

**MILFORD HEIGHTS
CONDOMINIUM DOCUMENTS
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**MILFORD HEIGHTS
RECEIPT FOR CONDOMINIUM DOCUMENTS**

TO: _____

We are enclosing herewith copies of the following documents:

- 1) Master Deed for Milford Heights Condominium
- 2) Bylaws of the Association
- 3) Disclosure Statement as prescribed by the administrator

At least ten (10) days before your Condominium Unit is conveyed or ten (10) days before a Purchase Agreement or a Reservation and Subscription Agreement becomes a binding Agreement, the Developer must provide to the prospective Purchaser copies of the following documents relative to the condominium project:

- 1) The Master Deed
- 2) The Bylaws of the Association
- 3) Disclosure Statement as prescribed by the administrator
- 4) Other documents as prescribed by the administrator

This time limit may be waived in exceptional cases by a Purchaser who has been provided all of the aforementioned documents and who waives in writing on a form approved by the administrator the Purchaser's right to the protection provided by the advanced review time. The Developer shall file a copy of the waiver with the administrator within ten (10) days after sale.

TRI-MOUNT/MILFORD HEIGHTS
DEVELOPMENT CO., INC.,
a Michigan corporation,,

By: _____

Its: _____

The undersigned, the Purchaser(s) of Unit Number _____ at Milford Heights, Oakland County Condominium Subdivision Plan No. _____ do(es) hereby acknowledge receipt of the foregoing documents.

Purchaser

Purchaser

Dated: _____

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DEVELOPMENT CO., INC.,
a Michigan corporation,,**

By: _____

Its: _____

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Purchaser

Purchaser

Dated: _____

FIRST AMENDMENT

FIRST AMENDMENT TO THE
AMENDED AND RESTATED MASTER DEED
MILFORD HEIGHTS

(Act 59 of the Public Act of 1978 as amended)

TRI-MOUNT/MILFORD HEIGHTS DEVELOPMENT CO., INC., a Michigan corporation, hereinafter sometimes referred to as the "Developer" whose address is 41115 Jo Drive, Novi, Michigan 48375, has established MILFORD HEIGHTS pursuant to the Master Deed thereof as recorded on February 20, 1992 in Liber 12370, pages 603 through 654, inclusive, Oakland County Records, as amended by the Amended and Restated Master Deed of MILFORD HEIGHTS, recorded on October 23, 1992 in Liber 13025, pages 212 through 254, inclusive, Oakland County Records and designated as Oakland County Condominium Sub-division Plan No. 751, does hereby amend the Amended and Restated Master Deed and Bylaws, Exhibit "A", pursuant to the authority of Article XI of the Master Deed and Article XVII of the Condominium Bylaws, Exhibit "A" to the Master Deed, for the purposes of amending Article VII of the Condominium Bylaws, Exhibit "A" hereto.

FIRST AMENDMENT TO ARTICLE VII OF
EXHIBIT "A" TO THE MASTER DEED
OF MILFORD HEIGHTS

ARTICLE VII

BUILDING AND USE RESTRICTIONS

Section 1. Land and Building Use Restrictions. Every Unit shall be restricted for use only as one-family residential dwelling unit or model home for such purpose and all dwelling units erected, altered, placed or permitted shall be limited to twenty-five (25) feet in height or not in excess of two and one-half (2-1/2) stories whichever is greater.

Section 2. Dwelling Unit Size. The main structure of any dwelling unit erected, altered, placed or permitted on any Unit shall contain a total floor area of not less than One Thousand Six Hundred (1,600) square feet. Garages, steps, open and/or closed porches, breezeways, arcades or similar facilities shall not be considered in computing such floor area whether the same is an integral part of or connected to any dwelling.

Section 3. Garages. Any dwelling unit erected, altered, placed or permitted on any Unit shall include an attached garage of not less capacity than two cars.

Section 4. Building Location. All buildings and structures shall be located on each Unit at least thirty (30) feet from the front Unit line and all buildings and structures on any corner Units shall be located at least thirty (30) feet from any side street Unit line. Side yards on each side of every dwelling unit shall not be less than Eight (8) feet in width and a total of sixteen (16) feet for the two sides. For the purpose of these set-back and side-yard provisions, eaves, steps and open porches shall not be considered as part of any building or structure.

Section 5. Unit Sizes. Nothing contained herein shall be construed to prevent any Owner from erecting a single family residential dwelling unit on a parcel of land in accordance with the size and set-back and side-yard provisions hereof, without

reference to the platted Unit lines; provided, however, that only one single-family residential dwelling unit shall be erected, placed or permitted to remain on any parcel of land which does not have an area of at least Seven Thousand (7,000) square feet and which shall comply with all the other zoning and subdivision requirements of the Village of Milford.

Section 6. Easements. Easements for construction, installation, modification and maintenance of public utilities, surface drainage facilities, and sanitary sewer, storm sewer and water main facilities are reserved as shown on Sheet 2 of Exhibit B to the Master Deed and/or as may otherwise appear of record as set forth herein.

Section 7. Antennae. Only television antennae shall be constructed or erected upon the exterior of any dwelling unit or structure on any Unit.

Section 8. Temporary Structures and Vehicles. No house trailer, commercial vehicle, bus or truck, boat trailer, boat, camping vehicle or trailer or motorcycle may be parked on or stored in any Unit in the subdivision unless stored fully enclosed within an attached garage or similar structure and further any commercial vehicles, buses and trucks shall not be parked in the subdivision or on any Unit therein, except to make normal deliveries or pickups in the normal course of business. No structure of a temporary character or trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Unit at any time as a residence either temporarily or permanently. (The foregoing restrictions shall not be applicable to any activities by any builders or Developer during any sales and construction periods.)

Section 9. Nuisances. No noxious or offensive activity shall be carried on upon or in any dwelling, Unit or structure nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood; provided, however, any builders or Developer model homes shall not be so restricted until sold.

Section 10. Livestock and Poultry. No animals, livestock, birds, or poultry of any kind shall be raised, bred, or kept on any Unit, except dogs, cats or other common household pets for domestic purposes; only and such permitted household pets shall not be bred, kept or maintained for any commercial purposes whatsoever.

Section 11. Garbage and Refuse. No Unit shall be used or maintained as a dumping ground for rubbish or trash whether occupied or not. Trash, garbage or other waste shall be kept only in closed sanitary containers and all incinerators (if permitted by law only) or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

Section 12. Intersection Sight Distance. No fence, wall, structure, planting or obstruction shall be erected, established or maintained on any corner Unit within a triangular area formed by the street lines and a connection line which is a point of twenty-five (25) feet from the intersection of such street lines which shall have a height that is more than two (2) feet; provided, however, shade trees with wide branches which are at least eight (8) feet above ground shall be permitted within such area.

Section 13. Restrictive Use of Common Areas. Part of the common area of MILFORD HEIGHTS includes a significant hill. Sledding, tobogganing or skiing on any hilly part of the common areas is strictly prohibited.

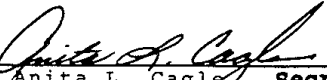
In all other respects, other than as hereinabove indicated, the Amended and Restated Master Deed of MILFORD HEIGHTS, the Bylaws, attached thereto as Exhibit "A" thereto, and the Condominium Subdivision Plan attached thereto as Exhibit "B" are hereby ratified, affirmed and redeclared.

WITNESSES:

TRI-MOUNT/MILFORD HEIGHTS
DEVELOPMENT CO., INC., a
Michigan corporation,



Christina James

By: 

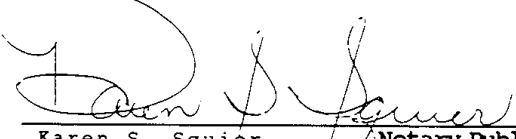
Anita L. Cagle, Secretary



Nancy M. Parmentier

State of Michigan)
)ss
County of Oakland)

On this 19th day of March, 1993, before me a Notary Public in and for said County, personally appeared Anita L. Cagle, to me personally known, who being by me duly sworn, did say that he is the person named in and who executed the within instrument, and that said instrument was signed by himself as his free act and deed on behalf of TRI-MOUNT/MILFORD HEIGHTS DEVELOPMENT CO., INC.



Karen S. Squier Notary Public
Livingston County County, Michigan
My Commission Expires: June 7, 1995
Acting in Oakland County

DRAFTED BY AND WHEN RECORDED
RETURN TO:

David S. Snyder, Esq.
SULLIVAN, WARD, BOND, TYLER & ASHER, P.C.
25800 Northwestern Highway
P.O. Box 222
Southfield, Michigan 48037-0222

MASTER DEED

AMENDED AND RESTATED MASTER DEED

MILFORD HEIGHTS

(Act 59 of the Public Act of 1978 as amended)

This Amended and Restated Master Deed made and executed this 1st day of October, 1992, by TRI-MOUNT/MILFORD HEIGHTS DEVELOPMENT CO., INC., a Michigan corporation, hereinafter sometimes referred to as the "Developer" whose address is 41115 Jo Drive, Novi, Michigan 48375, and pursuant to the provisions of Act 59 of the Public Acts of 1978 as amended, and Act 538 of the Public Acts of 1982, as amended, hereinafter referred to as the "Act".

W I T N E S S E T H:

WHEREAS, the Developer desires by recording this Master Deed together with Condominium Bylaws attached hereto as Exhibit "A" and together with the Condominium Subdivision Plan attached hereto as Exhibit "B" (both of which are hereby incorporated by reference and made a part hereof) to establish the real property described in Article II below, together with the improvements located and to be located thereon and the appurtenances thereto as a residential condominium project under the provisions of the Act.

NOW, THEREFORE, the Developer does, upon Article II below, together with the improvements located and to be located thereon and the appurtenances thereto as a residential condominium project under the provisions of the Act.

NOW, THEREFORE, the Developer does, upon the recording hereof, establish MILFORD HEIGHTS as a Condominium Project under the Act and declares that MILFORD HEIGHTS (hereinafter referred to as "The Condominium Project") shall after establishment be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved or in any other manner utilized subject to the provisions of the Act and to the covenants, restrictions, conditions, uses, limitation and affirmative obligations set forth in this Master Deed together with Exhibits "A" and "B" hereto, all of which shall be deemed to run with the land and shall be a burden and of benefit to the Developer, its successors and assigns, and any person acquiring or owning an interest in the said real property, their grantees, successors, heirs, executors, administrators and assigns in furtherance of the establishment of the said "Condominium Project", it is hereby provided as follows:

ARTICLE I

TITLE AND NATURE

The Condominium Project shall be known as MILFORD HEIGHTS, Oakland County Condominium Subdivision Plan No. 751. The architectural plans for the Project were approved in accordance with the requirements of the Village of Milford, Oakland County Michigan. The Condominium Project is established in accordance with the Act. The units contained in the Condominium, including the number, boundaries, dimensions and area of each unit therein are set forth completely in the Condominium Subdivision Plan attached as Exhibit "B" hereto. Each unit is capable of individual utilization on account of having its own entrance from and exit to a common element of the Condominium Project. Each co-owner in the Condominium Project shall have an exclusive right to his unit and shall have undivided and inseparable rights to share with other co-owners the common elements of the Condominium Project.

ARTICLE II

LEGAL DESCRIPTION

The land which is submitted to the Condominium Project established by this Master Deed is described as follows:

A part of the south 1/2 of Section 10 and part of the north 1/2 of Section 15, T.2N., R.7E., Village of Milford, Oakland County, Michigan described as beginning at a point, said point being N. 89°54'30" west 921.36 feet along the south line of said Section 10, said line also being the north line of said Section 15 and said line also being in part "Assessor's Replat of Bellvue Addition" as recorded in Liber 47, page 9, Oakland County Records from the southeast corner of said Section 10; thence from said point of beginning the following two (2) courses along "Amended Kensington Hills Subdivision No. 1" as recorded in Liber 93, page 15, Oakland County Records, (1) south 39°08'09" east 387.70 feet, and (2) south 39°08'20" east 253.89 feet; thence south 89°38'32" west 2525.17 feet; thence north 14°46'00" west 338.99 feet along the centerline for South Milford Road; thence north 89°50'18" east 400.00 feet; thence north 14°46'00" east 239.60 feet; thence north 07°06'04" east 259.96 feet; thence north 89°50'18" east 723.79 feet; thence north 00°02'40" west 320.00 feet; thence north 89°19'07" east 331.79 feet; thence south 00°02'40" east 521.19 feet; thence south 46°30'42" east 89.86 feet; thence south 89°54'30" east 493.57 feet along a line being in part said "Assessor's Replat of Bellvue Addition" to the point of beginning containing 35.52 acres and being subject to easements of record.

