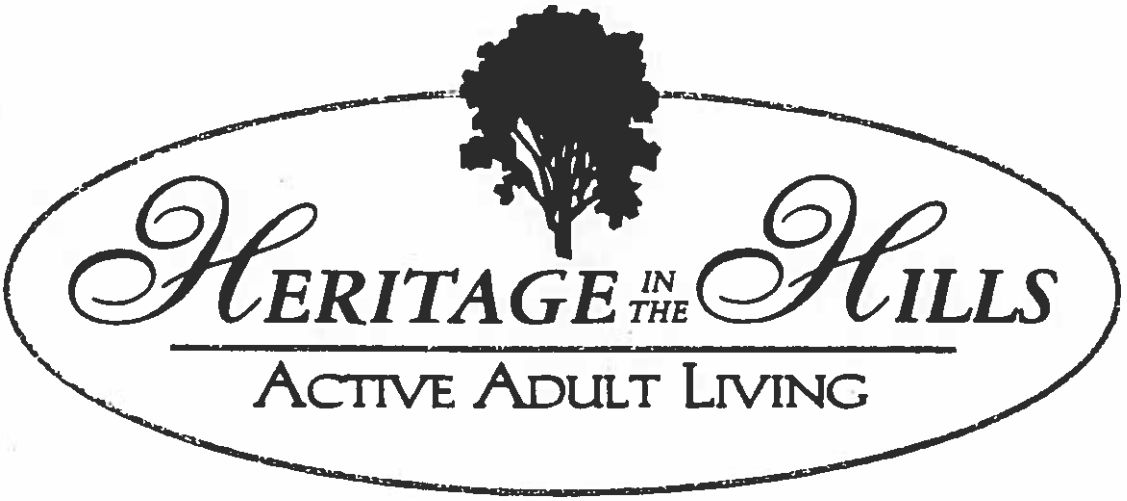
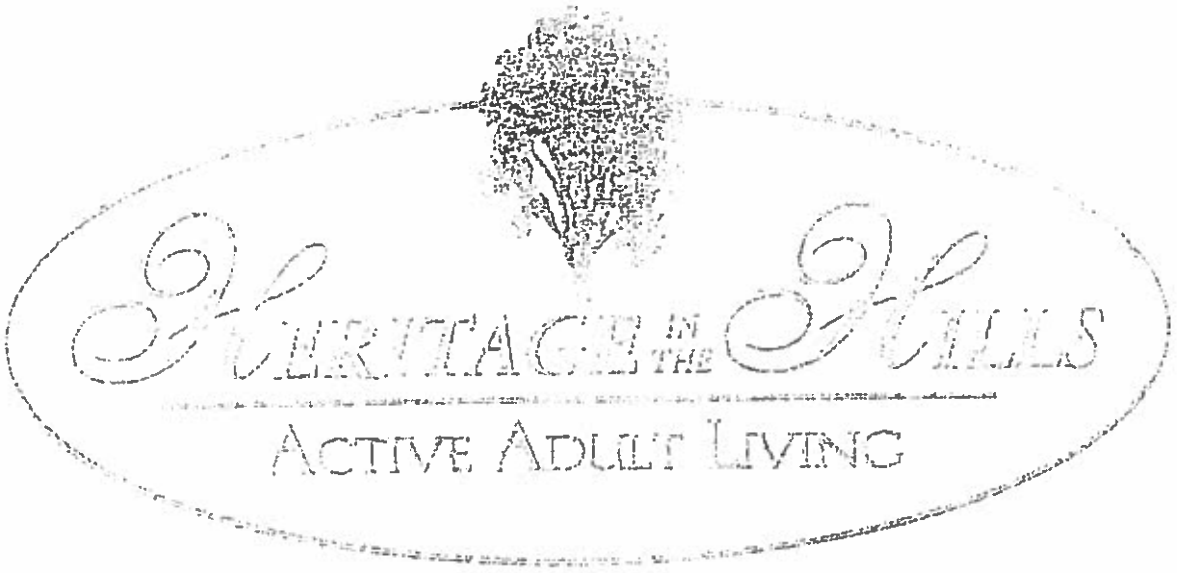
PURCHASER INFORMATION BOOKLET



A Two Hundred Eighty-One Site Residential
Development

Heritage in the Hills Developed By
HERITAGE OF AUBURN HILLS, L.L.C.
Northwestern Highway, Suite 270
Farmington Hills, Michigan 48334

WK004765.1



Dear Purchaser:

Welcome to Heritage in the Hills. This booklet includes the documents required by Michigan law for the formation of a condominium. It will serve as a reference point for any questions you may have concerning the operation, maintenance and legal status of your condominium unit. It contains an Information Statement about section 84a of the Condominium Act, Disclosure Statement, Master Deed, Condominium Bylaws (which are also the Corporate Bylaws), Articles of Incorporation and Escrow Agreement.

Sincerely,

HERITAGE OF AUBURN HILLS, L.L.C.

WK004766.1

PURCHASER INFORMATION BOOKLET
FOR
HERITAGE IN THE HILLS

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*Note: Documents are separated by colored sheets; page numbers are internal to each document, not consecutive throughout the booklet.

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DISCLOSURE STATEMENT

Developed By:

HERITAGE OF AUBURN HILLS, L.L.C.
30840 Northwestern Highway, Suite 270
Farmington Hills, Michigan 48334

Effective Date: December 1, 1999

Heritage in the Hills is a single-family residential development comprised of two hundred eighty-one condominium units.

THIS DISCLOSURE STATEMENT IS NOT A SUBSTITUTE FOR THE MASTER DEED OR OTHER APPLICABLE LEGAL DOCUMENTS. PURCHASERS SHOULD READ ALL SUCH DOCUMENTS TO FULLY ACQUAINT THEMSELVES WITH THE PROJECT AND THEIR RIGHTS AND RESPONSIBILITIES RELATING THERETO.

PRIOR TO PURCHASING A CONDOMINIUM UNIT, PURCHASERS SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISORS.

HERITAGE IN THE HILLS

INFORMATION STATEMENT

Notice to Purchasers: Paraphrased below are provisions of section 84a of the Michigan Condominium Act ("Act"), which is being submitted to Purchasers to comply with the requirements of the Act. By signing below, Purchasers acknowledge that they have reviewed this Statement and have received from Developer a copy of the recorded master deed, and its exhibits, signed purchase agreement, escrow agreement, Condominium Buyer's Handbook and disclosure statement.

Section 84a of the Act provides in part:

(1) The developer shall provide copies of all of the following documents to a prospective purchaser of a condominium unit, other than a business condominium unit:

(a) The recorded master deed.

(b) A copy of a purchase agreement that conforms with section 84 (of the Act), and that is in a form in which the purchaser may sign the agreement, together with a copy of the escrow agreement.

(c) A condominium buyer's handbook. The handbook shall contain, in a prominent location and in boldface type, the name, telephone number, and address of the person designated by the administrator to respond to complaints. The handbook shall contain a listing of the available remedies as provided in section 145 (of the Act).

(d) A disclosure statement relating to the project containing all of the following:

(i) An explanation of the association of co-owners' possible liability pursuant to section 58 (of the Act).

(ii) The names, addresses, and previous experience with condominium projects of each developer and any management agency, real estate broker, and residential builder, and residential maintenance and alteration contractor.

(iii) A projected budget for the first year of operation of association of co-owners.

(iv) An explanation of the escrow arrangement.

(v) Any express Warranties undertaken by the developer, together with a statement that express warranties are not provided unless specifically stated.

(vi) If the condominium project is an expandable condominium project, an explanation of the contents of the master deed relating to the election to expand the project prescribed in section 32 (of the Act), and an explanation of the material consequences of expanding the project.

