meeting, a quorum shall be deemed present if Owners entitled to cast at least fifty (50%) percent of the total number of votes are present in person or by proxy.

Section 2.6. Order of Business. Unless otherwise specified in the notice of the meeting, the order of business at all meetings of the Association shall be as follows:(1) roll call (proof of quorum); (2) proof of notice of meeting; (3) adoption of minutes of preceding meeting; (4) reports of officers; (5) report of Board of Directors; (6) reports of committees; (7) appointment of inspectors of election (when so required); (8) election of directors (when so required); (9) unfinished business; and (10) new business; provided, however, that balloting for election of directors may commence at any time at the direction of the presiding officer.

Section 2.7. Conduct of Meetings. The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meetings and record all resolutions adopted at the meetings and proceedings occurring at such meetings. The President may appoint a parliamentarian at any meeting of the Association. The then current edition of Robert's Rules of Order, Newly Revised, shall govern the conduct of all meetings of the Association when not in conflict with the Act or the Association Documents.

Section 2.8. Record Date to Determine Owners; List of Owners. The date for determining which Persons are Owners and therefore entitled to vote ("Record Date") shall be the close of business on the tenth business day before the effective date of the notice to the Owners of the meeting, unless the Board of Directors shall determine otherwise. The Board shall not fix a Record

Date more than sixty days or less than ten days before the date of the meeting or other action requiring a determination of the Owners, nor shall the Board set a Record Date retroactively. At least ten days before each meeting, the Secretary shall make a complete list of Owners, with the address of each, available for review by the Owners before and during the meeting. The list shall be current as of the Record Date.

Section 2.9. Action by Owners Without Meeting.

(a) Any action required or permitted to be taken at a meeting of the Association may be taken without a meeting, without prior written notice and without a vote, if written consent, setting forth the action so taken and signed by all of the Owners entitled to vote with respect to the subject matter thereof, is delivered to the Secretary for inclusion in the minutes or filing with the Association records. Such consent shall have the same force and effect as a unanimous vote of the Owners.

(b) Any action required or permitted to be taken at a meeting of the Association may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by the members having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all members entitled to vote thereon were present and voted. Prompt notice of the taking of the action without a meeting by less than unanimous written consent shall be given to members who have not consented in writing.

ARTICLE 3

CLASS OF OWNERS; VOTING

Section 3.1. Voting Rights. The Association shall have two classes of Owners (members), Class A and Class B, with the voting rights as follows.

The Class A Owners shall be the Owners of Lots, other than the Declarant or a Builder during the Declarant Control Period. Each Class A Owner shall have one vote for each Lot owned by such Owner.

The Class B Owner shall be the Declarant. The Declarant shall have 1,100 votes less the number of votes held by all other classes of Owners when a vote is taken. If the Declaration is amended from time to time to include additional real estate that was not originally described on Exhibits A and B to the Declaration when the Declaration was recorded or if the Development Plan is amended to increase the maximum number of dwellings permitted on the Submitted Land or the Additional Land, then the number of votes of the Class B Owner described above shall be increased by one and one-half times the number of votes that would be appurtenant to any additional Lots that could be created on such real estate if such real estate were fully developed under the applicable zoning and submitted to the Declaration.

After the Declarant Control Period expires, the Declarant shall have one vote as a Class B Owner and the Declarant shall also become a Class A Owner and have Class A votes with respect to

the Lots owned by the Declarant. The Class B membership shall expire at the end of the Development Period. Any Person qualifying as a member of more than one voting class may exercise those votes to which such Person is entitled for each such class; provided, however, that such Person shall not simultaneously have more than one class of vote for the same Lot.

Section 3.2. Additional Provisions Governing Voting.

(a) Association Votes. If the Association is an Owner, the Association shall cast its votes with the majority with respect to any Lot it owns, and in any event such votes shall be counted for the purpose of establishing a quorum.

(b) Multiple-Person Owners. Since an Owner may be more than one Person, if only one of such Persons is present at a meeting of the Association or signs a consent, approval or proxy, that Person shall be entitled to cast the Owner's votes or give the consent, approval or proxy. If more than one of such Persons is present or otherwise gives a consent, approval or proxy, the vote, consent or approval appertaining to that Owner shall be cast only in accordance with unanimous agreement of such Persons, and such agreement shall be conclusively presumed if any of them purports to cast the vote appertaining to that Owner or to give a consent, approval or proxy without protest being made forthwith by any of the other Persons constituting such Owner to the person presiding over the meeting or objection to such consent, approval or proxy being made to the Association prior to the taking of the action in question.