ARTICLE III

DEFINITIONS

Certain terms are utilized not only in this Master Deed and Exhibits "A" and "B" hereto, but are or may be used in various other instruments such as by way of example and not by way of limitation, the Articles of Incorporation and Corporation Bylaws and Rules and Regulations of the MILFORD HEIGHTS ASSOCIATION, a Michigan non-profit corporation, deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment of or transfer of interest in MILFORD HEIGHTS as a condominium. Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

1. The **"Act"** means Act 59 of the Public Acts of 1978, as amended and Act 538 of the Public Acts of 1982, as amended.
2. **"Association of Co-Owners"** shall mean the non-profit corporation organized under the Michigan Law of which all co-owners shall be members, which corporation shall administer, operate, manage and maintain the condominium. Any actions required of or permitted to the Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Condominium Documents or the Laws of the State of Michigan.

The Association is the person designated in the Condominium Documents to administer the Condominium Project.

3. **"Condominium Bylaws"** means Exhibit "A" attached hereto being the Bylaws setting forth the substantive rights and obligations of the co-owners as required by Section 3(A) of the Act to be recorded as part of the Master Deed. The Bylaws shall also constitute the corporate Bylaws of

the Association as provided for under the Michigan Non-Profit Corporation Act.

4. **"Unit" or "Condominium Unit"** each mean a single unit in MILFORD HEIGHTS as the same is described in Article V, Section 1 hereof and on Exhibit "B" hereto and shall have the same meaning as the term "Condominium Unit" as defined in the Act. All structures and improvements now or hereafter located within the boundaries of a Unit shall be owned in their entirety by the co-owner of the Unit within which they are located and shall not, unless otherwise expressly provided in the Condominium documents, constitute common elements. The Developer does not intend to and is not obligated to install any structures whatsoever within the Units or their appurtenant limited common elements.
5. **"Condominium Documents"** wherever used means and includes this Master Deed and Exhibits "A" and "B" hereto, the Articles of Incorporation, Corporation Bylaws and Rules and Regulations, if any, of the Association.
6. **"Condominium", "Condominium Project" or "Condominium Premises"** means and includes the land described in Article II above, all improvements and structures thereon, and all easements, rights and appurtenant belonging to MILFORD HEIGHTS as described above.
7. **"Condominium Subdivision Plan"** means Exhibit "B" hereto.
8. **"Consolidating Master Deed"** means the final Amended Master Deed which shall describe MILFORD HEIGHTS as a completed condominium project and shall reflect the entire land area in the Condominium Project resulting from parcels that may have been withdrawn from and/or added to the Condominium from time to time under Article VII hereof. Such Consolidating Master Deed, if and when recorded in the Office of the Oakland County Register of Deeds, shall supersede the previously recorded Master Deed for the Condominium and all amendments thereto. In the event the Units and Common Elements in the Condominium are constructed in substantial conformance with the proposed Condominium Subdivision Plan attached as Exhibit "B" to this Master Deed, the Developer shall be able to satisfy the foregoing obligation by filing a Certificate in the Office of the Oakland County Register of Deeds confirming that the Units and Common Elements "As Built" are in substantial conformity with the proposed Condominium Subdivision Plan and that no Consolidating Master Deed need be recorded.
9. **"Construction and Sales Period"**. For purposes of the condominium documents and the rights reserved to the Developer thereunder means the period commencing with the recording of the Master Deed and continuing as long as the Developer owns any Unit which it offers for sale or as long as there remains any residence to be constructed, whichever last occurs.
10. **"Developer"** means TRI-MOUNT/MILFORD HEIGHTS DEVELOPMENT CO., INC., a Michigan corporation which has made and executed this Master Deed and its successors and assigns. Both successors and assigns shall always be deemed to be included within the term "Developer" whenever, however, and wherever such terms are used in the condominium documents.
11. **"Co-Owner"** means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who, or which owns one or more units

in the Condominium Project. The term "Owner" wherever used will be synonymous with the term "Co-Owner".

12. **"First Annual Meeting"** means the initial meeting at which non-developer co-owners are permitted to vote for the election of all directors and upon all other matters which properly may be brought before the meeting. Such meeting is to be held (a) in the Developer's sole discretion after fifty (50%) percent of the units which may be created are sold, or (b) mandatorily within (i) 54 months from the date of the first unit conveyance, or (ii) 120 days after seventy-five (75%) percent of all units which may be created are sold, whichever first occurs.
13. **"Transitional Control Date"** means the date on which a Board of Directors of the Association takes office pursuant to an election in which the votes which may be cast by eligible co-owners unaffiliated with the Developer exceed the votes which may be cast by the Developer.
14. Whenever any reference herein is made to one gender, the same shall include a reference to any and all genders where the same would be appropriate; similarly, whenever a reference is made herein to a singular, a reference shall also be included to the plural where the same would be appropriate.

ARTICLE IV

COMMON ELEMENTS

The common elements of the project described in Exhibit "B" attached hereto and the respective responsibilities for maintenance, decoration, repair or replacement thereof are as follows:

1. The General Common Elements are:
 - A. **Land.** The land described in Article II hereof, other than portions thereof identified as Units.
 - B. **Electrical.** The electrical transmission mains throughout the Project up to the point of lateral connection for unit service, together with common lighting for the Project, if any is installed.
 - C. **Telephone.** The telephone system throughout the Project up to the ancillary connection for unit service.
 - D. **Gas.** The gas distribution mains throughout the project up to the point of lateral connection for unit service.
 - E. **Water.** The water distribution system throughout the project up to the point of lateral connection for unit service, including sprinkling system fixtures, connections and controls, if any, in the General Common Element areas.
 - F. **Sanitary Sewer.** The sanitary sewer system throughout the project up to the point of lateral connection for unit service.
 - G. **Storm Sewer System.** The storm sewer mains, leads and catch basins throughout the Project as depicted on the Condominium Subdivision Plan together with the detention area depicted as such on the Condominium Subdivision Plans.

H. **Telecommunications.** The telecommunications system, if and when it may be installed, including any security system up to the point of the ancillary connection for unit service.

I. **Roadways.** The collector roadways which provide access to the units and the landscape areas within the entrance area fronting on Milford Road and any cul-de-sacs within the Condominium.

J. **Sidewalks.** All sidewalks located within the right of way.

K. **Other.** Such other elements of the Project not herein designated as Common Elements which are not enclosed within the boundaries of a unit and which are intended for common use or are necessary to the existence, upkeep and safety of the Project.

Some or all of the utility lines, systems (including mains and service leads) and equipment and the telecommunications system described above may be owned by the local public authority or by the company that is providing the pertinent service. Accordingly, such utility lines, systems and equipment and the telecommunications system shall, be General Common Elements only to the extent of the co-owner's interest therein, if any, and the Developer makes no warranty whatsoever with respect to the nature or extent of such interest, if any.

2. The Limited Common Elements are:

A. The extended yard areas designated as such on the Condominium Subdivision Plan shall be limited in use to the co-owners of the units to which they are respectively appurtenant.

3. Responsibilities. The respective responsibilities for the maintenance, decoration, repair and replacement of the Common Elements are as follows:

A. Co-Owner Responsibility for Units and Limited Common Elements. It is anticipated that separate residential dwellings will be constructed within the units depicted on Exhibit "B" hereto. Except as otherwise expressly provided, the responsibility for and the costs of maintenance, decoration, repair and replacement of any dwelling and appurtenance of each dwelling shall be borne by the co-owner of the unit which is served thereby. Likewise, it shall be the responsibility of each co-owner to be responsible for installation and maintenance of lawn and other landscaping materials which he installs within his extended yard area lying within the road right of way designated as such on the Condominium Subdivision Plan.

B. Association Responsibility for Units Under Certain Circumstances. The Association shall not be responsible for performing any maintenance, repair or replacement with respect to residences and their appurtenances located within the Condominium Units or their appurtenant Limited Common Elements. Nevertheless, in order to provide for flexibility in administering the Condominium, the Association acting through its Board of Directors may undertake such other regularly occurring reasonably uniform periodic exterior maintenance functions with respect to unit or limited common element improvements, including dwellings constructed within any unit boundaries as it may deem appropriate (including without limitation, lawn mowing, snow removal, tree trimming and exterior painting). Nothing herein contained however

shall compel the Association to undertake such responsibilities. Any such responsibilities undertaken by the Association shall be charged to any affected co-owner on a reasonably uniform basis and collected in accordance with the assessment procedures established under Article II of the Bylaws. The Developer in the initial maintenance budget for the Association shall be entitled to determine the nature and extent of such services and reasonable rules and regulations may be promulgated in connection therewith.

C. General Common Elements. The cost of maintenance, repair and replacement of all general common elements shall be borne by the Association subject to any provision of the Condominium documents expressly to the contrary.

4. Use of Units and Common Elements. No co-owner shall use his unit or the common elements in any manner inconsistent with the purposes of the Project or in any manner which will interfere with or impair the rights of any other co-owner in the use and enjoyment of his unit or the common elements.

ARTICLE V

UNIT DESCRIPTION AND PERCENTAGE OF VALUE

1. Description of Units. Each unit in the condominium project is described in this paragraph with reference to the Condominium Subdivision Plan of MILFORD HEIGHTS as surveyed by ZEIMET-WOZNIAK & ASSOCIATES, INC. and attached hereto as Exhibit "B". Each unit shall consist of the area contained within the unit boundaries as shown in Exhibit "B" hereto and delineated with heavy outlines, together with all appurtenances thereto.

2. Percentage of Value. The percentage of value assigned to each unit in MILFORD HEIGHTS shall be equal. The determination that percentages of value should be equal was made after reviewing the comparative characteristics of each unit in the Project and concluding that there are not material differences among the units insofar as the allocation of percentages of value is concerned. The percentage of value, assigned to each unit shall be determinative of each co-owner's respective share of the common elements of the Condominium Project, the proportionate share of each respective co-owner in the proceeds and the, expenses of administration and the value of such co-owner's votes at meetings of the Association. The total value of the Project is 100%.

ARTICLE VI

SUBDIVISION CONSOLIDATION AND OTHER MODIFICATION OF UNITS

Notwithstanding any other provision of the Master Deed or the Bylaws, units in the condominium may be subdivided, consolidated, modified and the boundaries relocated in accordance with Section 48 and 49 of the Act and this Article; such changes in the affected unit or units shall be promptly reflected in a duly recorded Amendment or Amendments to this Master Deed.

1. BY THE DEVELOPER

The Developer reserves the sole right during the Construction and Sales Period and without the consent of any other co-owner or any mortgagee of any unit to take the following action:

A. Consolidate Units; Relocate Units. To consolidate under single ownership two or more units which are located adjacent to one another and relocate any boundaries between adjoining units. Such consolidation of units and

relocation of boundaries of units shall be given effect by an appropriate amendment or amendments to this Master Deed in the manner provided by law, which amendment or amendments shall be prepared by and at the sole discretion of the Developer, its successors or assigns and subject to prior approval of the Village of Milford.

- B. Amend to Effectuate Modifications. Any amendments or amendments resulting from the exercise of the rights reserved to Developer above, each portion of the unit or units resulting from such consolidation or relocation of boundaries shall be separately identified by number when appropriate, and the percentage of value as set forth in Article V hereof for the unit or units consolidated or as to which boundaries are relocated shall be proportionately allocated to the resultant new condominium units in order to preserve a total value of 100% for the entire project resulting from such amendment or amendments to this Master Deed. The precise determination of the readjustments in percentage of value shall be within the sole judgment of Developer. Such readjustments, however, shall reflect a continuing reasonable relationship among percentages of value based upon the original method of determining percentages of value for the project. Such amendment or amendments to the Master Deed shall also contain such further definitions of common elements as may be necessary to adequately describe the buildings and units in the condominium project as so modified. All of the co-owners and mortgagees of units and other persons interested or to become interested in the project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments of this Master Deed to effectuate the foregoing and to any proportionate reallocation of percentages of value of units which Developer or its successors may determine necessary in conjunction with such amendment or amendments. All such interested persons irrevocably appoint Developer or its successors as agent and attorney in fact for the purpose of execution of such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be effected without the necessity of re-recording an entire Master Deed or the exhibits hereto.

2. BY CO-OWNERS

One or more co-owners may undertake consolidation of units or relocation of boundaries. Co-owners of adjoining units may, subject to the prior approval by the Village of Milford, relocate boundaries between their units or eliminate boundaries between two or more units upon written request to the Association in accordance with Section 48 of the Act.