(vii) If the condominium project is a contractible condominium project, an explanation of the contents of the master deed relating to the election to contract the project prescribed in section 33 (of the Act), an explanation of the material consequences of contracting the project, and a statement that any structures or improvements proposed to be located in a contractible area need not be built.

(viii) If section 66(2)(j) (of the Act) is applicable, an identification of all structures and improvements labeled pursuant to section 66 (of the Act) "need not be built".

(ix) If section 66(2)(j) (of the Act) is applicable, the extent to which financial arrangements have been provided for Completion of all structures and improvements labeled pursuant to section 66 (of the Act) "must be built".

(x) Other material information about the condominium project and the developer that the administrator requires by rule.

(e) If a project is a conversion condominium, the developer shall disclose the following additional information:

(i) A statement, if known, of the condition of the main components of the building, including the roofs; foundations; external and supporting walls; heating, cooling, mechanical ventilating, electrical, and plumbing systems; and structural components. If the condition of any of the components of the building listed in this subparagraph is unknown, the developer shall fully disclose that fact.

(ii) A list of any outstanding building code or other municipal regulation violations and the dates the premises were last inspected for compliance with building and housing codes.

(iii) The year or years of completion of construction of the building or buildings in the project.

(2) A purchase agreement may be amended by agreement of the purchaser and developer before or after the agreement is signed. An amendment to the purchase agreement does not afford the purchaser any right or time to withdraw in addition to that provided in section 84(2) (of the Act). An amendment to the condominium documents effected in the manner provided in the documents or provided by law does not afford the purchaser any right or time to withdraw in addition to that provided in section 84(2) (of the Act).

(3) At the time the purchaser receives the documents required in subsection (1) the developer shall provide a separate form that explains the provisions of this section. The signature of the purchaser upon this form is prima facie evidence that the documents required in subsection (1) were received and understood by the purchaser.

... [Subparagraph 4 intentionally omitted.]

(5) With regard to any documents required under this section, a developer shall not make an untrue statement of a material fact or omit to state a material fad necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

(6) The developer promptly shall amend a document required under this section to reflect any material change or to correct any omission in the document.

(7) In addition to other liabilities and penalties, a developer who violates this section is subject to section 115 (of the Act, which section imposes penalties upon a developer or any other person who fails to comply with the Condominium Act or any rule, agreement or master deed and may make a developer liable to a purchaser of a unit for damages).

Dated: _____

Site No. _____

PURCHASERS:

_____
Signature

_____
Signature

_____ M/O _____ Purchaser _____ Site _____ Atty

WK004769.1

DISCLOSURE STATEMENT

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DISCLOSURE STATEMENT

HERITAGE IN THE HILLS

I. Introduction.

Condominium development in Michigan is governed largely by the Michigan Condominium Act, being Act 59 of the Michigan Public Acts of 1978, as amended.

This Disclosure Statement, together with copies of the legal documents required for the creation and operation of the condominium, are furnished to each purchaser pursuant to the requirement of the Michigan Condominium Act that the Developer of a condominium disclose to prospective purchasers the characteristics of the condominium units which are offered for sale. This Disclosure Statement, along with the documents contained in the Purchaser Information Booklet, are the only authorized description of Heritage in the Hills. The Developer's officers, employees and agents (including but not limited to sales representatives) are not permitted to vary the terms contained therein.

II. The Condominium Concept.

A condominium is a method of subdividing and describing real property. A condominium unit has the same legal attributes as any other form of real property under Michigan law and may be sold, mortgaged or leased, subject only to such restrictions as are contained in the condominium documents or as otherwise may be applicable to the property. In this Disclosure Statement, and in the other documents contained in the Purchaser Information Booklet, the condominium units in Heritage in the Hills are sometimes referred to as "sites". The terms "unit" and "site" have the same definition in Heritage in the Hills Master Deed and are used interchangeably in the condominium documents.

Each owner receives a deed to the site purchased. Each owner owns, in addition to the site purchased, an undivided interest in the condominium's common facilities ("common elements"). Title to the common elements is included as part of, and is inseparable from, title to the individual sites. Each owner's proportionate share of the common elements is determined by the percentage of value assigned to the owner's site in the Master Deed. The Master Deed, which is described in Section IV of this Disclosure Statement, must be examined carefully to determine each owner's rights and obligations with respect to common elements.

Heritage in the Hills is different from most condominiums in this area because the condominium sites in Heritage in the Hills consist of only the individual building sites, and the common elements generally do not include the buildings and other improvements to be constructed on the sites. Each site consists of the space contained within the site boundaries as shown in the Condominium Subdivision Plan and delineated with heavy outlines and excluding therefrom any land. In the more traditional form of condominium, the sites consist of the air space enclosed within each of the buildings, and the common elements include the exterior structural components of the buildings. In Heritage in the Hills, each owner holds an absolute and undivided title to his site and to the home and other improvements built thereon (to the extent such improvements are not designated in the Master Deed as common elements). Each site owner will be responsible for all decoration, maintenance, repair and replacement of the dwelling and other improvements located on his site and adjoining yard area. Developer's initial maintenance budget for the Association, attached as Appendix A, establishes that the Association shall mow and edge all lawns within the sites and provide snow removal services from the sites for snowfalls of 2" or greater. Unlike more traditional

condominiums, each owner in Heritage in the Hills will be responsible for maintaining fire and extended coverage insurance on his site, adjoining yard area and the home and other improvements located thereon, as well as personal property, liability and other personal insurance coverage. The Association will maintain only liability insurance coverage for occurrences on the general common elements.

All portions of Heritage in the Hills not included within the sites constitute the common elements. Limited common elements are those common elements set aside for use by less than all site owners. There are no limited common elements in Heritage in the Hills. General common elements are all common elements other than limited common elements.

The proximity of the sites in Heritage in the Hills and each site owner's right, in common with all other site owners, to use the general common elements, dictates that certain restrictions and obligations be imposed on each owner for the mutual benefit of all owners. The restrictions and obligations are set forth in the Master deed and in the Bylaws which are attached as Exhibit A to the Master Deed. All owners and site occupants must be familiar with and abide by such restrictions and obligations.

The management and administration of Heritage in the Hills is the responsibility of Heritage in the Hills Homeowners Association, a Michigan nonprofit corporation of which all owners are members (the "Association"). The nature and duties of the Association are set forth in the Condominium Bylaws attached as Exhibit A to the Master Deed and are summarized in Section VI of the Disclosure Statement.

Except for the year in which a site is first established as part of Heritage in the Hills, real property taxes and assessments are levied individually against each site in Heritage in the Hills. The separate taxes and assessments cover the site and its proportionate share of the common elements. No taxes or assessments are levied independently against the common elements.

The foregoing is necessarily generalized to some degree. Accordingly, each purchaser is urged to carefully review all of the documents contained in the Purchaser Information Booklet for Heritage in the Hills as well as any other documents that have been delivered to the purchaser in connection with this development. Any purchaser having questions pertaining to the legal aspects of the condominium is advised to consult the purchaser's own lawyer or other professional advisor.

III. Description of Heritage in the Hills.

A. **Size, Scope and Physical Characteristics of Heritage in the Hills.** Heritage in the Hills is a 172-site, age-qualified residential condominium located in the City of Auburn Hills, Michigan, which may be further expanded to include additional sites. The Developer has reserved the right in the Master Deed to include a maximum of 300 sites, but local ordinances may permit a lesser number of sites. As an age-qualified, 55 and over community, Heritage in the Hills is housing designed for "Active Seniors". See Article X of the Master Deed.