(c) Voting Certificate. If an Owner is not a natural person, the vote by such Owner may be cast by any natural person authorized by such Owner. Such natural person must be named in a certificate signed by an authorized officer, partner or trustee of such Owner and filed with the Secretary; provided, however, that any vote cast by a natural person on behalf of such Owner shall be deemed valid unless successfully challenged prior to the adjournment of the meeting at which the vote was cast or within ten days after such meeting by the Owner entitled to cast such vote. Such certificate shall be valid until revoked by a subsequent certificate similarly signed and filed. Wherever the approval or disapproval of an Owner is required by the Association Documents, such approval or disapproval may be made by any Person who would be entitled to cast the vote of such Owner at any meeting of the Association.

(d) Delinquency. No Owner may vote at any meeting of the Association or be elected to serve on the Board of Directors if payment by such Owner of any financial obligation to the Association is delinquent more than sixty days and the amount necessary to bring the account current has not been paid at the time of such meeting or election.

Section 3.3. Manner of Voting. Voting by Owners at a meeting shall be by voice vote (except for the election of directors which shall be by written ballot) unless the presiding officer determines otherwise or any Owner present at the meeting, in person or by proxy, requests, and by a Majority Vote the Owners consent to, a vote by written ballot indicating the name of the Owner voting, the number of votes appertaining to such Owner, and the name of the proxy of such ballot if cast by a proxy. There shall be no cumulative voting.

Section 3.4. Proxies. A vote may be cast in person or by proxy. A proxy may be instructed (directing the proxy holder how to vote) or uninstructed (leaving how to vote to the proxy holder's discretion). If uninstructed, the proxy form or instructions shall contain a brief explanation of the effect of leaving the proxy uninstructed. Only instructed proxies may be granted by any Owner to the managing agent. No Person other than the Declarant, a Mortgagee (with respect to the Lots on which the Mortgagee holds a Mortgage), the managing agent or an Officer may cast votes as a proxy for more than five Lots not owned by such Person. Proxies shall be: (i) in writing, (ii) dated, (iii) signed by the Owner or a Person authorized by the Owner, (iv) valid for eleven months unless a longer time period is provided in the proxy and (v) filed with the Secretary. Such proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of notice of revocation from the Owner. A sample proxy is attached as Exhibit A.

ARTICLE 4

BOARD OF DIRECTORS

Section 4.1. Powers and Duties of the Board of Directors. The business and affairs of the Association shall be managed by the Board of Directors elected in accordance with the procedures and for the terms of office set forth in Section 4.5 and 4.6 of these Bylaws. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not required by the Act or the Association Documents to be exercised and done by the Owners. The Board of Directors shall delegate to one of the directors or to a Person employed for such purpose the authority to act on behalf of the Board on such matters relating to the duties of the managing agent (as defined in Article 5), if any, which may arise between meetings of the Board as the Board deems appropriate. In addition to the duties imposed by any other provision of the Association Documents or by any resolution of the Association that may hereafter be adopted, the Board shall perform the following duties and take the following actions on behalf of the Association:

(1) Provide goods and services in accordance with the Association Documents, and provide for the Upkeep of the Common Area and, to the extent provided in the Association Documents, of the Lots.

(2) Designate, hire, dismiss and, where appropriate, compensate the personnel necessary to provide for the Upkeep of the Common Area and the general administration of the Association and, to the extent provided in the Association Documents, of the Lots, and to provide goods and services, as well as purchase equipment, supplies and materials to be used by such personnel in the performance of their duties.

(3) Collect the Assessments, deposit the proceeds thereof in depositories designated by the Board of Directors and use the proceeds to carry out the Upkeep of the Property and other real estate and facilities (to the extent the Association is so authorized by the Association Documents) and the general administration of the Association.

(4) Adopt and amend any reasonable Rules and Regulations not inconsistent with the Association Documents.

(5) Open bank accounts on behalf of the Association and designate the signatories thereon.