Upon receipt of such request, the President of the Association shall cause to be prepared an amendment to the Master Deed duly relocating the boundaries identifying the units involved, reallocating percentages of value and providing for conveyancing between or among the co-owners involved in relocation of the boundaries. The co-owners requesting relocation of boundaries shall bear all costs of such amendment. Such relocation or elimination of boundaries shall not become effective however, until the amendment to the Master Deed has been recorded in the office of the Oakland County Register of Deeds.

3. LIMITED COMMON ELEMENTS.

Limited Common Elements shall be subject to assignment and reassignment in accordance with Section 39 of the Act and in furtherance of the rights to consolidate or relocate boundaries described in this Article VI.

ARTICLE VII

EASEMENTS

1. EASEMENT FOR MAINTENANCE OF ENCROACHMENTS AND UTILITIES

There shall be easements to, through and over the land in the Condominium (including all units and limited common element extended yard areas) for the continuing maintenance, repair, replacement and enlargement of any general common element utilities in the Condominium as depicted on the Condominium Subdivision Plan as the same may be amended from time to time. In the event any portion of a structure located within a unit encroaches upon a common element due to shifting, settling or moving of a building, or due to survey errors or construction deviations or changes in ground elevations, reciprocal easements shall exist for the maintenance of such encroachment for so long as such encroachment exists and for maintenance thereof after rebuilding in the event of destruction. Some of the purposes of this section is to clarify the right of the co-owners to maintain structural elements and fixtures which project into the common elements surrounding each unit notwithstanding their projection beyond the unit perimeters.

2. RESERVATION OF EASEMENT BY DEVELOPER FOR SALES FACILITIES

The Developer reserves for the benefit of itself, its successors and assigns such easements as may be necessary for access to a sales office on the premises and for the continued use of such sales office until all of the Condominium Units have been sold. Accordingly, the Developer and its duly authorized agents, representatives and employees may maintain offices, model units and other facilities on the subject premises and may make such uses of said facilities as are reasonably necessary or desirable to facilitate the sale of the units in the project. The Developer shall pay all costs related to the Condominium Units or Common Elements while owned by the Developer and shall restore the facility to habitable status upon termination of use in accordance with Section 45 of the Act.

3. RESERVATION OF EASEMENT BY DEVELOPER FOR USE OF ROADS AND WALKWAYS

The Developer reserves for the benefit of itself, its successors and assigns perpetual easements for the unrestricted use of all roads and walkways in the condominium project for purposes of ingress and egress to or from all or any portion of the parcel described in Article II or any portion or portions thereof and any other land contiguous to the condominium premises which may be now owned or hereafter acquired by the Developer or its successors.

4. RESERVATION OF EASEMENT BY DEVELOPER FOR USE OF UTILITY LINES

The Developer also hereby reserves for the benefit of itself, its successors and assigns and all future owners of the land described in Article II or any portion or portions thereof perpetual easements to utilize, tap, tie into, extend and enlarge all utility mains located in the condominium premises including but not limited to, water, gas, telephone, electrical, cable television, storm and sanitary sewer mains. In the event that the Developer, its successors or assigns, utilizes, taps, ties into, extends or enlarges any utilities located on the condominium premises, it shall be obligated to pay all of the expenses reasonably necessary to restore the condominium premises to their state immediately prior to such utilization, tapping, tying in, extensions or enlargements. All expenses of maintenance, upkeep, repair and replacement of the utility mains described in this Article shall be shared by this condominium and any developed portions of the land described in Article II who may benefit from such utility mains.

The co-owners of this condominium shall be responsible from time to time for payment of its proportionate share of said expenses, which share shall be determined by multiplying such expenses times a fraction, the numerator of which is the number of dwelling units in this condominium, and the denominator of which is comprised of the number of such units plus all other dwelling units in the land described in Article II who benefit from such utility mains, provided, however, that the foregoing expenses are to be so paid and shared only if such expenses are not borne by a governmental agency or public utility; provided, further, however, that the expense sharing shall be applicable only to utility mains and all expenses of maintenance, upkeep, repair and replacement of utility leads shall be borne by the Association to the extent such leads are located on the condominium and by the owner or owners of the land described in Article II or a portion thereof upon which are located the dwelling units which such lead or leads service.

5. RESERVATION OF RIGHTS BY DEVELOPER TO DEDICATE UTILITY LINES TO APPROPRIATE GOVERNMENTAL AGENCIES

Developer reserves the right at any time during the construction and sales period to grant easements for utilities over, under and across the condominium to appropriate governmental agencies or public utility companies and to transfer title of the utilities to governmental agencies or to utility companies. Any such easement or transfer of title may be conveyed by the Developer without the consent of any co-owner, mortgagee or other person and shall be evidenced by an appropriate amendment to this Master Deed and to Exhibit "B" hereto as recorded in the Oakland County Records. All of the co-owners and mortgagees of units and other persons interested or to become interested in the project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments or this Master Deed as may be required to effectuate the foregoing grant of easements or transfer of title.

6. RESERVATION OF RIGHT BY DEVELOPER TO DEDICATE PRIVATE ROADS

Developer reserves the right at any time during the Construction and Sales Period to grant, convey or dedicate the private roadways designated as General Common Elements to the public for purposes of creating public roads. Notwithstanding the foregoing, the Developer shall have no obligation to utilize the dedication rights herein reserved.

7. RESERVATION OF RIGHT BY DEVELOPER TO DEDICATE WALKING PATHS

Developer reserves the right at any time during the Construction and Sales Period to grant, convey or dedicate a walking path to the Village of Milford for utilization by members of the public including but not limited to Co-owners of Units in this Condominium.

8. RESERVATION OF RIGHT BY DEVELOPER TO DEDICATE WOODLANDS PRESERVATION EASEMENT

Developer reserves the right at any time during the Construction and Sales Period to grant a woodlands preservation easement to the Village of Milford in such form and containing such provisions as may be required by the Village of Milford and its applicable ordinances.

9. AUTHORITY DESIGNATED TO ASSOCIATION TO GRANT EASEMENTS

The Association acting through its lawfully constituted Board of Directors (including any Board of Directors acting prior to the Transitional Control Date) shall be empowered and obligated to grant such easements, licenses, rights of way over and rights of

entry, under and across the condominium premises for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the condominium, or for any land described in Article II hereof, subject, however, to the approval of the Developer so long as the construction and sales period has not expired.

10. ESTABLISHMENT OF EASEMENTS FOR DEVELOPER, ASSOCIATION AND THE UTILITIES FOR MAINTENANCE AND REPAIR

The Developer, the Association and all public or private utilities shall have such easements over, under, across and through the condominium premises including all units and common elements, as may be necessary to fulfill any responsibilities and maintenance, repair, decoration or replacement, which they or any of them are required or permitted to perform under the condominium documents or by law. These easements include, without any implication of limitation, the right of the Association to obtain access during reasonable hours and upon reasonable notice to water meters, sprinkler control valves, sump pumps and other common elements located within any individual condominium unit or its appurtenant limited common elements.

11. AUTHORITY OF ASSOCIATION TO GRANT MISCELLANEOUS EASEMENTS AND RIGHTS OF WAY AS MAY BE REQUIRED FOR CONSTRUCTION AND COMPLETION OF PROJECT

The Association, acting through its duly constituted Board of Directors (including but not limited to any Board of Directors acting prior to, the Transitional Control Date) and subject to the Developer's approval during the Construction Sales Period shall have the power to grant such easements, licenses and other rights of way and rights of entry, use and access and to enter into any contract or agreement, including wiring agreements, rights of way agreements, access agreements, and multi-unit agreements, and to the extent allowed by law, contracts for sharing of any installation or periodic subscriber service fees as may be necessary, convenient or desirable to provide for telecommunications, video text, broad band cable, satellite dish, earth antenna and similar services (collectively "telecommunications") to the project or any unit therein. Notwithstanding the foregoing, in no event shall the Board of Directors enter into any contract or agreement or grant any easement, license or right of entry or do any other act or thing which will violate any provision of any federal, state or local law or ordinance. Any and all sums paid by any telecommunications or other company or entity in connection with such service, including fees, if any, for the privilege of installing same or sharing periodic subscriber service fees, shall be receipts affecting the administration of the condominium project within the meaning of the Act and shall be paid over to and shall be the property of the Association.

ARTICLE VIII

IMPROVEMENTS OR ALTERATIONS TO CONDOMINIUM UNITS

No Co-Owner shall do anything which would change the exterior appearance of a Dwelling Unit or any other portion of the Condominium Project except by the following procedure:

- A. Application for such alterations or changes shall be made to the Board of Directors of the Association together with sufficient plans, drawings, or renderings as may be necessary to enable the Association to understand and evaluate the proposed changes.
- B. The Board of Directors shall then appoint an architectural control committee for purposes of reviewing the proposal. The members of said committee need not be

members of the Board of Directors but a Director shall not be disqualified from serving on such committee.

- C. The Committee may seek opinions from the Co-Owners of the Development and shall, within a reasonable time, prescribed by the Directors render a recommendation and report to the Board of Directors.
- D. The Board of Directors shall thereupon adopt a resolution either granting the permission for such alteration or denying same.
- E. In the event that such application for changes are approved by the Board of Directors it shall be subject to a written undertaking by the Co-Owner acknowledging that all, of the improvements are to be at the Co-Owner's sole expense. That injury, if any, to the Common Elements will be repaired promptly by the Co-Owner at his sole expense and that the improvements will be completed by a date to be determined and established by the Board of Directors.
- F. Through and including the time that the Developer conveys the last of the maximum number of dwelling units which may be built pursuant to the provisions of this Master Deed, all actions of the Architectural Control Committee pursuant to this Article shall require the specific approval of the Developer.

The Developer is specifically excluded from the provisions of this paragraph. The Developer specifically reserves to itself the right to alter, change, modify, redesign, or improve any Condominium Unit through and including such time as a Deed has been executed and delivered from the Developer to an individual purchaser.

All proceedings under this Article shall be specifically in accordance with Section 47 of the Act.

ARTICLE IX

CONDEMNATION

Except as may otherwise be provided by statute, in the case of condemnation or substantial loss to the units and/or common elements of the Condominium Project and at least 2/3 of the first mortgagees (based upon one vote for each mortgage owned) or owners (other than the Sponsor, Developer or Builder) of the individual condominium units have given their prior written approval, the Condominium Owners Association shall not be entitled to:

- A. By act or omission to seek to abandon or terminate the Condominium Project;
- B. Change the pro-rata interest or obligations of any condominium unit for purposes of levying assessments or charges, for allocating distributions of hazard insurance proceeds or condemnation awards, or determining the pro-rata share of ownership of each unit in the common elements;
- C. Partition or subdivide any condominium unit;
- D. By act or omission to seek to abandon, partition, subdivide and encumber, sell or transfer the common elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the Condominium Project shall not be deemed a transfer within the meaning of this clause.

- E. Use hazard insurance proceeds for losses to any condominium property (whether to units or to common elements) for other than the repair, replacement or reconstruction of such improvements.

ARTICLE X

ASSIGNMENT

Any or all of the rights and powers granted or reserved to the Developer in the condominium documents or by law, including the power to approve or disapprove any act, use or proposed action or any other matter or thing may be assigned by it to any other entity or to the Association. Any such assignment shall be by appropriate instrument in writing and duly recorded in the office of the Oakland County Register of Deeds.

ARTICLE XI

AMENDMENT

This Master Deed and the Condominium Subdivision Plan may be amended with the consent of two-thirds (2/3) of the co-owners except as hereinafter set forth.

1. Modification of Units or Common Elements. No unit dimension may be modified in any material way without the consent of the co-owner and mortgagee of such unit, nor may the nature or extent of limited common elements or the responsibility for maintenance, repair or replacement thereof be modified in any material way without the written consent of the co-owner and mortgagee of any unit to which the same are appurtenant except as otherwise expressly provided in this Master Deed or in the Bylaws to the contrary.
2. Mortgagee Consent. Whenever a proposed amendment would materially alter or change the rights of mortgagees generally, then such amendment shall require the approval of two-thirds (2/3) of all first mortgagees of record allocating one vote for each mortgage held.
3. By Developer. Prior to one year after the expiration of the Construction and Sales Period, the Developer may without the consent of any co-owner or any other person amend this Master Deed and the Condominium Subdivision Plan attached as Exhibit "B" in order to correct survey or other errors made in such documents and to make such other amendments to such instruments and to the Bylaws attached hereto as Exhibit "A" as to not materially affect any rights of any co-owners or mortgagees in the Project or to make such other amendments as may have been reserved to the Developer in other sections of this Master Deed.
4. Change in Percentage of Value. The value of the vote of any co-owner and the corresponding proportion of common expenses assessed against such co-owner will not be modified without the written consent of such co-owner and his mortgagee, nor shall the percentage of value assigned to any unit be modified without like consent except as provided in this Master Deed or Bylaws.
5. Termination, Vacation, Revocation of Abandonment. The Condominium Project may not be terminated, vacated, revoked or abandoned without the written consent of 85% of all co-owners and 85% of the first mortgagees.
6. Developer Approval. During the Construction and Sales Period, this Master Deed shall not be amended without the

written consent of the Developer so long as the Developer continues to offer any unit in the Condominium for sale or for so long as there remains under such provisions any further possibility of construction of residential units on the land described in Article II hereof. No easements created under the condominium documents may be modified or obligations with respect thereto varied without the consent of each owner benefitted thereby.