B. **Improvements Labeled "Must be Built" or "Need Not be Built".** The Condominium Act requires that proposed structures and improvements be labeled in the Condominium Subdivision Plan as either "must be built" or "need not be built." The Condominium Plan identifies all roads and utilities in Heritage in the Hills as "must be built". Developer has financed the cost of the "must be built" improvements through a construction loan from Comerica Bank.

C. **Recreational Areas and Facilities.** Heritage in the Hills itself does not include any recreational facilities. The Condominium is a part of the Heritage Hills residential development, which will include recreational amenities available for the use of site owners in common with all other homeowners in

the Heritage Hills residential development. Pursuant to the Heritage in the Hills Declaration of Covenants, Conditions and Restrictions (the "Master Declaration") recorded by the Developer in the Oakland County Register of Deeds, each site owner has use rights in the "Community Areas and Facilities" described in the Master Declaration and constructed by Developer to serve the entire Heritage Hills residential development. The Master Association (defined in the Master Deed), Heritage Hills Association, will be responsible for the maintenance, management, upkeep and replacement of such recreational facilities. Each site owner will be a member of the Heritage Hills Association and, as such, will be required to pay a pro rata share of the expenses of management, upkeep and replacement of the Community Areas and Facilities described in the Master Declaration. Each site owner's Heritage Hills Association assessment will be included in the monthly assessment payable to the Association. The Developer has no obligation to construct or install any common recreational facilities other than as may be specifically committed by it from time to time in connection with its development of the Heritage Hills residential development. A copy of the Master Declaration is attached as Appendix B.

D. **Wetland Protection.** Any General Common Element wetlands areas and Units 7 through 10, inclusive, 13 through 17, inclusive, 19 through 30, inclusive, 67 though 74, inclusive, 88 through 92, inclusive, 94 through 107, inclusive, 149 through 155, inclusive, 158, 159, 162 and 163 shown on the Plan, are subject to a proposed conservation and preservation easement. Other than utility improvements installed without detriment to the conservation and preservation easement areas, the Association and all Heritage in the Hills site owners shall refrain from altering the topography of, placing fill material in, dredging, removing or excavating any soil or materials from, draining surface water from, constructing or placing any structure on, plowing, tilling, cultivating, or otherwise altering or developing the wetlands areas. The purpose of this restriction is to maintain the wetlands in their natural and undeveloped condition. The Association is required to maintain all wetlands shown on the Plan in their natural and undeveloped condition, including any portion of the wetlands that are located within a site. The purpose of such maintenance is to preserve the natural character of the wetlands and their continuing functioning.

E. **Private Roads.** The roads in Heritage in the Hills are private. Heritage in the Hills has access to a public road over the private roads in the Heritage Hills residential development. The roads in Heritage in the Hills residential development will be maintained (including, without limitation, snow removal) by the Condominium Association (as defined in the Master Declaration), which at this time is comprised solely of Heritage in the Hills Homeowners Association, not the board of county road commissioners. Replacement, repair and resurfacing will be necessary from time to time as circumstances dictate. A reserve for replacement of the private roads is included in the Condominium Association's initial budget (see Appendix A). It is impossible, however, to estimate with any degree of accuracy future road repair or replacement costs. It is the Condominium Association's responsibility to inspect and to perform preventive maintenance of the Heritage in the Hills roads on a regular basis in order to maximize the life of such roads and to minimize repair and replacement costs.

F. **Utilities.** Heritage in the Hills is served by public water and sanitary sewers, as well as natural gas, electric and telephone service. All utilities will be separately metered for payment by the individual site owners.

G. **Reserved Rights of Developer.**

(1) **Expansion of the Condominium.** The Developer has reserved the right but not the obligation to expand the condominium one or more times to include additional sites, land and other common elements. The Master Deed limits the maximum size of the condominium to no more than a total of 300 sites created on or before six (6) years after recordation of the original Master Deed. but the number of sites actually added to the condominium may not exceed the number permitted by local ordinances. Developer has the right to amend the condominium documents to accomplish one or more such expansions which amendments will include replatting of the Condominium Subdivision Plan, revision of percentages of value and such other changes in the condominium documents as are deemed by Developer to be necessary. Such amendments may be made by Developer without the consent of the site owners or mortgagees. This Disclosure Statement and the Master Deed give notice to site owners and mortgagees of such amendments and Developer may make such amendments without giving further notice. In connection with such expansion, the Developer has reserved the right to define and redefine general or limited common elements as may be necessary to adequately describe and service the expansion land and to change the nature of any common element previously included in the condominium. to achieve the purposes of such expansion, including, but not limited to, the connection of existing roads to any roads planned for the expansion land, and to provide access to any condominium sites over such roads.

(2) **Convertible Areas.** In order to facilitate the development and sale of sites in Heritage in the Hills the Developer has reserved the right, at any time on or before six (6) years after recordation of the original Master Deed, to modify, expand, delete or create sites and to add to or modify limited and/or general common elements within the convertible areas described in the Master Deed and identified as such on the Condominium Subdivision Plan.

(3) **Improvements.** Until all of the sites in Heritage in the Hills have been sold and certificates of occupancy issued for dwellings on every site, no exterior modifications of any type may be made without the Developer's approval.

(4) **Conduct of Commercial Activities.** Until all of the sites in Heritage in the Hills have been sold, the Developer has reserved the right to maintain on Heritage in the Hills premises a sales office, advertising display signs, a business office, model homes for sale to site purchasers, storage areas. reasonable parking incident to the use of such areas, and such access to, from and over Heritage in the Hills premises as may be reasonable to enable development and sale of all sites in Heritage in the Hills as well as the sale of homes to be built within sites.

(5) **Right to Amend.** The Developer has reserved the right to amend the Master Deed and the Exhibits thereto without approval from site owners or their mortgagees for certain purposes specified in the Master Deed. Those purposes include but are not limited to converting the convertible areas. expanding the size of the condominium. contracting the condominium (to exclude the roads). correcting errors and for any other purpose so long as the amendment would not materially alter or change the rights of an owner or mortgagee. Further. certain provisions of the Master Deed cannot be amended without Developer approval.

(6) **General.** In the condominium documents and in the Michigan Condominium Act, certain rights and powers are granted or reserved to the Developer to facilitate the development and sale of sites in Heritage in the Hills, including the power to approve or disapprove a variety of proposed acts and uses and the power to secure representation on the Association Board of Directors.

H. **Other Agreements.** Heritage in the Hills is subject to the terms, conditions and provisions of a Development Agreement executed between Developer and the City of Auburn Hills. Among other things, the Development Agreement requires that all decks constructed on sites 134 through 138, inclusive, as shown on the city-approved site plan, shall be constructed entirely within the building envelopes shown on the city-approved site plan, and that no deck variances shall be requested by the Developer or by any other person to the City of Auburn Hills' Zoning Board of Appeals to extend decks on sites 134 through 138, inclusive, beyond the building envelopes shown on the city-approved site plan. The Development Agreement also provides that with respect to other sites in the condominium that back up to adjacent developed lots, no variances shall be requested by the Developer or any other person to the City of Auburn Hills' Zoning Board of Appeals to extend decks beyond that which is permitted by the Auburn Hills Zoning Ordinance in effect on the date of the Development Agreement.

IV. Legal Documentation.

A. **General.** Heritage in the Hills was established pursuant to the Master Deed recorded in the Oakland County Records and contained in the Purchaser Information Booklet for the condominium. The Master Deed includes the Bylaws as Exhibit A and the Condominium Subdivision Plan as Exhibit B.