(6) Enforce the provisions of the Association Documents.

(7) Act with respect to all matters arising out of any eminent domain proceeding affecting the Common Area.

(8) Notify the Owners of any litigation against the Association involving a claim in excess of ten percent of the total Annual Assessment.

(9) Obtain and carry insurance against casualties and liabilities, as provided in Article 10 of the Declaration, pay the premiums therefor and adjust and settle any claims thereunder.

(10) Pay the cost of all authorized goods and services rendered to the Association.

(11) Provide a Statement of Common Expense Statement with respect to a Lot within fourteen days (or as otherwise required by law) after a written request and payment of the appropriate fee in accordance with Section 6.6 of the Declaration.

(12) Prepare an annual budget in accordance with Article 6 of the Declaration.

(13) Adopt an annual budget and make Assessments to defray the Common Expenses of the Association, establish the means and methods of collecting such Assessments and establish the period of the installment payment, if any, of the Annual Assessment in accordance with Article 6 of the Declaration.

(14) Borrow money on behalf of the Association, when required for any valid purpose; provided, however, that either a Majority Vote of the Owners obtained at a meeting held for such purpose or written approval by Owners entitled to cast more than fifty percent of the total number of votes shall be required to borrow any sum in excess of thirty percent of the total Annual Assessment for that fiscal year or, subject to Section 15.4 of the Declaration, mortgage any of the Common Area. The Board of Directors, by a vote of two-thirds of the total number of directors, shall have the right and power to assign and pledge all revenues to be received by the Association, including but not limited to Annual and Additional Assessments in order to secure the repayment of any sums borrowed by the Association from time to time.

(15) Sign deeds, leases, plats of resubdivision and applications for construction permits or similar documents for the Common Area, as may be necessary or desirable in the normal course of the orderly development of the Property, at the request of the Declarant or on its own determination.

(16) Dedicate, lease or transfer any portion of the Common Area or grant or terminate easements, rights-of-way or licenses over and through all the Common Area pursuant to Section 3.2 of the Declaration and subject to the restrictions set forth in Section 15.4 of the Declaration.

(17) In accordance with Section 12.1 of the Declaration, suspend the right of any Owner or other occupant of a Lot, and the right of such Person's household, guests, employees, tenants, agents and invitees to use the Common Area.

(18) Acquire, hold and dispose of Lots to enforce the collection of Assessments and mortgage the same without the prior approval of the Owners.

(19) Charge reasonable fees for the use of the Common Area, where appropriate, and for services.

(20) Do anything else not inconsistent with the Act or the Association Documents.

Section 4.2. Meetings of Directors.

(a) Types of Meetings. The first (organizational) meeting of the Board of Directors following an annual meeting of the Association shall be held within thirty days thereafter at such time and place as shall be determined by a majority of the directors in order to elect Officers, appoint committee members and establish the manner of operation of the Board for the ensuing year. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors; provided, however, that after the Declarant Control Period, such meetings shall be held at least quarterly during each fiscal year. Special meetings of the Board of Directors may be called by the President and shall be called by the President or Secretary upon written request of at least three directors. Any final action taken by the Board of Directors in executive session shall be recorded in the minutes. The Board of Directors may hold their meetings in the State of Michigan or anywhere the Board may from time to time determine.

(b) Notice. Notice of meetings of the Board of Directors shall be given to each director personally or by mail, telegraph, telecopy, telephone or electronic transmission, orally or in writing, at least three business days prior to the date named for such meeting. Such notice shall state the place, date and time and, in the case of special meetings, the purpose thereof. No notice of the organizational meeting of the Board of Directors shall be necessary if such meeting is held immediately following the annual meeting.

(c) Waiver of Notice. Any director may at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors shall constitute a waiver of notice of the time, place and purpose of such meeting, unless the director attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called or convened and so notifies the person conducting the meeting at or prior to the commencement of the meeting or, in the case of a special meeting, at or prior to consideration of the

matter subject to objection. If all directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

(d) Quorum of the Board of Directors. At all meetings of the Board of Directors, a majority of the total number of directors (including at least one representation of each class of Owners) shall constitute a quorum for the transaction of business, and a Majority Vote while a quorum is present shall constitute the decision of the Board of Directors, unless provided otherwise in the Act or the Association Documents. If at any meeting of the Board of Directors there is less than a quorum present, a majority of those present may recess or adjourn the meeting from time to time. When the recessed or adjourned meeting is reconvened, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

(e) Conduct of Meetings. The President shall preside over meetings of the Board of Directors and the Secretary shall keep the minutes of the meetings and record all resolutions adopted at the meetings and proceedings occurring at the meetings. The then current edition of Robert's Rules of Order, Newly Revised, shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Act or the Association Documents.