7. Amendment of Exhibit "A". Administration of the condominium project shall be governed by Bylaws recorded as part of this Master Deed and designated as Exhibit "A" to this Master Deed. An amendment to the Bylaws shall be governed by the provisions of those Bylaws, Exhibit "A" to this Master Deed and by Section 54 of the Act. Any amendment shall be inoperative until recorded.
8. Procedure for Amendment. A change in the condominium project shall be reflected by an amendment to the appropriate condominium documents. If a change involves a change in the boundaries of a condominium unit or the addition or elimination of condominium units, a replat of the Condominium Subdivision Plan shall be prepared and recorded assigning a condominium unit number to each condominium unit in the amended project. The foregoing shall conform to the requirements of Section 67 of the Act.
 - (a) Notification. Co-owners and mortgagees of record shall be notified of proposed amendments under this Section, not less than ten (10) days before the amendment is recorded.
 - (b) Responsibility for Payment of Costs of Amendment. The person causing or requesting an amendment to the condominium documents shall be responsible for costs and expenses of the amendment except for amendments based upon a vote of two-thirds (2/3) of co-owners and mortgagees or based upon the advisory committee's decision, the costs of which are expenses of administration.
 - (c) Nothing contained in this Article shall, be deemed to abridge in any way the Developer's right to contract this Master Deed pursuant to the provisions of Article XI. Such amendments may be made unilaterally by the Developer without consent of any co-owners at the Developer's sole discretion.
 - (d) Any person causing or requesting an amendment to the Condominium Documents shall be responsible for costs and expenses of the amendment except for amendments based upon a vote of a prescribed majority of, Co-owners or based upon the Advisory Committee's decision, the costs of which are expenses of administration.
 - (e) An amendment to the Master Deed or other recorded condominium documents shall not be effective until the amendment is recorded.
 - (f) A copy of the recorded amendment shall be delivered to each co-owner of the project.

MILFORD HEIGHTS

EXHIBIT A

BYLAWS

ARTICLE I

ASSOCIATION OF CO-OWNERS

Milford Heights, a residential Condominium Project located in the Village of Milford, Oakland County, Michigan, shall be administered by an Association of Co-owners which shall be a non-profit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Condominium Bylaws referred to in the Master Deed and required by Section 3(8) of the Act and the Association Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Co-owner shall be entitled to membership and no other person or entity shall be entitled to membership. The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium Project available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium Project. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

ARTICLE II

ASSESSMENTS

All expenses arising from the management, administration and operation of the Association in pursuance of its authorizations and responsibilities as set forth in the Condominium Documents and the Act shall be levied by the Association against the Units and the Co-owners thereof in accordance with the following provisions:

Section 1. Assessments for Common Elements. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute expenditures affecting the administration of the Project, and all sums received as the proceeds of, or pursuant to, any policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute receipts affecting the administration of the Condominium Project, within the meaning of Section 54(4) of the Act.

Section 2. Determination of Assessments. Assessments shall be determined in accordance with the following provisions:

(a) **Budget.** The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance

for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular monthly payments as set forth in Section 3 below rather than by special assessments. At a minimum, the reserve fund shall be equal to 10% of the Association's current annual budget on a noncumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular project, the Association of Co-owners should carefully analyze the Condominium project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the delivery of a copy of the budget to each Co-owner shall not affect or in any way diminish the liability of any Co-owner for any existing or future assessments. Should the Board of Directors at any time decide, in the sole discretion of the Board of Directors: (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium, (2) to provide replacements of existing Common Elements, (3) to provide additions to the Common Elements not exceeding \$1,500.00 annually for the entire Condominium Project, or (4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Board of Directors also shall have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 4 hereof. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof.

(b) Special Assessments. Special assessments, in addition to those required in subparagraph (a) above, may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to: (1) assessments for additions to the Common Elements of a cost exceeding \$1,500.00 for the entire Condominium Project per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 hereof, (3) assessments to purchase a Unit for use as a resident manager's Unit, or (4) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subparagraph (b) (but not including those assessments referred to in subparagraph 2(a) above, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than 60% of all Co-owners in number and in value. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or the members thereof.

Section 3. Apportionment of Assessments and Penalty for Default. Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with the percentage of value allocated to each Unit in Article V of the Master Deed, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit. Annual assessments as determined in accordance with Article II, Section 2(a) above shall be payable by Co-owners in 12 equal monthly installments, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if

such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. A late charge of \$25 per installment per month may be added to each installment in default for 5 or more days until each installment together with the applicable rate charges is paid in full. Each Co-owner (whether 1 or more persons) including a land contract vendee, shall be, and remain, personally liable for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment) pertinent to his Unit which may be levied while such Co-owner is the owner thereof, except a land contract purchaser from any Co-owner including Developer shall be so personally liable and such land contract seller shall not be personally liable for all such assessment levied up to and including the date upon which such land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection, and enforcement of payment, including reasonable attorneys fees; second, to any interest charges and fines for late payment on such installments; and third, to installments in default in order of their due dates.

Section 4. Penalties for Default. Payment of an assessment shall be in default if any installment thereof is not paid to the Association in full on or before the due date for such installment. A late charge not to exceed Twenty Five (\$25.00) Dollars per installment may be assessed automatically by the Association upon each installment in default for ten (10) or more days until paid in full. The Association may levy fines for late payment of assessments in addition to such late charge. Each co-owner (whether one or more persons) shall be and remain personally liable for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment) pertinent to his unit which may be levied while such co-owner is the owner thereof except that a land contract purchaser from any co-owner including Developer shall be so personally liable, and such land contract seller shall not be personally liable for all such assessments levied up to and including the date upon which such land contract purchaser actually takes possession of the unit following extinguishment of all rights of possession of the land contract seller. Payments on account of installments of assessments in default shall be applied as follows: First, to the cost of collection and enforcement of payment, including reasonable attorneys fees. Second, to any interest charges and fines for late payment on such installments, and Third, to installments in default in order of their due dates.

Section 5. Liens for Unpaid Assessments. Sums assessed by the Association which remain unpaid, including but not limited to, regular assessments, special assessments, fines and late charges shall constitute a lien upon the unit or units in the Project owned by the co-owner at the time of the assessment and upon the proceeds of sale thereof. Any unpaid sums constitute a lien against the unit as of the first day of the fiscal year to which the assessment, fine or late charge relates and shall be a lien prior to all claims except real property taxes and first mortgages of record. All charges which the Association may levy against any co-owner shall be deemed to be assessments for purposes of this section and Section 108 of the Act.

Section 6. Waiver of Use or Abandonment of Unit. No Co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit.

Section 7. Enforcement.

(a) **Remedies.** In addition to any other remedies available to the Association, the Association may enforce

collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities, or other services to a Co-owner in default upon 7 days written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to utilize any of the General Common Elements of the Project and shall not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-owner of ingress or egress to and from his Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him. The Association may assess an automatic late charge, not to exceed \$25 for each month that a maintenance assessment remains delinquent. Maintenance assessments shall be deemed to be delinquent if not paid within 30 days after they become due. Additionally, the Association may assess additional fines for chronic late payment or non-payment of assessments in accordance with the provisions of Article XIX, Section 4 of these Bylaws. All of these remedies shall be cumulative and not alternative.

(b) Foreclosure Proceedings. Each Co-owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the Project shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Project acknowledges that at the time of acquiring title to such Unit, he was notified of the provisions of this subparagraph and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit.

(c) Notice of Action. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of 10 days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or their last known address, a written notice that 1 or more installments of the annual assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within 10 days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien (iii) the amount, outstanding (exclusive of interest, costs, attorney's fees and

future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of record. Such affidavit shall be recorded in the office of the Register of Deeds in the county in which the Project is located prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the 10 day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the delinquent Co-owner and shall inform him that he may request a judicial hearing by bringing suit against the Association.

(d) Expenses of Collection. The expenses incurred in collecting unpaid, assessments, including interest, costs, actual attorneys fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on his Unit.

Section 8. Liability of Mortgagee. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Project which comes into possession of the Unit pursuant to the remedies provided in the mortgagee or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into possession of the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit).

Section 9. Property Taxes and Special Assessments. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

Section 10. Personal Property Tax Assessment of Association Property. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 11. Mechanic's Lien. A mechanic's lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

Section 12. Statement as to Unpaid Assessments. The purchaser of any Unit may request a statement of the Association as to the amount of any unpaid Association assessments thereon, whether regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment, of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least 5 days prior to the closing of the purchase of such Unit shall render any unpaid assessments and the lien securing same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record.

ARTICLE III

ARBITRATION

Section 1. Scope and Election. Disputes, claims, or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between the Co-owners and the Association, upon the election and written consent of the parties to any such disputes, claims or grievances (which consent shall include an agreement of the parties that the judgment of any circuit court of the State of Michigan may be rendered upon any award pursuant to such arbitration), and upon written notice to the Association, shall be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding, provided that no question affecting the claim of title of any person to any fee or life estate in real estate is involved. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration.

Section 2. Judicial Relief. In the absence of the election and written consent of the parties pursuant to Section 1 above, no Co-owner or the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances.

Section 3. Election of Remedies. Such election and written consent by Co-owners or the Association to submit any such dispute, claim or grievance to arbitration shall preclude such parties from litigating such dispute, claim or grievance in the courts.

ARTICLE IV

INSURANCE

Section 1. Extent of Coverage. The Association shall, to the extent appropriate in light of the nature of the general common elements of the Project, carry all-risk insurance coverage and liability insurance (in a minimum amount to be determined by the Developer or the Association in its discretion but in no event less than One Million Dollars per occurrence), officers and directors liability insurance, and workman's compensation insurance, if applicable, together with any other insurance the Association may deem applicable, desirable or necessary and pertinent to the ownership, use and maintenance of the general common elements, and such insurance shall be carried and administered in accordance with the following provisions:

(a) **Responsibilities of Co-Owners and Association.** All such insurance shall be purchased by the Association for the benefit of the Association, and the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners. Each Co-owner shall obtain insurance coverage at his own, expense upon his own Unit.

(b) **Insurance of Common Elements.** All Common Elements of the Condominium project shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the current insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of, the Association in consultation with the Association's insurance carrier and/or its representatives in light of commonly employed methods for the reasonable determination of replacement costs.

(c) Premium Expenses. All premiums upon insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.

(d) Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, and the Co-owners and their mortgagees, as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction.

Section 2. Authority of Association to Settle Insurance Claims. Each Co-owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Condominium Project, his Unit and the Common Elements appurtenant thereto, with such insurer as may, from time to time, provide such insurance for the Condominium Project. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

Section 3. Responsibility of Co-Owners. Each Co-owner shall be responsible for obtaining all-risk insurance coverage with respect to the building and all other improvements constructed or to be constructed within the perimeter of a Co-owner's condominium unit and for personal property located therein or thereon or elsewhere on the condominium project. There is no responsibility on the part of the Association to insure any of such improvements whatsoever. Each Co-owner also shall, be obligated to obtain insurance coverage for a Co-owner's personal liability for occurrences within the perimeter of the Co-owner's unit (naming the Association and the Developer as additional insureds) and also for any other personal insurance coverage that the Co-owner wishes to carry.

Section 4. Waiver of Right of Subrogation. The Association and all co-owners shall use their best efforts to cause all property and liability insurance carried by the Association or any co-owner to contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any co-owner or the Association.

Section 5. Indemnification. Each individual co-owner shall indemnify and hold harmless every other co-owner, Developer and the Association for all damages and costs, including attorneys fees, which such other co-owners, the Developer or the Association may suffer as a result of defending any claim arising out of an occurrence on or within such individual co-owner's unit and shall carry insurance to secure this indemnity if so required by the Association (or the Developer during the construction and sales period). This section shall not be construed to give any insurer any subrogation rights or other right or claim against any individual co-owner.