B. **Master Deed.** The Master Deed contains the definitions of certain terms used in connection with Heritage in the Hills, the percentage of value assigned to each site in Heritage in the Hills, a general description of the sites and common elements included in Heritage in the Hills and a statement regarding the relative responsibilities for maintaining the common elements. Article VII of the Master Deed covers easements, restrictions and other agreements, Article VIII reserves in favor of the Developer the right to amend the condominium documents for various purposes including but not limited to converting Heritage in the Hills common elements and unsold sites, making changes therein, providing for the correction of errors and complying with the requirements of certain lending institutions. Article IX sets forth Developer's right to convert certain areas of Heritage in the Hills. Article X describes and defines the operation of Heritage in the Hills as housing for "Active Seniors" under the federal Fair Housing Act. Article XI sets forth Developer's right to expand Heritage in the Hills to include additional land and to create sites and common elements on that land.

C. **Bylaws.** The Bylaws contain provisions relating to the operation, management and fiscal affairs of Heritage in the Hills and, in particular, set forth the provisions relating to the assessment of Association members for the purpose of paying the costs of operation of Heritage in the Hills. Article VI of the Bylaws contains provisions permitting the adoption of rules and regulations governing the common elements. Article VI also contains certain restrictions upon the ownership, occupancy and use of Heritage in the Hills.

D. **Condominium Subdivision Plan.** The Condominium Subdivision Plan is a three-dimensional survey depicting the physical location and boundaries of each of the sites and all of the common elements of Heritage in the Hills. The architectural and building specifications and use restriction

set forth in the Bylaws govern the development and use of each site in Heritage in the Hills. All improvements made within any site, including the construction of a residence or any other improvement, and the use and occupancy thereof, must comply fully with the architectural and building specifications and use restrictions established by the Bylaws.

E. **Association Litigation.** Article IX of the Articles of Incorporation of the Association and Article III of the bylaws establish procedures that govern all association litigation other than actions to enforce the bylaws or collect delinquent assessments. As with the restrictions on the ownership, occupancy and use, it is impossible to paraphrase these procedures without risking the omission of some portion that may be of significance to the purchaser.

V. Developer's Background and Experience.

Developer, Heritage of Auburn Hills, L.L.C., a Michigan limited liability company, 30840 Northwestern Highway, Suite 270, Farmington Hills, Michigan 48334, is a licensed residential developer. There are no judicial or administrative proceedings involving Heritage in the Hills or the Developer.

VI. Operation of Heritage in the Hills.

A. **The Association.** The responsibility for management and maintenance of Heritage in the Hills is vested in the Association. As each individual purchaser acquires title to a site in Heritage in the Hills, the purchaser will also become a member of the Association. The Articles of Incorporation of the Association are in the Purchaser Information Booklet and along with the Bylaws control procedural operations of the Association. The Association is governed by its Board of Directors whose initial members are designees of the Developer. Until a successor Board of Directors is elected by the members, the Association will be controlled by the Directors named by Developer. Developer's rights of representation on the Association's Board of Directors are set forth in Article XI of the Bylaws.

B. **Percentages of Value.** The percentage of value of each site in Heritage in the Hills is equal. The percentage of value assigned to each site determines, among other things, the value of each owner's vote and the owner's proportionate share of regular and special Association assessments and of the proceeds of administration of Heritage in the Hills.

C. **Project Finances.**

(1) **Budget.** Article II of the Bylaws requires the Board of Directors to adopt an annual budget for the operation of Heritage in the Hills. The Association's only source of revenue to fund its budget is by the assessment of its members. The initial budget for Heritage in the Hills was formulated by the Developer and is intended to provide for the normal and reasonably predictable expenses of administration of Heritage in the Hills, and includes a reserve for replacement of the major common element improvements of Heritage in the Hills. To the extent that estimates prove inaccurate during actual operations and to the extent that the goods and services necessary to service Heritage in the Hills change in cost in the future, the budget and the expenses of the Association also will require revision. The initial budget of the Association has been included as Appendix A to this Disclosure Statement. Developer does not represent or warrant that the budget attached as Appendix A accurately reflects the assessments which will be charged by the Association.

(2) **Assessments.** Except as set forth below with respect to the Developer, each owner of a site in Heritage in the Hills must pay for the expenses of general administration of the Association in proportion to the percentage of value assigned to the site(s) the owner owns. The Board of Directors may also levy special assessments in accordance with the provisions of Article II, Section 3(b) of the Bylaws. As set forth in Article II, Section 9 of the Bylaws, the Developer does not pay Association assessments for the sites it owns until they are occupied but does reimburse the Association for certain expenses it may incur for such sites.

(3) **Foreclosure of Lien.** The Association has a lien on each site to secure payment of Association assessments. The Bylaws provide that the Association may foreclose its lien in the same fashion that mortgages may be foreclosed by action or by advertisement under Michigan law.

(4) **Possible Additional Liability.** It is possible for owners to become obligated to pay a percentage share of assessment delinquencies incurred by other owners. This can happen if a delinquent owner defaults on a first mortgage and if the mortgagee forecloses. The delinquent assessments then become a common expense which is reallocated to all the owners, including the first mortgagee, in accordance with the percentages of value in the Master Deed. The Michigan Condominium Act (Section 58) provides:

> If the mortgagee of a first mortgage of record or other purchaser of a condominium site obtains title to the condominium site as a result of foreclosure of the first mortgage, such person, its successors and assigns, is not liable for the assessments by the [Association] chargeable to the site which became due prior to the acquisition of title to the site by such person. The unpaid assessments are deemed to be common expenses collectible from all of the condominium site owners including such persons, its successors and assigns.

D. **Insurance.** The condominium documents require that the Association carry fire and extended coverage, vandalism and malicious mischief and liability insurance and workers' compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the common elements of Heritage in the Hills. The insurance policies have deductible clauses and, to the extent thereof, losses will be borne by the Association. The Board of Directors is responsible for obtaining insurance coverage for the Association. Each owner's pro rata share of the annual Association insurance premiums is included in the monthly assessment. The Association insurance policies are available for inspection during normal working hours. A copy of the Certificate of Insurance with respect to Heritage in the Hills common elements will be furnished to each owner upon request. The insurance coverage carried by the Association will not cover the homes built on individual sites, any other improvements to the sites or any personal property of any owner.

Each owner is responsible for obtaining coverage with respect to the owner's site, the home built thereon and any other improvements to the site and to the extent indicated in Article IV of the Bylaws. The Association should periodically review all insurance coverage to be assured of its continued adequacy and each owner should do the same with respect to the owner's personal insurance.

E. **Restrictions on Ownership, Occupancy and Use.** Article VI of the Bylaws contains comprehensive restrictions on the use of sites and the common elements. It is impossible to paraphrase

these restrictions without risking the omission of some portion that may be of significance to a purchaser. Consequently, each purchaser should examine the restrictions with care to be sure that they do not infringe upon an important intended use. The following is a list of certain of the most significant restrictions:

(1) Sites are to be used only for residential purposes and construction of residences and other permitted structures.

(2) At all times, specifically excluding the initial stages of the development of Heritage in the Hills until such time as 25% of the sites that may be created in Heritage in the Hills are occupied, at least 80% of the total number of sites that may be created in Heritage in the Hills shall be occupied by at least one "Active Senior" (as defined in the Master Deed), and all "Permanent Occupants" (as defined in the Master Deed) must be at least 18 years of age or older.

(3) No savage or dangerous animals shall be kept. Only two household pets may be kept on a site at any time.

(4) There are substantial limitations upon physical changes which may be made to the common elements in Heritage in the Hills, and upon the uses to which the common elements and sites may be put. All sites in Heritage in the Hills are subject to the substantial restrictions on the type and quality of improvements that may be made to any site, including the construction of a home or any other structure, all as provided in Article VI of the Bylaws.