Section 4.3. Action by Directors Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if a consent in writing setting forth the action taken shall be signed either before or after such action is taken by all of the directors. Any such written consent shall have the same force and effect as a unanimous vote and shall be filed with the minutes of the Board of Directors.

Section 4.4. Number of Directors. During the Declarant Control Period, the Board of Directors shall consist of not less than three nor more than five directors. After the Declarant Control Period, the Board shall consist of five directors.

Section 4.5 Election; Term. The first Board of Directors shall be designated by the incorporators of the Association and shall hold office until a successor Board of Directors is elected at the first annual meeting of the Association. At the first meeting of the Association, and at each annual meeting of the Association held thereafter, the Board of Directors shall be elected for a term of one year each, and shall hold office until their successors have been elected and hold their first meeting.

Section 4.6 Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the members of the Association shall be filled by a vote of the majority of remaining directors, even though they may constitute less than a quorum. Each person so elected shall be a director until a successor is elected at the next annual meeting of the Association.

Section 4.7. Deference. When considering any matter concerning primarily one class of Owners, the Board of Directors shall defer to the directors representing such class of Owners.

ARTICLE 5

MANAGING AGENT

Section 5.1. Compensation. The Board of Directors may employ for the purpose of administering the Property a "managing agent" at a compensation to be established by the Board.

Section 5.2. Requirements. The managing agent shall be a bona fide business enterprise or independent contractor which manages common interest communities. The managing agent or its principals shall have a minimum of two years' experience in community management and shall employ persons possessing a high level of competence in the technical skills necessary to proper management of the Property. The managing agent must be able to advise the Board of Directors regarding the administrative operation of the Property and shall employ personnel knowledgeable in the areas of insurance, accounting, contract negotiation, labor relations and property management.

Section 5.3. Duties. The managing agent shall perform such duties and services as the Board of Directors shall direct. Such duties and services may include, without limitation, the duties listed in paragraphs (1), (2), (3), (6), (7), (8), (9), (10), (11), (12), (13) of Section 4.1. The Board of Directors may delegate to the managing agent all of the powers granted to the Board of Directors by these Bylaws other than the powers set forth in paragraphs (4), (5), (14), (15), (16), (17), (18), (19) and (20) of Section 4.1. The managing agent shall perform the obligations, duties and services relating to the management of the Property, the rights of Mortgagees and the maintenance of reserve funds in compliance with the provisions of the Act and the Association Documents.

Section 5.4. Standards. The Board of Directors shall impose appropriate standards of performance upon the managing agent. Unless the managing agent is instructed otherwise by the Board of Directors:

(1) the accrual or modified accrual method of accounting shall be employed and expenses required by these Bylaws to be charged to one or more but less than all Owners shall be accounted for and reported separately;

(2) two or more persons shall be responsible for handling cash to maintain adequate financial control procedures;

(3) cash accounts of the Association shall not be commingled with any other entity's accounts;

(4) no remuneration shall be accepted by the managing agent from vendors, independent contractors or others providing goods or services to the Association whether in the form of commissions, finders fees, service fees or otherwise; any discounts received shall benefit the Association;

(5) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors; and

(6) a financial report shall be prepared for the Association at least quarterly, containing: (i) an "income statement" reflecting all income and expense activity for the preceding period on an accrual basis; (ii) an "account activity statement" reflecting all receipt and disbursement activity for the preceding period on a cash basis; (iii) an "account status report" reflecting the status of all accounts in an "actual" versus "projected" (budget) format; (iv) a "balance sheet" reflecting the financial condition of the Association on an unaudited basis; (v) a "budget report" reflecting any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the operating reserves or ten percent of a major budget category (as distinct from a specific line item in an expanded chart of accounts); and (vi) a "delinquency report" listing all Owners who are delinquent in paying Assessments and describing the status of any actions to collect such Assessments.