ARTICLE V

RECONSTRUCTION OR REPAIR

Section 1. Association Responsibility for Repair. Immediately after the occurrence of a casualty causing damage to a general common element, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair required to be performed by the Association or if at any time during such reconstruction or repair or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessments shall be made against all co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay for the estimated or actual cost of repair. This provision shall not be construed to require replacement of mature trees and vegetation within the equivalent trees or vegetation.

Section 2. Timely Construction and Repair. If the damage to the general common elements adversely affects the appearance of the project, the Association shall proceed with replacement of the damaged project without delay.

Section 3. Co-owner Responsibility for Repair. Each co-owner shall be responsible for all maintenance, repair and replacement required with such co-owner's unit. If damage to the residence or other improvements constructed on a co-owner's unit adversely affects the appearance of the project, the co-owner shall proceed with removal or replacement of the damaged property without delay. This Section shall also be applicable in the event of destruction during the course of construction of improvements on a unit.

Section 4. Eminent Domain. Section 133 of the Act and the following provisions shall control upon any taking by eminent domain:

(a) **Taking of Unit.** In the event of any taking of an entire Unit by eminent domain, the award for such taking shall be paid to the Co-owner of such Unit and the mortgagee thereof, as their interests may appear. After acceptance of such award by the Co-owner and his mortgagee, they shall be divested of all interest in the Condominium Project. In the event that any condemnation award shall become payable to any Co-owner whose Unit is not wholly taken by eminent domain, then such award shall be paid by the condemning authority to the Co-owner and his mortgagee, as their interests may appear.

(b) **Taking of Common Elements.** If there is any taking of any portion of the Condominium other than any Unit, the condemnation proceeds relative to such taking shall be paid to the Co-owners and their mortgagees in proportion to their respective interests in the Common Elements and the affirmative vote of more than 50% of the Co-owners in number and in value shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

(c) **Continuation of Condominium After Taking.** In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be re-surveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium of 100%. Such amendment may be effected by an officer of the Association duly authorized by

the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner. Costs incurred to accomplish matters required by this subsection shall be borne by the Association.

(d) Notification of Mortgagees. In the event any Unit in the Condominium, or any portion thereof, or the Common Elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the condominium.

Section 5. Notification of FHLMC. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC") then, upon request therefor by FHLMC, the Association shall give it written notice at such address as it may, from time to time, direct of any loss to or taking of the Common Elements of the Condominium if the loss or taking exceeds \$10,000.00 in amount or damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC exceeds \$1,000.

Section 6. Priority of Mortgage Interests. Nothing contained in the Condominium Documents shall be construed to give a Condominium Unit Owner, or any other party, priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Condominium Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

ARTICLE VI

RESTRICTIONS

All of the Units in the Condominium shall be held, used and enjoyed subject to the following limitations and restrictions:

Section 1. Residential Use. No Unit in the Condominium shall be used for other than single-family residence purposes and the Common Elements shall be used only for purposes consistent with the use of single-family residences.

Section 2. Activities. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, Limited or General, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium. No unreasonably noisy activity shall occur in or on the Common Elements or in any Unit at any time and disputes among Co-owners, arising as a result of this provision which cannot be amicably resolved, shall be arbitrated by the Association. No Co-owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: Any activity involving the use of firearms, air rifles, pellet guns, B-B guns, bows and arrows, or other similar dangerous weapons, projectiles or devices.

Section 3. Aesthetics. The Common Elements, Limited or General, shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. Garage doors shall be kept closed at all times except as may be reasonably necessary to gain access to or from any garage. No unsightly condition shall be maintained on any patio, porch or deck

and only furniture and equipment consistent with the normal and reasonable use of such areas shall be permitted to remain there during seasons when such areas are reasonably in use and no furniture or equipment of any kind shall be stored thereon during seasons when such areas are not reasonably in use. Trash receptacles shall be maintained in areas designated therefor at all times and shall not be permitted to remain elsewhere on the Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. The Common Elements shall not be used in any way for the drying, shaking or airing of clothing or other fabrics. In general, no activity shall be carried on nor condition maintained by a Co-owner, either in his Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium.

Section 4. Vehicles. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, motorcycles, all terrain vehicles, snowmobiles, snowmobile trailers or vehicles, other than automobiles or vehicles used primarily for general personal transportation use, may be parked or stored upon the premises of the Condominium, unless parked in the garage with the door closed. No inoperable vehicles of any type may be brought or stored upon the condominium Premises either temporarily or permanently. Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pickups in the normal course of business. Each Co-owner shall park his car in the garage space provided there for and shall park any additional car which he owns in the Limited Common Element space assigned to him immediately adjoining his garage space. Co-owners shall, if the Association shall require, register with the Association all cars maintained on the Condominium Premises. Use of motorized vehicles and commercial vehicles as provided in this Section 4, is absolutely prohibited. Overnight parking on any street in the Condominium is prohibited except as the Association may make reasonable exceptions thereto from time to time. The Association shall have the right to place or cause to be placed adhesive windshield stickers on cars improperly parked and to tow vehicles to off-premises locations, all without any liability on the part of the Association to the owners or users of any such improperly parked vehicles.

Section 5. Advertising. No signs or other advertising devices of any kind shall be displayed which are visible from the exterior of a Unit or on the Common Elements, excluding "For Sale" signs no larger than two square feet in size without written permission from the Association and, during the Construction and Sales Period, from the Developer.

Section 6. Rules and Regulations. It is intended that the Board of Directors of the Association may make rules and regulations from time to time to reflect the needs and desires of the majority of the Co-owners in the Condominium. Reasonable regulations consistent with the Act, the Master. Deed and these Bylaws concerning the use of the Common Elements may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors (or its successors) prior to the Transitional Control Date. Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-owners.

Section 7. Common Element Maintenance. Sidewalks, yards, landscaped areas, driveways, roads, parking areas, shall not be obstructed nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or other obstructions may be left unattended on or about the Common Elements.

Section 8. Co-owner Maintenance. Each Co-owner shall maintain his Unit and any Limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall also use due

care to avoid, damaging any of the Common Elements including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other elements in any Unit which are appurtenant to or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by him, or his family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association (in which case there shall be no such responsibility, unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

Section 9. Reserved Rights of Developer.

(a) **Developer's Rights in Furtherance of Development and Sales.** None of the restrictions contained in this Article VI shall apply to the commercial activities or signs or billboards, if any, of the Developer during the Construction and Sales Period or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation, as the same may be amended from time to time. Notwithstanding anything to the contrary elsewhere herein contained, Developer shall have the right to maintain a sales office, a business office, a construction office, model units, storage areas and reasonable parking incident to the foregoing and such access to, from and over the Project as may be reasonable to enable development and sale of the entire Project by Developer; and may continue to do so during the entire Construction and Sales Period, or for so long as Developer continues to construct or proposes to construct additional residential units or owns or holds an option or other enforceable interest in land for residential development within one mile of the Condominium Premises. Developer shall restore the areas so utilized to habitable status upon termination of use.

(b) **Enforcement of Bylaws.** The Condominium Project shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private, residential community for the benefit of the Co-owners and all persons interested in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then Developer, or any entity to which it may assign this right, at its option, may elect to maintain, repair and/or replace any Common Elements and/or to do any landscaping by these Bylaws and to charge the cost thereof to the Association as an expense of administration. The Developer shall have the right to enforce these Bylaws throughout the Construction and Sales Period notwithstanding that it may no longer own a Unit in the Condominium which right of enforcement may include (without limitation) an action to restrain the Association or any Co-owner from any activity prohibited by these Bylaws.

ARTICLE VII

BUILDING AND USE RESTRICTIONS

Section 1. Land and Building Use Restrictions. Every Unit shall be restricted for use only as one-family residential dwelling unit or model home for such purpose and all dwelling units erected, altered, placed or permitted shall be limited to twenty-five (25) feet in height or not in excess of two and one-half (2-1/2) stories whichever is greater.

Section 2. Dwelling Unit Size. The main structure of any dwelling unit erected, altered, placed or permitted on any Unit shall contain a total floor area of not less than One Thousand Six Hundred (1,600) square feet. Garages, steps, open and/or closed porches, breezeways, arcades or similar facilities shall not be considered in computing such floor area whether the same is an integral part of or connected to any dwelling.

Section 3. Garages. Any dwelling unit erected, altered, placed or permitted on any Unit shall include an attached garage of not less capacity than two cars and shall provide for entrance from the side of the garage. No garage doors or garage openings shall face the road on which the dwelling unit is constructed.

Section 4. Building Location. All buildings and structures shall be located on each Unit at least thirty (30) feet from the front Unit line and all buildings and structures on any corner Units shall be located at least thirty (30) feet from any side street Unit line. Side yards on each side of every dwelling unit shall not be less than Eight (8) feet in width and a total of twenty-five (25) feet for the two sides. For the purpose of these set-back and side-yard provisions, eaves, steps and open porches shall not be considered as part of any building or structure.

Section 5. Unit Sizes. Nothing contained herein shall be construed to prevent any Owner from erecting a single family residential dwelling unit on a parcel of land in accordance with the size and set-back and side-yard provisions hereof, without reference to the platted Unit lines; provided, however, that only one single-family residential dwelling unit shall be erected, placed or permitted to remain on any parcel of land which does not have an area of at least Seven Thousand (7,000) square feet and which shall comply with all the other zoning and subdivision requirements of the Village of Milford.

Section 6. Easements. Easements for construction, installation, modification and maintenance of public utilities, surface drainage facilities, and sanitary sewer, storm sewer and water main facilities are reserved as shown on Sheet 2 of Exhibit B to the Master Deed and/or as may otherwise appear of record as set forth herein.

Section 7. Antennae. Only television antennae shall be constructed or erected upon the exterior of any dwelling unit or structure on any Unit.

Section 8. Temporary Structures and Vehicles. No house trailer, commercial vehicle, bus or truck, boat trailer, boat, camping vehicle or trailer or motorcycle may be parked on or stored in any Unit in the subdivision unless stored fully enclosed within an attached garage or similar structure and further any commercial vehicles, buses and trucks shall not be parked in the subdivision or on any Unit therein, except to make normal deliveries or pickups in the normal course of business. No structure of a temporary character or trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Unit at any time as a residence either temporarily or permanently. (The foregoing restrictions shall not be applicable to any activities by any builders or Developer during any sales and construction periods.)

Section 9. Nuisances. No noxious or offensive activity shall be carried on upon or in any dwelling, Unit or structure nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood; provided, however, any builders or Developer model homes shall not be so restricted until sold.

Section 10. Livestock and Poultry. No animals, livestock, birds, or poultry of any kind shall be raised, bred, or kept on any Unit, except dogs, cats or other common household pets for domestic

purposes; only and such permitted household pets shall not be bred, kept or maintained for any commercial purposes whatsoever.

Section 11. Garbage and Refuse. No Unit shall be used or maintained as a dumping ground for rubbish or trash whether occupied or not. Trash, garbage or other waste shall be kept only in closed sanitary containers and all incinerators (if permitted by law only) or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

Section 12. Intersection Sight Distance. No fence, wall, structure, planting or obstruction shall be erected, established or maintained on any corner Unit within a triangular area formed by the street lines and a connection line which is a point of twenty-five (25) feet from the intersection of such street lines which shall have a height that is more than two (2) feet; provided, however, shade trees with wide branches which are at least eight (8) feet above ground shall be permitted within such area.

Section 13. Restrictive Use of Common Areas. Part of the common area of MILFORD HEIGHTS includes a significant hill. Sledding, tobogganing or skiing on any hilly part of the common areas is strictly prohibited.

ARTICLE VIII

MORTGAGES

Section 1. Notice to Association. Any Co-owner who mortgages his Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Units". The Association may, at the written request of a mortgagee of any such Unit, report any unpaid assessments due from the Co-owner of such Unit. The Association shall give to the holder of any first mortgage covering any Unit in the Project written notification of any default in the performance of the obligations of the Co-owner of such Unit that is not cured within 60 days.

Section 2. Insurance. The Association shall notify each mortgagee appearing in said book of the name of each company insuring the Condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief and the amounts of such coverage.