(5) Motorcycles are allowed on the roads in Heritage in the Hills, but motorcycles and all other motorized off-road vehicles are prohibited in all other general common element areas. Snowmobiles are prohibited in all general common element areas in Heritage in the Hills.

(6) Reasonable regulations may be adopted by the Board of Directors of the Association concerning the use of common elements, without vote of the owners.

(7) Unit all of the sites in Heritage in the Hills have been sold, no exterior modifications of any type may be made without the Developer's approval.

(8) Subject to the requirements set forth in Section 21 of Article VI, an owner (including Developer) may rent sites owned at any time for any term of occupancy not less than twelve (12) months. An owner must disclose the owner's intention to lease a site and provide a copy of the exact lease form to the Association at least ten (10) days before presenting a lease to a potential lessee. Developer reserves the right to lease sites and hereby notifies all owners that it may do so if market conditions so require.

None of the restrictions apply to the commercial activities or signs of the Developer.

VII. Condominium Warranties.

Each purchaser understands and agrees that Developer is making only those express limited warranties set forth in the ***2-10 Home Buyer's Warranty*** in the form available for inspection in Developer's sales office and which shall be delivered to the purchaser at closing. THE EXPRESS LIMITED WARRANTY AND REMEDIES PROVIDED BY DEVELOPER CONSITUTE THE EXCLUSIVE WARRANTY AND REMEDIES TO BE MADE AVAILABLE BY DEVELOPER AND, EXCEPT WHERE ADDITIONAL WARRANTIES ARE REQUIRED BY APPLICABLE LAW OR

REGULATION, ARE IN PLACE OF ALL OTHER GUARANTIES OR WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING UNDER STATE LAW OR THE MAGNUSON-MOSS WARRANTY ACT, INCLUDING BUT NOT LIMIED TO WARRANTIES OF WORKMANSHIP, MERCHANTABILITY, HABITABILITY, SUITABILITY AND FITNESS, ALL OF WHICH ARE HEREBY DISCLAIMED BY DEVELOPER AND WAIVED BY PURCHASER.

EXCEPT AS EXPRESSLY DISCLOSED IN ANY PUBLIC REPORT FURNISHED TO PURCHASER, DEVELOPER HAS MADE NO GEOLOGICAL OR ENVIRONMENTAL TESTS OR SURVEYS OF THE PROPERTY AND MAKES NO REPRESENTATION OR WARRANTY CONCERNING GEOLOGICAL OR ENVIRONMENTAL MATTERS SUCH AS RADON GAS AND SPECIFICALLY EXCLUDES SUCH GEOLOGICAL AND ENVIRONMENTAL MATTERS FROM ANY WARRANTIES GIVEN UNDER THIS AGREEMENT.

LIMITATION OF LIABILITY. DEVELOPER'S LIABILITY WHETHER IN CONTRACT, IN TORT, UNDER WARRANTY, IN NEGLIGENCE OR OTHERWISE IS LIMITED TO THE REMEDY PROVIDED IN DEVELOPER'S 2-10 HOME BUYER'S WARRANTY. **DEVELOPER SHALL NOT BE LIABLE OR RESPONSIBLE TO COMPENSATE OR INDEMNIFY PURCHASER FOR ANY DAMAGES, CLAIM, DEMAND, LOSS, COST, OR EXPENSE RESULTING FROM AN ALLEGED CLAIM OF BREACH OF WARRANTY WHETHER RELATING TO INJURY TO PERSONS, PROPERTY, OR OTHERWISE, OR RELATING TO THE PRESENCE OF ANY TOXIC AND HAZARDOUS WASTE, SUBSTANCE, OR CONTAMINANT IN, ON, OR UNDER HERITAGE IN THE HILLS, THE PROPERTY OF WHICH HERITAGE IN THE HILLS IS A PART, OR THE REAL ESTATE ADJACENT TO OR IN CLOSE PROXIMITY WITH HERITAGE IN THE HILLS.** UNDER NO CIRCUMSTANCES SHALL DEVELOPER BE LIABLE FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION ANY DAMAGES BASED ON CLAIMED DIMINUTION OF THE VALUE OF THE DWELLING, EVEN IF DEVELOPER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. NO ACTION, REGARDLESS OF FORM, ARISING OUT OF A PURCHASE AGREEMENT MAY BE BROUGHT BY A PURCHASER MORE THAN ONE YEAR AFTER THE CAUSE OF ACTION HAS ACCRUED. EACH PURCHASER AGREES THAT ALL OF PURCHASER'S RIGHTS RELATING TO THE PURCHASE AGREEMENT AND THE PURCHASER'S UNIT MAY BE ASSERTED ONLY BY THE PURCHASER AND NOT BY ANY ASSOCIATION OR ANY CLASS REPRESENTATIVE; AND EACH PURCHASER ACKNOWLEDGES THAT DEVELOPER WOULD NOT AGREE TO SELL THE UNIT TO THE PURCHASER WITHOUT SUCH AGREEMENT BY THE PURCHASER.

VIII. <u>Radon Gas</u>.

Radon is a naturally-occurring, colorless and odorless radioactive gas formed by the breakdown of uranium and radium deposits in the soil. Radon can escape from the soil and enter buildings. Preliminary studies by the United States Environmental Protection Agency (EPA) suggest that prolonged exposure to radon may result in adverse health consequences.

The extent to which an area or site may be exposed to radon depends upon a number of factors, including natural geologic conditions, prior land use, groundwater, construction materials and techniques, ventilation and air-conditioning systems, and homeowner maintenance. Because of the multitude of factors involved, it is difficult to predict whether a specific residence may be subject to high radon levels unless specific tests are conducted by experts in the area.

Developer neither has nor claims any expertise in radon, and it does not provide advice to homeowners about the acceptable levels or possible health hazards of radon. It is possible that tests or studies might disclose information which a purchaser might consider significant in deciding whether to purchase a site in Heritage in the Hills from Developer. Developer assumes no responsibility to make any tests or studies.

The EPA, as well as state and local regulatory authorities, are best equipped to render advice regarding the risks which may exist in a particular area, the risks associated with radon exposure, the methods available to detect and measure radon levels, and whether remedial measures may be advisable in particular circumstances to reduce the risk of radon exposure. The EPA has published two guides which are available to interested persons: "A Citizen's Guide to Radon: What It Is and What To Do About It" and "Radon Reduction Methods: A Homeowner's Guide."

IX. Purpose of Disclosure Statement.

This Disclosure Statement paraphrases various provisions of the Purchase Agreement, Escrow Agreement, Master Deed, Limited Warranty and other documents required by law. It is not a complete statement of all the provisions of those documents which may be important to purchasers. In an attempt to be more readable, this Disclosure Statement omits most legal phrases, definitions and detailed provisions of the other documents. Certain of the terms used herein are defined in the Michigan Condominium Act, as amended. This Disclosure Statement is not a substitute for the legal documents which it draws information from, and the rights of purchasers and other parties will be controlled by the other legal documents and not by this Disclosure Statement.

Developer has prepared this Disclosure Statement in good faith, in reliance upon sources of information believed to be accurate and in an effort to disclose material facts about Heritage in the Hills. Developer disclaims liability to any purchaser for misstatements herein (or for omissions which make statements herein appear misleading) if such misstatements were made by Developer in good faith, or were immaterial in nature, or were not relied upon by the purchaser, or did not result in any damages to the purchaser.

Each purchaser is urged to engage a competent lawyer or other advisor in connection with the purchaser's decision to purchase a site. In accepting title to a site in Heritage in the Hills, each purchaser shall be deemed to have waived any claim or right arising out of or relating to any immaterial defect, omission or misstatement in this Disclosure Statement. In preparing this Disclosure Statement and the other condominium documents, Developer's counsel has not undertaken professional responsibility to the association or to any owners or mortgagees for the completeness, accuracy, or validity of the condominium documents.