Section 5.5. Limitations. The Board of Directors may employ a managing agent for an initial term not to exceed two years; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one-year terms. Any contract with the managing agent must provide that it may be terminated, without payment of a termination fee, without cause on no more than ninety days written notice and with cause on no more than thirty days written notice.

ARTICLE 6

OFFICERS

Section 6.1. Designation and Duties of Officers. The principal officers of the Association shall be the President (who shall also serve as Chairman of the Board of Directors), the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may also elect an assistant treasurer, an assistant secretary and such other Officers as in its judgment may be necessary. The President and Vice President shall be directors and, except for those directors designated or elected by the Declarant, Owners. Any other Officers may, but need not, be Owners or directors. Each Officer shall perform such duties as are normally associated with such office in parliamentary organizations, except to the extent (if any) inconsistent with the Act or the Association Documents, and shall perform such other duties as may be assigned to such Officer by resolution of the Board of Directors. If any Officer is unable for any reason to perform the duties of the office, the President (or the Board of Directors if the President fails to do so) may appoint another qualified person to act in such Officer's stead on an interim basis.

Section 6.2. Election of Officers. 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. Any Officer may hold more than one position; provided, however, that the offices of President, Vice President and Secretary shall be held by three different individuals. Except for death, resignation or removal, the Officers shall hold office until their respective successors shall have been elected by the Board.

Section 6.3. Resignation or Removal of Officers. Any Officer may resign by delivering written notice to the Board of Directors. Unless otherwise specified in the notice, such resignation shall take effect upon the receipt thereof, and acceptance by the Board of Directors of such

resignation shall not be necessary to make it effective. Upon the affirmative vote of a majority of the total number of directors, any Officer may be removed, either with or without cause, and a successor may be elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

Section 6.4. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The person appointed to fill a vacancy shall serve for the remainder of the term of the Officer such person replaces.

Section 6.5. President. The President shall be the chief executive officer of the Association; preside at all meetings of the Association and of the Board of Directors; have general and active direction of the business of the Association subject to the control of the Board; see to the execution of the resolutions of the Association and the Board of Directors; see that all orders and resolutions of the Board are carried into effect; and, in general, perform all the duties incident to the Office of President.

Section 6.6. Vice President. The Vice President shall take the place of the President and perform the duties of the President whenever the President is 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 director to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed by the Board of Directors or by the President.

Section 6.7. Secretary. The Secretary shall: keep the minutes of all meetings of the Association and of the Board of Directors; have charge of such books and papers as the Board may direct and as may be required by the Act; give or cause to be given all notices required to be given by the Association; maintain a register setting forth the place to which all notices hereunder shall be delivered; and, in general, perform all the duties incident to the Office of Secretary.

Section 6.8. Treasurer. The Treasurer shall: be responsible for Association funds and securities; keep or cause to be kept full and accurate financial records and books of account showing all receipts and disbursements; prepare or cause to be prepared all required financial data, including the Statement of Common Expenses required by Section 6.6 of the Declaration; deposit all monies and other valuable effects in the name of the Board of Directors or the Association in such depositories as may from time to time be designated by the Board; and, in general, perform all the duties incident to the Office of Treasurer.

Section 6.9. Managing Agent. The managing agent shall assist the Secretary and Treasurer in the performance of their duties.

ARTICLE 7

COMMITTEES

Section 7.1. Required Committees.

(a) Covenants Committee. The Board of Directors shall establish a Covenants Committee as set forth in Article 9 of the Declaration.

(b) Elections Committee. The Board of Directors shall establish an Elections Committee as required in Subsection 5.3(c) of the Articles of Incorporation.

Section 7.2. Other Committees. The Board of Directors may create and abolish from time to time such other committees consisting of two or more persons as the Board may deem appropriate to aid in the administration of the affairs of the Association. Such committees shall have the powers and duties fixed by resolution of the Board from time to time.

Section 7.3. Appointment and Removal. The Board shall appoint the chair of each committee, and may either appoint the other committee members or leave such appointment to the committee chair. The Board of Directors may immediately remove a committee member with or without cause; provided, however, that the Board of Directors may not appoint or remove any member of the Initial Construction Committee, such right being reserved to the Declarant.