Section 3. Notification of Meetings. Upon request submitted to the Association, any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive written notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

ARTICLE IX

VOTING

Section 1. Vote. Except as limited in these Bylaws, each Co-owner shall be entitled to one vote for each Condominium Unit owned when voting by number and one vote, the value of which shall equal the total of the percentages allocated to the Unit owned by such Co-owner as set forth in Article V of the Master Deed, when voting by value. Voting shall be by value except in those instances when voting is specifically required to be both in value and in number. The Developer, or in the event that the Developer sell Condominium Units to a builder for construction of dwelling units, the Developer or the builder shall have four (4) votes for each unit for which it retains title.

Section 2. Eligibility to Vote. No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium Project to the Association. Except as provided in Article XI, Section 2 of these Bylaws, no Co-owner, other than the Developer, shall be entitled to vote prior to the date of the First Annual Meeting of members held in accordance with Section 2 of Article IX. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article VIII below or by a proxy given by such individual representative. The Developer shall be the only person entitled to vote at a meeting of the Association until the First Annual Meeting of members and shall be entitled to vote during such period notwithstanding the fact that the Developer may own no Units at some time or from time to time during such period. The Developer shall be entitled to one vote for each Unit which it owns and for which it is paying Association maintenance expenses.

Section 3. Designation of Voting Representative. Each Co-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 Co-owner. Such notice shall state the name and address of the individual representative designated, the number or numbers of the Condominium Unit or Units owned by the Co-owner, and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the Co-owner. Such notice shall be signed and dated by the Co-owner. The individual representative designated may be changed by the Co-owner at any time by filing a new notice in the manner herein provided.

Section 4. Quorum. The presence in person or by proxy of 35% of the Co-owners in number and in value qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

Section 5. Voting. Votes may be cast only in person or by a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

Section 6. Majority. A majority, except where otherwise provided herein, shall consist of more than 50% in value of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth and may require such majority to be one of both number and value of designated voting representatives present in person or by proxy, or by written vote, if applicable, at a given meeting of the members of the Association.

ARTICLE X

MEETINGS

Section 1. Place of Meeting. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Co-owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Sturgis Code of Parliamentary

Procedure, Roberts Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Condominium Documents (as defined in the Master Deed) or the laws of the State of Michigan.

Section 2. First Annual Meeting. The First Annual Meeting of members of the Association may be convened only by Developer and may be called at any time after more than 50% in number of the Units in Milford Heights determined with reference to the recorded Consolidating Master Deed have been sold and the purchasers thereof qualified as members of the Association. In no event, however, shall such meeting be called later than 120 days after the conveyance of legal or equitable title to non-developer Co-owners of 75% in number of all Units that may be created or 54 months after the first conveyance of legal or equitable title of members for informative or other appropriate purposes prior to the First Annual Meeting of members and no such meeting shall be construed as the First Annual Meeting of members. The date, time and place of such meeting, shall be set by the Board of Directors, and at least 10 days written notice thereof shall be given to each Co-owner. The phrase "Units that may be created" as used in this paragraph and elsewhere in the Condominium Documents refers to the maximum number of Units which the Developer is permitted, under the Condominium Documents as may be amended, to include in the Condominium.

Section 3. Annual Meetings. Annual meetings of members of the Association shall be held on the Second Tuesday of April each succeeding year after the year in which the First Annual Meeting is held at such time and place as shall be determined by the Board of Directors; provided, however, that the second annual meeting shall not be held sooner than 8 months after the date of the First Annual Meeting. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article XI of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may property come before them.

Section 4. Special Meetings. It shall be the duty of the President to call a special meeting of the Co-owners as directed by resolution of the Board of Directors or upon a petition signed by 1/3 of the Co-owners presented to the Secretary of 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.

Section 5. Notice of Meetings. It shall be the duty of, the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as of the time and place where it is to be held, upon each Co-owner of record, at least 10 days but not more than 60 days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Article VIII, Section 3 of these Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association shall be deemed due notice.

Section 6. Adjournment. If any meeting of Co-owners cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

Section 7. Order of Business. The order of business at all meetings of the members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) appointment of inspector of elections (at annual meetings or special meetings held for purpose of election of Directors or

officers); (g) election of Directors (at annual meeting or special meetings held for such purpose); (h) unfinished business; and (i) new business. For purposes of this Section, the order of seniority of officers shall be President, Vice President, Secretary and Treasurer.

Section 8. Action Without Meeting. Any action which 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 ballot of the members. Ballots shall be solicited in the same manner as provided in Section 5 for the giving of notice of meetings of members. 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 ballots must be received in order to be counted. The form of written ballot 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 ballot shall be constituted by receipt within the time period specified in the solicitation of (i) a number of ballots 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 ballots cast.

Section 9. Consent of Absentees. The transactions at any meeting of members, either annual or special, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy; and if, either before or after the meeting, each of the members not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 10. Minutes, Presumption of Notice. Minutes or a similar record of the proceedings of meetings of members, 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 XI

ADVISORY COMMITTEE

Within 1 year after conveyance of legal or equitable title to the first Unit in the Condominium to a purchaser or within 120 days after conveyance to purchasers of 1/3 of the total number of Units that may be created, whichever first occurs, the Developer shall cause to be established an Advisory Committee consisting of at least 3 non-developer Co-owners. The Committee shall be established and perpetuated in any manner the Developer deems advisable, except that, if more than 50% in number and in value of the non-developer Co-owners petition the Board of Directors for an election to select the Advisory Committee, then an election for such purpose shall be held. The purpose of the Advisory Committee shall be to facilitate communications between the temporary Board of Directors and the non-developer Co-owners and to aid the transition of control of the Association from the Developer to purchaser Co-owners. The Advisory Committee shall cease to exist automatically when the non-developer Co-owners have the voting strength to elect a majority of the Board of Directors of the Association. The Developer may remove and replace at its discretion at any time any member of the Advisory Committee who has not been elected thereto by the Co-owners.

ARTICLE XII

BOARD OF DIRECTORS

Section 1. Number and Qualification of Directors. The Board of Directors shall be comprised of 3 members, all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association, except for the first Board of Directors. Directors shall serve without compensation.

Section 2. Election of Directors.

(a) **First Board of Directors.** The first Board of Directors shall be composed of 3 persons and such first Board of Directors or its successors as selected by the Developer shall manage the affairs of the Association until the appointment of the first non-developer Co-owners to the Board. Elections for non-developer Co-owner Directors shall be held as provided in subsections (b) and (c) below. The Directors shall hold office until their successors are elected and hold their first meeting.

(b) **Appointment of Non-developer Co-owners to Board Prior to First Annual Meeting.** Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 25% in number of the Units that may be created, 1 of the 3 Directors shall be selected by non-developer Co-owners. When the required percentage level of conveyance have been reached, the Developer shall notify the non-developer Co-owners and request that they hold a meeting and elect the required Director. Upon certification by the Co-owners to the Developer of the Director so elected, the Developer shall then immediately appoint such Director to the Board to serve until the First Annual Meeting of members unless he is removed pursuant to Section 7 of this Article or he resigns or becomes incapacitated.

(c) **Election of Directors at and After First Annual Meeting.**

(i) Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 75% in number of the Units that may be created the non-developer Co-owners shall elect all Directors on the Board, except that the Developer shall have the right to designate at least 1 Director as long as the Units that remain to be created and sold equal at least 10% of all Units that may be created in the Project. Whenever the 75% conveyance level is achieved, a meeting of Co-owners shall be promptly convened to effectuate this provision, even if the First Annual Meeting has already occurred.

(ii) Regardless of the percentage of Units which have been conveyed, upon the elapse of 54 months after the first conveyance of legal or equitable title to a non-developer co-owner of a Unit in the Project, the non-developer Co-owners have the right to elect a number of members of the Board of Directors equal to the percentage of Units they own, and the Developer has the right to elect a number of members of the Board of Directors equal to the percentage of Units which are owned by the Developer and for which maintenance expenses are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection (i). Application of this subsection does not require a change in the size of the Board of Directors.

(iii) If the calculation of the percentage of members of the Board of Directors that the non-developer Co-owners have the right to elect under subsection (ii), or if the product of the number of members of the Board of Directors multiplied by the percentage of Units held by the non-developer Co-owners under subsection (b) results in a right of non-developer Co-owners to elect a fractional number of members of the Board of Directors, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board of Directors that the non-developer Co-owners have the right to elect. After application of this formula the Developer shall have the right to elect the remaining members of the Board of Directors. Application of this subsection shall not eliminate the right of the Developer to designate 1 member as provided in subsection (i).

(iv) At the First Annual Meeting 2 Directors shall be elected for a term of 2 years and 1 Director shall be elected for a term of 1 year. At such meeting all nominees shall stand for election as 1 slate and the 2 persons receiving the highest number of votes shall be elected for a term of 2 years and the 1 person receiving the next highest number of votes shall be elected for a term of 1 year. At each annual meeting held thereafter, either 1 or 2 Directors shall be elected depending upon the number of Directors whose terms expire. After the First Annual Meeting, the term of office (except for 1 of the Directors elected at the First Annual Meeting) of each Director shall be 2 years. The Directors shall hold office until their successors have been elected and hold their first meeting.

(v) Once the Co-owners have acquired the right hereunder to elect a majority of the Board of Directors, annual meetings of Co-owners to elect Directors and conduct other business shall be held in accordance with the provisions of Article IX, Section 3 hereof.

Section 3. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by the Condominium Documents or required thereby to be exercised and done by the Co-owners.

Section 4. Other Duties. In addition to the foregoing duties imposed by these Bylaws or any further duties which may be imposed by resolution of the members of the Association, the Board of Directors shall be responsible specifically for the following:

(a) To manage and administer the affairs of and to maintain the Condominium Project and the Common Elements thereof.

(b) To levy and collect assessments from the members of the Association and to use the proceeds thereof for the purpose of the Association.

(c) To carry insurance and collect and allocate the proceeds thereof.

(d) To rebuild improvements after casualty.

(e) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium Project.

(f) To acquire, maintain and improve; and to buy, operate, manage, sell, convey, assign, mortgage or lease any

real or personal property (including any Unit in the Condominium and easements, rights-of-way and license) on behalf of the Association in furtherance of any of the purposes of the Association.

(g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the business of the Association, and to secure the same by mortgage, pledge, or other lien, on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of 75% of all of the members of the Association in number and in value.

(h) To make rules and regulations in accordance with Article VI, Section 9 of these Bylaws.

(i) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committees any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board.

(j) To enforce the provisions of the Condominium Documents.

Section 5. Management Agent. The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto) 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 Sections 3 and 4 of this Article, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium 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, or any other contract providing for services by the Developer, sponsor or builder, in which the maximum term is greater than 3 years, or which is not terminable by the Association upon 90 days written notice thereof to the other party and no such contract shall violate the provisions of Section 55 of the Act.

Section 6. Vacancies. Vacancies in the Board of Directors which occur after the Transitional Control Date caused by any reason other than the removal of a Director by a vote of the members of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum, except that the Developer shall be solely entitled to fill the vacancy of any Director whom it is permitted in the first instance to designate. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association. Vacancies among non-developer Co-owner elected Directors which occur prior to the Transitional Control Date may be filled only through election by non-developer Co-owners and shall be filled in the manner specified in Section 2(b) of this Article.

Section 7. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Directors may be removed with or without cause by the affirmative vote of more than 50% in number and in value of all of the Co-owners and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal 35% requirement set forth in Article VIII, Section 4. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the Directors selected by it at any time or from time to time in its sole

discretion. Likewise, any Director selected by the non-developer Co-owners to serve before the First Annual Meeting may be removed before the First Annual Meeting in the same manner set forth in this paragraph for removal of Directors generally.

Section 8. First Meeting. The first meeting of a newly elected Board of Directors shall be held within 10 days of 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.

Section 9. Regular Meetings. 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 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, telephone or telegraph at least 10 days prior to the date named for such meeting.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on 3 days notice to each Director, given personally, by mail, telephone or telegraph, 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 two Directors.

Section 11. 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.

Section 12. Quorum. At all meetings of the Board of Directors, a majority of the 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. 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 to a subsequent time upon 24 hours prior written notice delivered to all Directors not present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be trans acted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof, shall constitute the presence of such Director for purposes of determining a quorum.

Section 13. First Board of Directors. The actions of the first Board of Directors of the Association or any successors thereto selected or elected before the Transitional Control Date shall be binding upon the Association so long as such actions are within the scope of the powers and duties which may be exercised generally by the Board of Directors as provided in the Condominium Documents.

Section 14. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premium on such bonds shall be expenses of administration.

ARTICLE XIII

OFFICERS

Section 1. Officers. The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice President, a 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 offices except that of President and Vice President may be held by one person.

(a) **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.