The Michigan Department of Commerce publishes The Condominium Buyers Handbook which the Developer has delivered to you. The Developer assumes no obligation, liability, or responsibility as to the statements contained therein or omitted from The Condominium Buyers Handbook.

Heritage Hills Association
Schedule of Reserves Replacement of Capital Items

CAPITAL ITEMS	Year Installed	Useful Life	Estimated Quantity	Current Replacement Value	Annual Reserve Requirement
CLUBHOUSE					
HVAC	1999	20		$62,881	$3,144
Roofing	1999	20		$11,250	$563
Wood Siding	1999	15		$4,000	$267
Carpet	1999	7		$12,000	$1,714
Wood Floors	1999	15		$15,000	$1,000
Furniture	1999	15		$50,000	$3,333
Appliances	1999	15		$2,600	$173
Partitions	1999	20		$8,300	$415
Kiln	1999	20		$3,000	$150
Exercise Equipment	1999	15		$8,100	$540
Irrigation	1999	25		$5,000	$200
SWIMMING POOL					
Pool Deck	1999	25		$20,000	$800
Pool Buildings Roofs	1999	20		$1,500	$75
Pool Buildings Wood Siding	1999	15		$1,500	$100
Equipment	1999	15		$25,000	$1,667
Fence	1999	20		$12,000	$600
Furniture	1999	10		$3,000	$300
GUARDHOUSE					
Roofing	1999	20		$5,000	$250
Wood Siding	1999	15		$3,800	$253
Security Gates	1999	15		$4,000	$267
Cabinets and Flooring	1999	10		$1,000	$100
TENNIS COURTS					
Color Resurface	1999	5	196 cy	$5,500	$1,100
Replacement	1999	15		$35,000	$2,333
Fence	1999	15		$8,225	$548
BOCCI BALL COURT					
Surface	1999	10		$1,500	$150
Concrete Walk and Deck	1999	30		$2,000	$67
PARKING LOT					
Resurface	1999	20	3093 sy	$13,145	$657
Lighting	1999	25		$17,500	$700
Curb	1999	30	1710 lf	$14,689	$490
Sidewalk	1999	30	8100 lf	$14,580	$486

Heritage in the Hills Homeowner Association
Schedule of Reserves Replacement of Capital Items

CAPITAL ITEMS	Year Installed	Useful Life	Estimated Quantity	Current Replacement Value	Annual Reserve Requirement
PHASE 1	87 Lots				
Sidewalks	1999	30	12705 sqft	$12,706	$424
Curbs	1999	30	7655 lf	$65,756	$2,192
Resurfacing	1999	20	11428 sy	$48,569	$2,428
Lighting	1999	25		$22,500	$900
Total Phase 1					$5,944
				per lot	$68.32
PHASE 2	85 Lots				
Sidewalks	2000	30	35736 sqft	$64,325	$2,144
Curbs	2000	30	8838 lf	$76,007	$2,534
Resurfacing	2000	20	14476 sy	$61,523	$3,076
Lighting	2000	25		$22,500	$900
Total Phase 2					$8,654
				per lot	$101.81
PHASE 3	109 Lots				
Sidewalks	2001	30	35991 sqft	$64,784	$2,159
Curbs	2001	30	7682 lf	$66,065	$2,202
Resurfacing	2001	20	10229 sy	$43,473	$2,174
Lighting	2001	25		$22,500	$900
Total Phase 3					$7,435
				per lot	$68.21
Total All Phases	281 Lots				$22,033
				per lot	$78.41

BOULEVARD					
Sidewalk	1999	30	13140 sqft	$23,652	$788
Curbs	1999	30	2628 lf	$22,575	$753
Resurface	1999	20	4575 sy	$19,443	$972
Tinken and Squirrel Sidewalks	2000	30	25000 sqft	$45,000	$1,500
Lighting	1999	25		$50,000	$2,000
Signage	1999	15		$7,000	$467
Irrigation	1999	25		$10,000	$400
Total					$29,322

APPENDIX B

HERITAGE IN THE HILLS

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

Heritage in the Hills
Oakland County Condominium Subdivision Plan No. 1133
As recorded in Liber 18833 Pages 594 - 664, O.C.R.

AUBURN HILLS, OAKLAND COUNTY, MICHIGAN

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (hereinafter referred to as the "Declaration"), is made this 30th day of July, 1998, by HERITAGE HILLS OF AUBURN HILLS, L.L.C., a Michigan limited liability company (hereinafter referred to as the "Declarant"), whose address is 30840 Northwestern Highway, Suite 270, Farmington Hills, Michigan 48334-2551.

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property located in the City of Auburn Hills, Oakland County, State of Michigan, as legally described on **Exhibit "A"** (the "Property"); and

WHEREAS, the Property is a portion of a larger parcel of land of approximately 154.387 acres described on **Exhibit "A-1"** attached hereto, which has been approved as a residential site condominium with 281 Sites and related Community Areas and Facilities (collectively, the "Overall Development") pursuant to a preliminary site plan approved by the City Council of Auburn Hills on March 23, 1998 (the "Overall Plan").

WHEREAS, Declarant desires to impose upon the Property (but not any property outside of the Property, whether or not owned by Declarant) covenants, conditions, restrictions, easements, charges and liens in order to: insure the most beneficial development of the Property; prevent any use thereof which might tend to diminish its valuable or pleasurable enjoyment; assure the harmony, attractiveness and utility thereof; provide that the Site Owners in the Property shall bear certain expenses and impose other rights and obligations as set forth below; establish an Association to which shall be delegated the powers and responsibility to maintain and administer the Community Areas and Facilities; and empower the Association to administer and enforce the covenants, conditions, restrictions, easements, charges and liens as set forth in this Declaration and to collect and disburse the assessments and charges hereinafter set forth.

NOW, THEREFORE, Declarant hereby declares that the Property and each and every Site therein shall be held, sold, transferred and conveyed subject to the following covenants, conditions, restrictions, easements, charges and liens which shall run with the Property and each and every Site therein and shall be binding upon and inure to the benefit of all parties having any right, title or interest in the Property or any part thereof, their heirs, successors and assigns.

ARTICLE I

DEFINITIONS

As used in this Declaration, the following terms shall have the following meanings:

A. **Additional Property**. "Additional Property" has the meaning assigned in Article II of this Declaration.

B. **Architectural Control Committee**. "Architectural Control Committee" shall mean the Committee appointed in accordance with the provisions of Article VII below.

C. **Association**. "Association" shall mean ***HERITAGE HILLS ASSOCIATION***, a Michigan nonprofit corporation to be organized for a perpetual term by the Declarant and in which all Site Owners shall be Members.

D. **Board of Directors**. "Board of Directors" shall mean persons appointed or elected to govern the affairs of the Association pursuant to the bylaws of the Association and this Declaration.

E. **City**. "City" shall mean and refer to the CITY OF AUBURN HILLS, Oakland County, Michigan.

F. **Community Areas and Facilities**. "Community Areas and Facilities" shall mean the "Open Space Area" and the "Club House Area" designated on the Overall Plan, including any amenities to be constructed by Declarant such as, by way of example, the Entry Road and Gate House, Irrigation Improvements, clubhouse, swimming pool, tennis court(s) and related facilities, if any. Community Areas and Facilities also include the Stormwater Management System located in Open Space Areas. Future Community Areas and Facilities shall be included as the Additional Property is added to the Property subject to this Declaration. The land on which the Club House Area and Entry Road and Gate House are located is legally described on Exhibit "C".