Section 7.4. Committee Meetings. The procedures for committee meetings shall be the same as set forth for meetings of the Board of Directors in Section 4.2, and the chair shall serve as the presiding officer of the committee.

Section 7.5. Action by Committee Without a Meeting. Any action required or permitted to be taken at a committee meeting may be taken without a meeting if consent in writing, setting forth the action taken, shall be signed either before or after such action by all of the committee members. Any such written consent shall have the same force and effect as a unanimous vote and shall be filed with the minutes of the committee.

ARTICLE 8

FIDUCIARY DUTIES

Section 8.1. Signature Requirements. Unless otherwise provided in the resolution of the Board of Directors: (1) all agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of thirty percent of the total annual assessment for that fiscal year and all checks drawn upon reserve accounts shall be signed by any two persons designated by the Board of Directors; and (2) all such instruments for expenditures or obligations of thirty percent or less of the total annual assessment for that fiscal year, except from reserve accounts, may be signed by any one person designated by the Board of Directors. Notwithstanding the foregoing, instruments creating or paying obligations for less than Five Thousand Dollars, except for withdrawals from the reserve funds, may be signed by only one person. The managing agent, if so designated by the Board of Directors, or any Officer of the Association may sign a Statement of Common Expenses on behalf of the Association.

Section 8.2. Conflicts of Interest.

(a) Rule and Exceptions. Each director or Officer shall exercise such director's or Officer's powers and duties in good faith and in the best interests of the Association with that degree of diligence, care and skill which an ordinarily prudent person would exercise under similar circumstances in a like position. No contract or other transaction between the Association and any of its directors or Officers, or between the Association and any corporation, firm or association (including the Declarant) in which any of the directors or Officers of the Association are directors or officers or are pecuniarily or otherwise interested, is either void or voidable because of such relationship or because any such director or Officer is present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction or because such director's or Officer's vote is counted for such purpose if any of the following conditions exist: (1) the material facts of the transaction and the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof, and the Board authorizes, approves or ratifies such contract or transaction in good faith by a majority of directors entitled to vote on the transaction, but in no event may such a transaction be authorized, approved or ratified by a single director; (2) the material facts of the transaction and the common directorate or interest is disclosed or known to all of the Owners entitled to vote on the matter, and the Owners who are entitled to be counted in a vote on the transaction approve or ratify the contract or transaction by a majority of the total number of votes entitled to be cast; or (3) the contract or transaction is commercially reasonable to the Association in view of all the facts known to any director or Officer at the time such contract or transaction is authorized, ratified, approved or signed. No director or officer having disclosed or made known a conflict of interest shall be liable to the Association or any Owner or creditor thereof or any other Person for any loss incurred by the Association under or by reason of any contract or transaction, nor shall any such director or Owner be accountable for any gains or profits realized therefrom.

(b) Vote Not Counted. Each director or Officer shall exercise such director's or Officer's powers and duties in good faith and in the best interests of the Association. Any common or interested director or Officer may be counted in determining the presence of a quorum of any meeting of the Board of Directors, a committee or the Owners which authorizes, approves or ratifies any contract or transaction. The voidability of a transaction involving a director or Officer with a conflict of interest shall be determined in accordance with Section 546 of the Act.

Section 8.3. Liability and Indemnification.

(a) No Personal Liability. The directors, Officers and committee members shall not be liable to the Association or any Owner for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. Directors and Officers shall have no personal liability with respect to any contract made by them on behalf of the Association. No Owner shall be liable for the contract or tort liability of the Association by reason of ownership or membership therein. Every agreement made by the Board of Directors, the Officers or the managing agent on behalf of the Association shall, if obtainable, provide that the directors, the Officers or the managing agent, as the case may be, are acting only as agents for the Association and shall have no personal liability thereunder.

(b) Indemnification. The Association shall indemnify the directors, Officers and committee members to the extent that it is contemplated a nonstock corporation may indemnify its directors, officers and employees pursuant to Sections 561 through 569 of the Act; provided, however, that before the Association uses association funds for indemnification, all insurance proceeds must be obtained and applied toward such indemnification. The foregoing right of indemnification shall not be exclusive of any other rights to which a person may be entitled by law, agreement, vote of the Owners or otherwise.