(b) **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.

(c) **Secretary.** The Secretary 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, if any, and of such books and papers as the Board of Directors may direct; and he shall, in general, perform all duties incident to the office of the Secretary.

(d) **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. He 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 depositories as may, from time to time, be designated by the Board of Directors.

Section 2. 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.

Section 3. 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. No such removal action may be taken, however, unless the matter shall have been included in the notice of such meeting. The officer who is proposed to be removed shall be given an opportunity to be heard at the meeting.

Section 4. 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 XIV

SEAL

The Association may (but need not) have a seal. If the Board determines that the Association shall have a seal, then it shall have inscribed thereon the name of the Association, the words "corporate seal", and "Michigan".

ARTICLE XV

FINANCE

Section 1. Records. The Association shall keep detailed books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual audited financial, statement within 90 days following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration.

Section 2. Fiscal Year. The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the Directors. The commencement date of the fiscal year shall be subject to change by the Directors for accounting reasons or other good cause.

Section 3. Bank. Funds of the Association shall be initially deposited in such bank or savings association 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. The funds may be invested from time to time in accounts or deposit certificates of such bank or savings association as are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and may also be invested in interest-bearing obligations of the United States Government.

ARTICLE XVI

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Every Director and 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 of the Association, whether or not he is 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 or wanton misconduct or gross negligence 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 rights to which such Director or officer may be entitled. At least 10 days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all Co-owners thereof. Further, the Board of Directors is authorized to carry officers and directors liability insurance covering acts of the officers and directors of the Association in such amounts as it shall deem appropriate.

ARTICLE XVII

AMENDMENTS

Section 1. Proposal. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or may be proposed by 1/3 or more in number of the Co-owners by instrument in writing signed by them.

Section 2. Meeting. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of these Bylaws.

Section 3. Voting. These Bylaws may be amended by the Co-owners at any regular annual meeting or a special meeting called for such purpose by an affirmative vote of not less than 66-2/3% of all Co-owners in number and in value. No consent of mortgagees shall be required to amend these Bylaws unless such amendment would materially alter or change the rights of such mortgagees, in which event the approval of 66-2/3% of mortgagees shall be required with each mortgagee to have one vote for each mortgage held.

Section 4. By Developer. Prior to the Transitional Control Date, these Bylaws may be amended by the Developer without approval from any other person so long as any such amendment does not materially alter or change the right of a Co-owner or mortgagee.

Section 5. When Effective. Any amendment to these Bylaws shall become effective upon recording of such amendment in the office of the Oakland County Register of Deeds.

Section 6. Binding. A copy of each amendment to the Bylaws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Project irrespective of whether such persons actually receive a copy of the amendment.

ARTICLE XVIII

COMPLIANCE

The Association of Co-owners and all present or future Co-owners, tenants, future tenants, or any other persons acquiring an interest in or using the facilities of the Project in any manner are subject to and shall comply with the Act, as amended, and the mere acquisition, occupancy or rental of any Unit or an interest therein or the utilization of or entry upon the Condominium Premises shall signify that the Condominium Documents are accepted and ratified. In the event the Condominium Documents conflict with the provisions of the Act, the Act shall govern.

ARTICLE XIX

DEFINITIONS

All terms used herein shall have the same meaning as set forth in the Master Deed to which these Bylaws are attached as an Exhibit or as set forth in the Act.

ARTICLE XX

RIGHTS RESERVED TO DEVELOPER

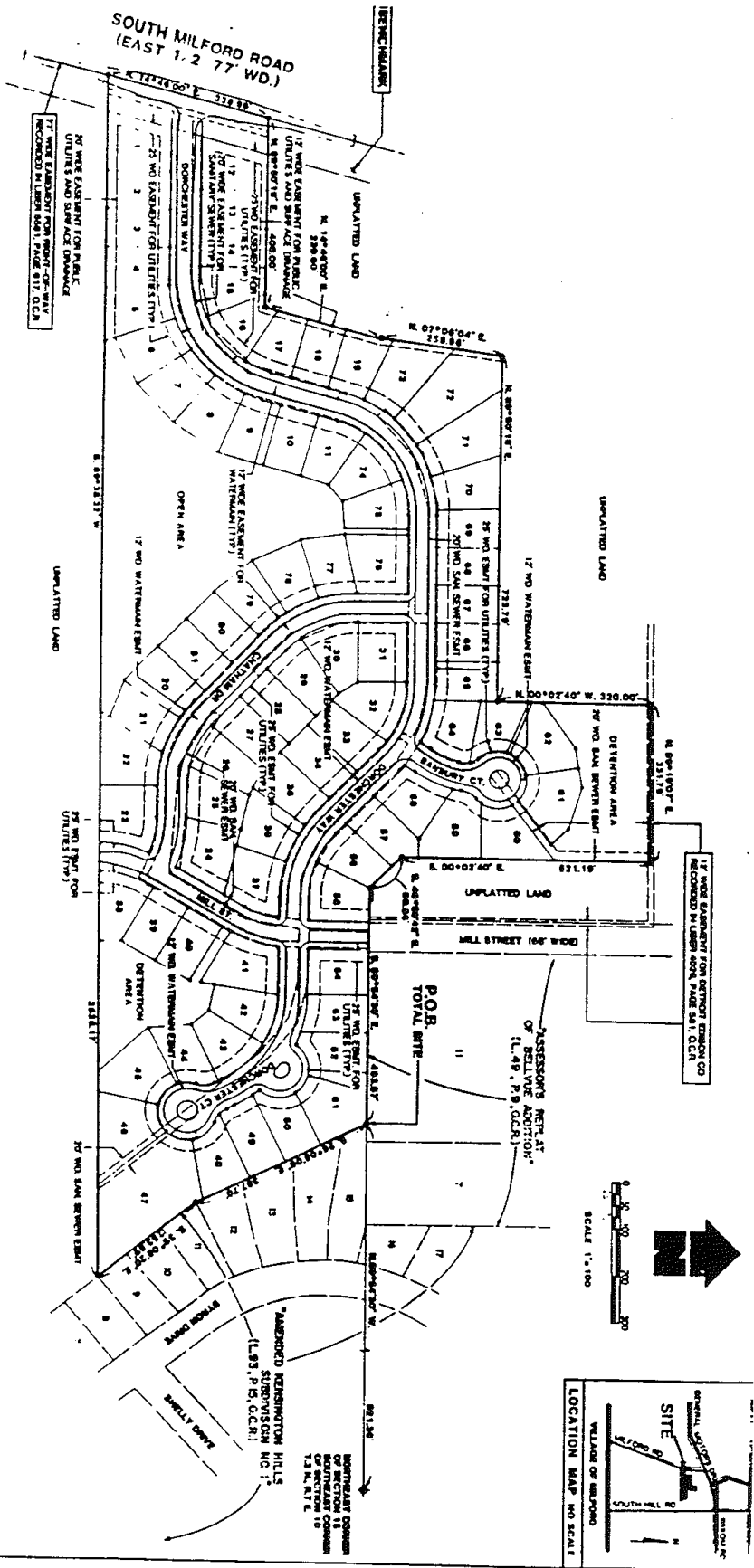
Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the right and power to approve or disapprove any act, use, or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its consent to the acceptance of such powers and rights and such assignee or transferee shall there upon have the same rights and powers as herein given and reserved to the Developer. Any rights and powers reserved or retained by Developer or its successors shall expire and terminate, if not sooner assigned to the Association, at the conclusion of the Construction and Sales Period as defined in Article III of the Master Deed. The immediately preceding sentence dealing with the expiration and termination of certain rights and powers granted or reserved to the Developer is intended to, apply, insofar as the Developer is concerned, only to Developer's rights to approve and control the administration of the Condominium and shall not, under any circumstances, be construed to apply to or cause the termination and expiration of any real property rights granted or reserved to the Developer or its successors and assigns in the Master Deed or elsewhere (including, but not limited to, access easements, utility easements and all other easements created and reserved in such documents which shall not be terminable in any manner hereunder and which shall be governed only in accordance with the terms of their creation or reservation and not hereby).

ARTICLE XXI

SEVERABILITY

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

**SOUTH MILFORD ROAD
(EAST 1, 2 77' WD.)**



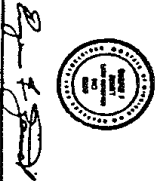
SURVEYOR'S CERTIFICATE

I, **ROBERT J. ZEMKE**, Registered Land Surveyor of the State of Wisconsin, hereby certify that the subdivision plat herein is a true and correct copy of the original subdivision plat as shown on the accompanying instrument, substantially corresponding to the original plat as recorded in the public records of the county in which the land is located. I further certify that the original plat as recorded in the public records of the county in which the land is located is a true and correct copy of the original plat as recorded in the public records of the county in which the land is located. I further certify that the original plat as recorded in the public records of the county in which the land is located is a true and correct copy of the original plat as recorded in the public records of the county in which the land is located.

ROBERT J. ZEMKE
 REGISTERED LAND SURVEYOR NO. 2920
 2610 FRANKLIN RD.
 MILWAUKEE, WI 53208
 (414) 382-2920

NOTES

1. EASEMENTS ARE IN RELATION TO THE INTERESTS OF THE STATE OF WISCONSIN, WISCONSIN HILLS SUBDIVISION NO. 1 AS RECORDED IN LIBER 88, PAGE 18, CHELSEA COUNTY RECORDS.
2. @ DENOTES MOBILEHOMES - DESIGNATED AREA.
3. LOTS 1 - 01 MUST BE BUILT.
4. SCHEDULED: P.R. MAIL IS POWER POLE APPROX. 100' NORTH OF A.W. CORNER OF SITE. ELEVATION SHD AS U.S.G.S.
5. DEVELOPMENTS HAVE NOT BEEN SET AT TIME OF PLAT PREPARATION BUT SHALL BE NO LATER THAN 1-4-93.
6. DORSCHESTER WAY, CONCORDE WAY, BUNKER HILL WAY, BUNKER HILL DR. AND BUNKER HILL CT. ARE PRIVATE DRIVES WITH PROPOSED DEDICATION.



PROPOSED

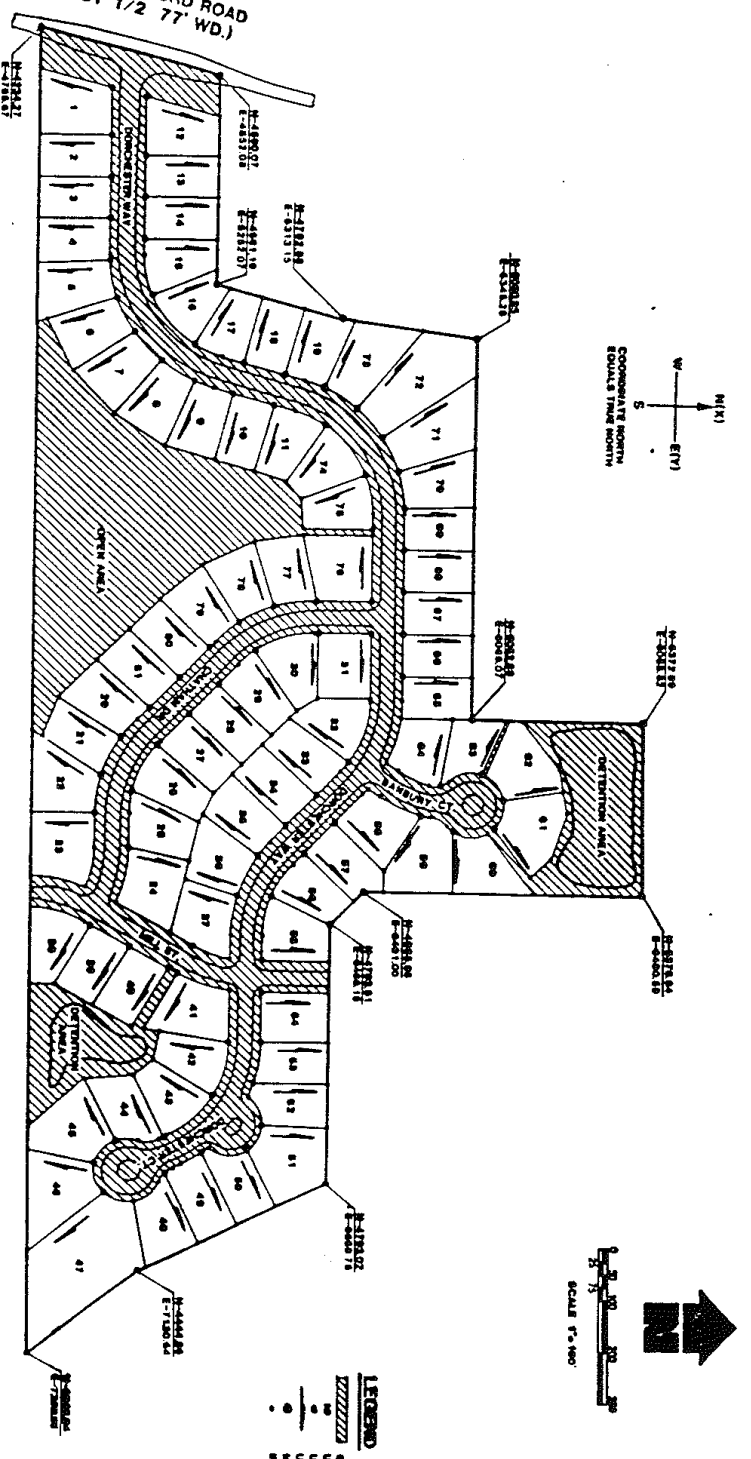
MILFORD HEIGHTS

SURVEY PLAN

REVISIONS	DATE	BY	DESCRIPTION
1			
2			

1-8-92

SOUTH MILFORD ROAD
(EAST 1/2 77' WD.)