G. **Condominium Association**. "Condominium Association" means collectively the condominium associations for the Sites in the Overall Property. On the date of recording this Declaration, only a single Master Deed, establishing the Condominium, has been recorded. Declarant expects additional Master Deeds, creating separate condominiums will be recorded within the Overall Property. The primary (but not exclusive) purpose of a Condominium Association shall be maintenance of the private roads within the Condominium (including, without limitation, snow removal), cutting and edging the lawns and snow removal for the drives and walks located in or adjacent to Sites represented by the Condominium Association.

H. **Declarant**. "Declarant", for the purpose of this Declaration and the powers, rights, and authorities granted to Declarant herein, shall mean and refer to not only HERITAGE HILLS OF AUBURN HILLS, L.L.C., an Michigan limited liability company, but also to any successor, alternate, or additional Declarant appointed by HERITAGE HILLS OF AUBURN HILLS, L.L.C., as a successor, alternate, or additional Declarant, by an instrument in writing. specifically setting forth that such successor, alternate, or additional Declarant is to have together with or in lieu of HERITAGE HILLS OF AUBURN HILLS, L.L.C., Declarant's rights, duties, obligations and responsibilities, in whole or in part, for all or any portion of the Overall Property.

The term "Declarant" shall not include any person or party who purchases a Site from Declarant, unless such purchaser is specifically assigned, by a separate recorded instrument, some or all of the Declarant's rights, duties, obligations or responsibilities under this Declaration with regard to the property conveyed.

I. **Development Agreement**. "Development Agreement means that certain Development Agreement for Heritage Hills between Declarant and the City which provides that all decks constructed on sites 134-138, inclusive, as shown on the Overall Plan, shall be constructed entirely within the building envelope for such sites (shown on the Overall Plan) approved by the City and that no deck variances shall be requested by the Declarant or any other persons to the City's Zoning Board of Appeals to extend decks on sites 134 through 138, inclusive, beyond the building envelope shown on the Overall Plan. The Development Agreement further provides, with respect to other sites at the perimeter of the Overall Development that back up to adjacent developed lots, no deck variances shall be requested by the Declarant or any other person to the City's Zoning Board of Appeals to extend decks beyond that which is permitted by the City Zoning Ordinance on the date of the Development Agreement.

J. **Dwelling**. "Dwelling" shall mean a single family residential dwelling built on a Site.

K. **Entry Road and Gate House**. "Entry Road and Gate House" shall mean the Entry Road and Gate House legally described on Exhibit "C" and shown on the Overall Plan.

L. **Irrigation Improvements**. "Irrigation Improvements" shall mean any irrigation systems and related facilities, including meters and back-flow protectors, installed by Declarant in the Community Areas and Facilities.

M. **Landscaping and Signage Areas**. "Landscaping and Signage Areas" shall mean the private landscape easement areas over portions of the Sites that are designated and shown on **Exhibit "B"**.

N. **Master Deed**. "Master Deed" shall mean collectively the Master Deeds, as the same may be recorded and amended from time to time, that are expected to cumulatively cover all of the building Sites shown on the Overall Plan.

O. **Member**. "Member" means all Site Owners, who are members of the Association as provided in this Declaration.

P. **Open Space Areas**. "Open Space Areas" means those areas within the Property that are designated on the Overall Plan as Open Space Areas.

Q. **Overall Development**. "Overall Development" means the Property and the Additional Property, taken together, and as approved pursuant to the Overall Plan.

R. **Overall Plan**. "Overall Plan" means the preliminary site plan of the Overall Development approved by the City Council of Auburn Hills on March 23, 1998.

S. **Overall Property**. "Overall Property" means the Property and the Additional Property

T. **Site**. "Site" means any Site within the Property, as such Sites are set forth on a Site Plan, and established, from time to time, by recordation of a Master Deed and Site Plan for such Site(s).

U. **Site Owner**. "Site Owner" means the holder of record title to a Site, whether one or more persons or entities, and shall include Declarant and any land contract vendees of the Site. Optionees or land contract vendees of Sites owned by Declarant shall not be considered Site Owners, and shall have no voting rights hereunder. The term "Site Owner" shall not include a mortgagee of a Site unless and until such mortgagee acquires fee simple title to the Site by foreclosure or other proceeding or conveyance in lieu of foreclosure and shall not include any interest in a Site held as security for the performance of any obligation. In the event more than one person or entity owns an interest in fee simple title to any Site, or has an interest as a land contract vendee (other than Sites owned by Declarant), the interests of all such persons collectively shall be that of one Site Owner. Notwithstanding the foregoing, the optionee or land

contract vendee of any Site (including Sites owned by Declarant) shall be responsible for the payment of all assessments and charges imposed pursuant to this Declaration.

V. **Site Plan**. "Site Plan" refers to the condominium Site Plan of one or more of the condominiums that shall collectively constitute the Overall Development, as recorded in Oakland County Records.

W. **Stormwater Management System**. "Stormwater Management System" means a system which is designated and constructed to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation and water pollution or otherwise affect the quantity and quality of discharges from the system as permitted.

X. **Structure**. "Structure" means any building, structure, Dwelling, garage, shed, outbuilding, fence, wall, gazebo, hedge, or any other improvement whether temporary or permanent in nature.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

The Property that is subject to and shall be held, transferred, sold, conveyed and occupied pursuant to this Declaration is more particularly described in **Exhibit "A"** attached hereto and made a part hereof, and includes 87 Sites plus the Community Areas and Facilities. The Declarant reserves the right to annex additional property into the Property which additional property is more particularly described on **Exhibit "A-1"** attached hereto and made a part hereof (the "Additional Property"). The term Additional Property shall also mean all other land contiguous to the Overall Development that may hereafter be acquired by Declarant. Such annexation shall not occur until subdivision of the Additional Property (by plat or site condominium) is completed. Notwithstanding anything herein to the contrary, such annexation shall be effective on approval of Declarant without the consent of any other party, and may be accomplished by the recordation of an amendment to this Declaration describing the land to be annexed. Open Space Areas in the Additional Property annexed into the Property shall be deemed to be Community Areas and Facilities under this Declaration and, as such, shall be conveyed to the Association, subject to the use limitations and reservations established in the instruments of conveyance and annexation. It is the intention of this Declaration that Declarant may, in the exercise of its sole and absolute discretion, add to the Property all of the building Sites approved on the Overall Plan. Whether or not any such combination occurs, the owners of Sites in such other site condominium established on the Additional Property and the owners of Sites in the Property shall have reciprocal rights of access for the use and enjoyment of all

Community Areas and Facilities, subject to payment of a pro rata share of the costs of maintenance, insurance and replacement of the Community Areas and Facilities, and further subject to any limitations on such use rights hereafter established by Declarant. Declarant reserves the right, in the exercise of its sole and absolute discretion, to establish such use limitations on Sites in the Additional Property as are deemed appropriate by Declarant.

ARTICLE III

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

A. **Membership**. Every Site Owner shall be a Member of the Association. Membership in the Association shall be appurtenant to and may not be separated from ownership of any Site which is subject to assessment hereunder. Optionees or land contract vendees of Declarant shall not be Members of the Association, but shall be fully responsible for all assessments and charges imposed hereunder against the Sites purchased. No Site Owner, whether one or more persons, shall have more than one (1) membership per Site owned. In the event a Site Owner is more than one person or entity, votes and rights of use and enjoyment shall be as provided herein.