(c) Directors and Officers Liability Insurance. The Association shall have the power, pursuant to Article 10 of the Declaration, to purchase and maintain insurance on behalf of any person who is or was a director, Officer or committee member against any liability asserted against such person and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Association would have the power to indemnify such person against such liability under the provisions of this section. Further, the availability of the Association's indemnity shall not relieve any insurer of any liability under an insurance policy held by the Association.

Section 8.4. Compensation of Directors and Officers. The Association may pay a recording secretary. Otherwise, no salary or other compensation shall be paid by the Association to any director or Officer of the Association for serving or acting as such, but this shall not preclude the payment of salary or other compensation for the performance by such director or Officer of other services to the Association nor shall it preclude the reimbursement of reasonable, ordinary and necessary expenses incurred in serving or acting as a director or Officer.

ARTICLE 9

BOOKS AND RECORDS

Section 9.1. Maintenance. The Association shall keep books and records as required by the Act and as otherwise required by law. The Association shall keep records of: (i) its governing documents (i.e., Association Documents, Rules and Regulations and Design Guidelines); (ii) its actions (Board resolutions, meeting minutes, etc.); and (iii) its financial condition (receipts and expenditures affecting the finances, operation and administration of the Association, budget, financial statements, etc.). All books and records shall be kept in accordance with generally accepted accounting principles, and the same shall be audited at least once a year by an auditor retained by the Board of Directors who shall not be an Owner or an occupant of a Lot. The cost of such audit shall be a Common Expense. The audit shall be available within one-hundred twenty days after the end of the fiscal year.

Section 9.2. Availability. The books and records of the Association shall be available for examination by the Owners, their attorneys, accountants, Mortgagees and authorized agents during general business hours on business days at the times and in the manner established by the Board of Directors for the general knowledge of the Owners in accordance with and subject to the limitations permitted by the Act or as otherwise required by law; provided, however, that the Association is not required to maintain or make available records over three years old unless otherwise required by law. The list of Owners required by Section 2.8 shall be available for inspection for a period of ten

days prior to the meeting and at the meeting. The Board of Directors may fix from time to time a reasonable charge to cover the direct and indirect costs of providing any documents.

Section 9.3. Accounting Report. Within one hundred twenty days after the end of each fiscal year, the Board of Directors shall make available to all Owners and to each Mortgagee requesting the same, an itemized accounting of the Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Board of Directors for such fiscal year and showing the net amount over or short of the actual expenditures plus reserves, and such other information, if any, required by Section 901 of the Act.

Section 9.4. Fiscal Year. The first fiscal year of the Association shall begin on the date of the conveyance of the first Lot to an Owner other than the Declarant and end on the last day of December, unless otherwise determined by the Board of Directors. Each subsequent fiscal year shall commence on January 1 and end on December 31, unless otherwise determined by the Board of Directors.

Section 9.5. Association Filings. The Association shall also file and maintain the annual reports required to be filed with the State of Michigan by Section 911 of the Act.

ARTICLE 10

NOTICES

Except as specifically provided otherwise in the Act or the Association Documents, all notices, demands, bills, statements or other communications under the Association Documents shall be in writing and shall be deemed to have been duly given if hand delivered personally to the Owner provided the Secretary certifies in writing that notice was delivered to the Owner or the Owner's address of record or delivered by telegraph, teletype or other form of wire, wireless or electronic communication or by private carrier or sent United States mail, postage prepaid pursuant to Section 404 of the Act, or if notification is of a default, hearing or lien, sent by registered or certified United States mail, return receipt requested, postage prepaid: (1) if to an Owner, at the address which the Owner shall designate in writing and file with the Secretary or, if no such address is designated for an Owner, at the address of a Lot owned by such Owner; (2) if to the Association, the Board of Directors or to the managing agent, at the principal office of the managing agent or at such other address as shall be designated by notice in writing to the Owners pursuant to this section; or (3) if to a Mortgagee, at the address indicated by the Mortgagee in a written notice to the Association. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the address shown in the Association records. Notice of meetings may be included as part of the Association's newsletter, if the newsletter is delivered to every Lot and sent to non-resident Owners, or published in a newspaper or other periodical as permitted by Section 404 of the Act. If a Lot is owned by more than one Person, notice to one of the Persons comprising the Owner is sufficient notice to the Owner.