UNIT NO.	SOIL	UNIT DIMENSIONS	AREA	BEARING	UNIT NO.	SOIL	UNIT DIMENSIONS	AREA	BEARING
1	14100	4383.89	4870.65	S 00° 21' 28" E	70	11510	4482.44	5000.81	N 89° 50' 18" E
2	14100	4383.89	4870.65	S 00° 21' 28" E	71	11510	4482.44	5000.81	N 89° 50' 18" E
3	14100	4383.89	4870.65	S 00° 21' 28" E	72	11510	4482.44	5000.81	N 89° 50' 18" E
4	14100	4383.89	4870.65	S 00° 21' 28" E	73	11510	4482.44	5000.81	N 89° 50' 18" E
5	14100	4383.89	4870.65	S 00° 21' 28" E	74	11510	4482.44	5000.81	N 89° 50' 18" E
6	14100	4383.89	4870.65	S 00° 21' 28" E	75	11510	4482.44	5000.81	N 89° 50' 18" E
7	14100	4383.89	4870.65	S 00° 21' 28" E	76	11510	4482.44	5000.81	N 89° 50' 18" E
8	14100	4383.89	4870.65	S 00° 21' 28" E	77	11510	4482.44	5000.81	N 89° 50' 18" E
9	14100	4383.89	4870.65	S 00° 21' 28" E	78	11510	4482.44	5000.81	N 89° 50' 18" E
10	14100	4383.89	4870.65	S 00° 21' 28" E	79	11510	4482.44	5000.81	N 89° 50' 18" E
11	14100	4383.89	4870.65	S 00° 21' 28" E	80	11510	4482.44	5000.81	N 89° 50' 18" E
12	14100	4383.89	4870.65	S 00° 21' 28" E	81	11510	4482.44	5000.81	N 89° 50' 18" E
13	14100	4383.89	4870.65	S 00° 21' 28" E					
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27	14100	4383.89	4870.65	S 00° 21' 28" E					

NOTES

1. ALL DIMENSIONS AND OPEN AREAS CONTAINED HEREIN ARE THE CURRENT DEVELOPMENT.
2. ALL DIMENSIONS AND OPEN AREAS CONTAINED HEREIN ARE THE CURRENT DEVELOPMENT.
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27. ALL DIMENSIONS AND OPEN AREAS CONTAINED HEREIN ARE THE CURRENT DEVELOPMENT.

PROPOSED

MILFORD HEIGHTS

SITE PLAN

1-8-82

REVISIONS

NO.	DATE	DESCRIPTION
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LEGEND

- GENERAL CORNER ELEMENT
- UNIT DIMENSION
- UNIT CORNER LOCATION
- UNIT CORNER DIRECTION
- REMARKS
- FOOT

ARTICLES OF INCORPORATION

MICHIGAN DEPARTMENT OF COMMERCE — CORPORATION AND SECURITIES BUREAU									
(FOR BUREAU USE ONLY)	Date Received								
CORPORATION IDENTIFICATION NUMBER	<table border="1" style="margin: auto; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>								

ARTICLES OF INCORPORATION

For use by Domestic Nonprofit Corporations

(Please read information and instructions on last page)

Pursuant to the provisions of Act 162, Public Acts of 1982, the undersigned corporation executes the following Articles:

ARTICLE I

The name of the corporation is: Milford Heights Association
--

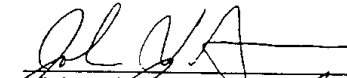
ARTICLE II

The purpose or purposes for which the corporation is organized are: <p style="text-align: center;">See attached Rider</p>
--


ARTICLE III

The corporation is organized upon a <u>non-stock</u> <small>(stock or nonstock)</small> basis.
1. If organized on a stock basis, the total number of shares which the corporation has authority to issue is _____ . If the shares are, or are to be, divided into classes, the designation of each class, the number of shares in each class, and the relative rights, preferences and limitations of the shares of each class are as follows:

I (We), the incorporator(s) sign my (our) name(s) this 1st day of October, 1992.



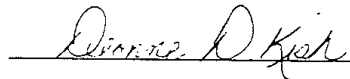
John Vincenti



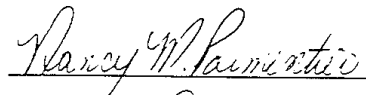
Raymond L. Cousineau



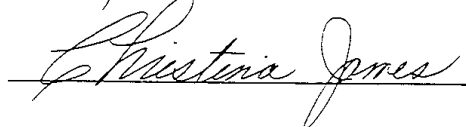
Anita L. Cagle



Dennis D. Kier



Nancy W. Palminterio



Christina James

DOCUMENT WILL BE RETURNED TO NAME AND MAILING ADDRESS INDICATED IN THE BOX BELOW. Include name, street and number (or P.O. box), city, state and ZIP code.

Name of person or organization remitting fees:

David S. Snyder, Esq.
Sullivan, Ward, Bone, Tyler & Asher
25800 Northwestern Highway
P.O. Box 222
Southfield, MI 48037-0222

Preparer's name and business telephone number:

David S. Snyder

(313) 746-0700

INFORMATION AND INSTRUCTIONS

1. The articles of incorporation cannot be filed until this form, or a comparable document, is submitted.
2. Submit one original copy of this document. Upon filing, a microfilm copy will be prepared for the records of the Corporation and Securities Bureau. The original copy will be returned to the address appearing in the box above as evidence of filing.
Since this document must be microfilmed, it is important that the filing be legible. Documents with poor black and white contrast, or otherwise illegible, will be rejected.
3. This document is to be used pursuant to the provisions of the Act by one or more persons for the purpose of forming a domestic nonprofit corporation.
4. **ARTICLE II** — The purpose for which the corporation is organized must be included. It is not sufficient to state that the corporation may engage in any activity within the purposes for which corporations may be organized under the Act.
5. **ARTICLE III** — The corporation must be organized on a stock or nonstock basis. Complete Article III(1) or III(2) as appropriate, but not both. Real property assets are items such as land and buildings. Personal property assets are items such as cash, equipment, fixtures, etc.
6. **ARTICLE IV** — A post office box may not be designated as the street address of the registered office.
7. **ARTICLE V** — The Act requires one or more incorporators. The addresses should include a street number and name (or other designation), city and state.
8. This document is effective on the date approved and filed by the Bureau. A later effective date, no more than 90 days after the date of delivery, may be stated as an additional article.
9. This document must be signed in ink by each incorporator listed in Article V. However, if there are 3 or more incorporators, they may, by resolution adopted at the organizational meeting by a written instrument, designate one of them to sign the articles of incorporation on behalf of all of them. In such event, these articles of incorporation must be accompanied by a copy of the resolution duly certified by the acting secretary at the organizational meeting and a statement must be placed in the articles incorporating that resolution into them.
10. **FEES:** Filing fee & Franchise fee (Make remittance payable to State of Michigan) ... \$20.00
11. Mail form and fee to:
MICHIGAN DEPARTMENT OF COMMERCE
Corporation and Securities Bureau
Corporation Division
P.O. Box 30054
6546 Mercantile Way
Lansing, MI 48909
Telephone: (517) 334-6302

RIDER TO ARTICLES OF INCORPORATION
OF MILFORD HEIGHTS ASSOCIATION

ARTICLE II

The purposes of the corporation are as follows:

To maintain, manage and administer the affairs, the real estate and other property of Milford Heights.

To levy and collect assessments from the members and to use the proceeds thereof for the purposes of the condominium.

To carry insurance on all of the real estate comprising Milford Heights as well as any personalty of the corporation exclusive of any coverage for contents and personal effects belonging to any of the members; to collect all premiums and charges for same from the members; and to use, reimburse or expend the proceeds for the rebuilding, repair, renovation, rehabilitation and/or replacement of any loss or damage to any of the above property as provided in the Bylaws.

To contract for and employ persons, firms or corporations to assist in the management, operation, maintenance and administration of the said condominium;

To make and enforce reasonable regulations concerning the use and enjoyment of the said condominium.

To own, maintain and improve and to buy, sell, convey, assign, mortgage or lease real and personal property.

To borrow money and issue evidence of indebtedness in furtherance of any or all of the objects of its business; to secure the same by mortgage, pledge or other lien; to do all things necessary or convenient to assist and enable members to obtain contracts or mortgages; to do anything required of or permitted to it as administrator of the said condominium by the Condominium Bylaws or by Act No. 59 of the Public Acts of 1978 as from time to time amended.

In general, to enter into any kind of activity, to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of said condominium and to the accomplishment of any of the purposes thereof and without limiting the generality of the foregoing; to allow any persons other than an owner or co-owner of a condominium unit access to or utilization of any real estate and facilities of the condominium association upon such terms and conditions and upon payment of such dues, admission fees or assessments as will further the interest of the condominium

association and to subscribe to and own shares of stock or interest in any corporation or entity which may own any facility to be utilized by the members and to pay charges and make and collect assessments with respect to such facility.

ARTICLE VIII

Section 1. Qualification of members, the manner of their admission to the corporation and the voting of such members shall be as follows:

- A) Each co-owner of a unit in the condominium shall be a member of the corporation and no other person or entity shall be entitled to membership.
- B) The Developer shall be entitled to membership in the condominium and shall be entitled to vote only so long as it is the owner of a unit in the condominium.
- C) The incorporators shall be members of the condominium and they shall constitute the Board of Directors until six (6) months following closing of the sale of fifty-one (51%) percent of the total number of units in the condominium development.
- D) Membership in the condominium shall be established by recording with the Register of Deeds, Oakland County, Michigan, a Deed or other instrument establishing record title to a unit in the condominium in the name of such co-owner and the delivery to the corporation of a certified copy of such instrument. Upon transferring of a condominium unit by a co-owner, the new co-owner is qualified for membership immediately upon completion of the above procedures. The former co-owner thereupon ceases to be a member and is no longer entitled to any rights or privileges in the condominium whatsoever.
- E) The shares of a co-owner in the funds and assets of the corporation cannot be assigned, pledged, encumbered or transferred in any manner except as an appurtenance to his condominium unit in the condominium development.
- F) Voting by members shall be in accordance with the provisions of the Bylaws and the rules of this corporation.

Section 2. The first Board of Directors shall consist of the incorporators who shall serve as the Board of Directors and the Developer shall fill vacancies in the Board of Directors until six (6) months following the closing on fifty-one (51%) percent of the total units in the condominium development but not later than the

date specified in the Bylaws for holding of the first annual meeting of the co-owners of the Association.

Section 3. The second Board of Directors and all successive boards shall be elected by the co-owner members of the condominium, each of whom must be a member of the condominium. Said Directors shall be elected in the manner provided for in the Bylaws of the corporation.

Section 4. The Board of Directors may from time to time with the approval of a majority of the members in value and in number at any regular meeting of the Association make and adopt rules for the conduct of the business of the condominium.

Section 5. Officers of the corporation shall be elected as provided for in the Bylaws of the corporation.

Section 6. Indemnification of Officers and Directors.

Every director and 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 of the Association, whether or not he is 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 or wanton misconduct or gross negligence 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 rights to which such director or officer may be entitled. At least 10 days prior to payment of any indemnification which it has approved, the board of directors shall notify all co-owners thereof. Further, the board of directors is authorized to carry officers' and directors' liability insurance covering acts of the officers and directors of the Association in such amounts as it shall deem appropriate.