ARTICLE 11

AMENDMENTS

These Bylaws may only be amended by a Majority Vote of the Owners if a copy of the proposed amendment or a summary thereof has been inserted in the notice of meeting or all of the Owners are present in person or by proxy. No amendment to these Bylaws may diminish or impair the rights of the Declarant under the Bylaws without the prior written consent of the Declarant. No amendment to these Bylaws may diminish or impair the rights of the Mortgagees under the Bylaws.

WE, THE INITIAL DIRECTORS OF THE ASSOCIATION, HAVE ADOPTED THESE BYLAWS ON _____, 2003, AS EVIDENCED BY OUR SIGNATURES BELOW.

_____, 2003
Date

Director
Printed Name: _____

_____, 2003
Date

Director
Printed Name: _____

_____, 2003
Date

Director
Printed Name: _____

CERTIFICATION

I, the undersigned, do hereby certify that:

1. I am the duly elected and acting secretary of STEEPLECHASE OF NORTHVILLE OWNERS ASSOCIATION, a Michigan corporation; and

2. The foregoing Bylaws constitute the original Bylaws of the Association, as duly adopted by the Board of Directors pursuant to the Organizational Minutes dated _____, 2003.

IN WITNESS WHEREOF, I have hereunto subscribed my name on _____, 2003.

SECRETARY

STEEPLECHASE OF NORTHVILLE OWNERS ASSOCIATION

INSTRUCTIONS FOR PROXIES

1. USE THE PROXY ONLY IF YOU DO NOT WISH TO VOTE IN PERSON.
2. A PROXY SHOULD BE SIGNED BY ALL OWNERS OF RECORD OF THE LOT OR LOTS, BUT SIGNATURE BY ONE OWNER IS SUFFICIENT.
3. THE PROXY MAY BE REVOKED ONLY BY ACTUAL NOTICE TO THE PRESIDENT OF THE ASSOCIATION (OR OTHER PERSON PRESIDING OVER THE MEETING IF NOT THE PRESIDENT).
4. Print your name, address and Lot number(s).
5. Print the name of the person you wish to designate as your proxy.
6. If you wish to have someone else vote on your behalf (Uninstructed Proxy): Check appropriate box. If you are granting an uninstructed proxy, the proxy holder may decide how to cast your vote on any issues raised at the meeting.
7. If you wish to indicate your vote (Instructed Proxy): Check the appropriate box and fill in the names of the candidates for the Board of Directors for whom you wish to vote or your vote for or against each question to be decided.
8. Give the proxy form to the person you have designated as your proxy.
9. File a copy of the proxy with the Secretary at the meeting. If possible, please mail or deliver a copy of the proxy in advance to Steeplechase of Northville Owners Association,
c/o _____, Secretary,

STEEPLECHASE OF NORTHVILLE OWNERS ASSOCIATION

PROXY FORM

Address _____

Lot No(s). _____ under the provisions of Section 3.4 of the Bylaws, the undersigned hereby grant a proxy to _____ * for the sole purpose of casting votes at the meeting on _____, 20__ or any subsequent meeting called due to a failure to obtain a quorum at the first attempt to hold the meeting.

*IF NO OTHER NAME IS FILLED IN, THE PROXY SHALL BE AUTOMATICALLY GRANTED TO THE THEN PRESIDENT OF THE ASSOCIATION.

Check the appropriate box:

- The person named in this proxy may cast the votes appurtenant to the Lot(s) referenced above for any _____ candidates for the Board of Directors he or she chooses.
- The person named in this proxy must cast the votes appurtenant to the Lot(s) referenced above for the following candidates for the Board of Directors:

The person named in this proxy must cast my votes [check one box]:

- For
- Against
- As he/she sees fit

question to be decided

The person named in this proxy may/ may not cast he votes appurtenant to the Lots(s) referenced above on any other matter that may arise at the meeting as he or she sees fit.

Owner's Signature

Owner's Signature

Date: _____

Date: _____

NOTE: A COPY OF THE PROXY MUST BE FILED WITH THE SECRETARY AT THE MEETING