B. **Voting Rights**. Each Member shall be entitled to one (1) vote for each Site owned. When more than one person or entity holds an interest in any Site ("multiple ownership"), all such persons shall be Members but in no event shall there be more than one vote cast with respect to any such Site. When more than one person or entity holds an interest in any Site, such vote shall be exercised as the holders of such interests may, among themselves, agree and they shall so notify the Association in writing prior to any vote. Where a Site is subject to multiple ownership, and the Site Owners fail or refuse to notify the Association of the manner in which the multiple owners shall exercise their single vote within fifteen (15) days of the date set for the meeting, then and in such event the Site Owner whose name first appears on record title shall be deemed the Member authorized to vote on behalf of all the multiple Site Owners and any vote cast in person or by proxy by said Site Owner or the failure of said Site Owner to vote shall be binding and conclusive on all such multiple Site Owners.

Notwithstanding the foregoing, no Member, other than Declarant, shall have the right to vote on Association matters, and Declarant shall have the exclusive right to establish bylaws for the Association, to appoint the Board of Directors of the Association, and to amend this Declaration, all in Declarant's sole and absolute discretion, until the earlier to occur of: (a) such time as Declarant has sold, closed and conveyed title to all of the Sites in the Condominium and the Sites in any other actual or proposed site condominium which has been or which might thereafter be combined with or annexed to the Property pursuant to Article II and the issuance of certificates of occupancy for Dwellings on all such Sites; and (b) such time as Declarant shall

execute and deliver to the Association a written instrument executed by Declarant specifically relinquishing such exclusive voting rights. For the purposes of this paragraph, a sale and conveyance shall be deemed to have occurred only when a lot and home have been sold for occupancy. From and after the earlier of such dates, the Board of Directors shall be elected by the Members, and the Declarant shall have no further responsibilities with respect to the Association except for its responsibilities as a Member of the Association so long as it remains a Site Owner. At such time when Declarant has sold the last Site or earlier relinquishes its voting rights to the Association pursuant to this paragraph B, the members of the Association shall accept Declarant's turnover, to the Members, of all responsibility for the Association.

In annexing all or any part of the Additional Property into the Property subject to this Declaration, Declarant reserves the right, in the exercise of its sole and absolute discretion, to modify any of the Covenants, Conditions and Restrictions of this Declaration with respect to the annexed portion of the Additional Property.

ARTICLE IV

EASEMENTS AND PROPERTY RIGHTS IN THE COMMUNITY AREAS AND FACILITIES

A. **Site Owner's Easement of Enjoyment**. Subject to the Covenants, Conditions and Restrictions of this Declaration, as the same may be amended as provided herein, every Site Owner shall have a right and non-exclusive easement to use the Community Areas and Facilities for their intended purposes, and such easement shall be appurtenant to and shall pass with title to every Site. Declarant reserves the right (but not the obligation), in its sole and absolute discretion, to create Community Areas and Facilities for the benefit of all Site Owners.

B. **Title to the Community Areas and Facilities**. At any time prior to the conveyance by deed of the last Site in the Property to a Member of the Association, Declarant shall convey the Community Areas and Facilities located in the Property to the Association, free and clear of all liens and encumbrances, except easements, agreements and right-of-ways of record, and subject to the Covenants, Conditions and Restrictions of this Declaration.

C. **Association's Rights in the Community Areas and Facilities**. The Association shall have the right to dedicate or transfer all or any part of the Community Areas and Facilities to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed upon by the Site Owners who have the right to use such Community Areas and Facilities; provided, however, that any dedication, transfer, or determination as to the conditions thereof shall be effective only upon execution of a consent signed by Declarant or, upon the closing of Declarant's sale of one hundred (100%) percent of the Sites in the Property and the

Sites in any other actual or proposed site condominium which has been or might thereafter be combined with or annexed to the Property pursuant to Article II and issuance of the certificates of occupancy for Dwellings on all such Sites, by the affirmative vote of two-thirds (2/3) of all Members of the Association granted the right to use such Community Areas and Facilities pursuant to this Declaration and which is recorded and confirms or approves such dedication. transfer or determination; and further provided, however, that any dedication, transfer or determination as to the conditions thereof shall be effective only upon the prior consent thereto being received from the City. The Association shall comply with all applicable laws in connection with any such dedication. Anything contained herein to the contrary notwithstanding, Declarant shall have the exclusive right, to grant public or private easements or rights-of-way to public or private utilities or governmental bodies in, over or upon the Community Areas and Facilities prior to conveyance to the Association and the Association shall receive the same subject thereto. Declarant shall also have the right to create additional recreational amenities within the Community Areas and Facilities as may be approved by the City prior to conveyance to the Association, such as pool(s). tennis court(s) and related amenities.

D. **Landscaping and Signage Areas**. The Landscaping and Signage Areas shown on **Exhibit "B"** have been established by Declarant for the benefit of all Site Owners and are subject to use by the Association for landscaping and signage purposes. During the period that Declarant is in control of the Association pursuant to Article III, paragraph B, Declarant reserves the right to: (1) use all Landscaping and Signage Areas to promote the sale of Sites and homes in the Property; and (2) in the exercise of Declarant's sole and absolute discretion, to modify, expand or abandon the Landscaping and Signage Areas. The Site Owners, including land contract and option purchasers of Sites from Declarant, are obligated to pay their pro rata share of the cost of maintaining the landscaping, berming and other improvements including, but not limited to. signage for the Property installed by Declarant in the Landscaping and Signage Areas.

ARTICLE V

OPEN SPACE AREAS

A. The Association shall be responsible for the maintenance and preservation of the Open Space Areas, subject to the ordinances, rules and regulations of governmental entities having jurisdiction over the Open Space Areas, the provisions of this Declaration and the Development Agreement, and any maintenance agreements and/or easements entered into between Declarant and any governmental entity with respect to any portion of the Open Space Areas. The Open Space Areas may only be used for open space purposes, and if the Open Space Area is also subject to a storm drainage easement, as recorded or as shown on the recorded Site Plan attached to the Master Deed that includes such Open Space Area, then such Open Space

Area may also be used for storm water drainage and detention. No structures, improvements or other development of any kind or nature shall be installed within the Open Space Areas, other than nature paths, public or private utility improvements (e.s., storm sewers, sanitary sewers, water mains, gas mains, etc.) and similar improvements. No internal combustion engine-operated vehicles or machines of any kind, including without limitation, snowmobiles, motorcycles or all-terrain vehicles shall be allowed on or within the Open Space Areas, except maintenance vehicles or machinery necessary to maintain and preserve the Open Space Areas.

B. The wetlands areas shown on the Overall Plan and located in the Property are subject to a conservation and preservation easement whereby the Association and all Site Owners shall refrain from altering the topography of, placing fill material in, dredging, removing or excavating any soil or materials from, draining surface water from, constructing or placing any structure on, plowing, tilling, cultivating, or otherwise altering or developing the wetlands areas. The purpose of this restriction is to maintain the wetlands in their natural and undeveloped condition. The Association shall maintain all wetlands shown on the Overall Plan and located in the Property.

ARTICLE VI

MAINTENANCE AND ASSESSMENT COVENANT

A. **Association Responsibilities**. Except as hereinafter provided, the Association shall have the duty and responsibility to maintain the Community Areas and Facilities for the benefit of the Property. Lawn maintenance, street maintenance and snow removal in residential sections shall be the responsibility of the Condominium Association.

B. **Community Areas and Facilities; Street Signs**. The Association shall be responsible for the maintenance, repair and replacement of: (i) the Community Areas and Facilities, (ii) all street signs installed by Declarant, if any, subject to the ordinances, rules and regulations of any governmental agencies having jurisdiction over the streets and rights-of-way within the Property, and subject to any maintenance agreements entered into between Declarant and any governmental entity having jurisdiction. The Association shall have the right to establish rules and regulations for the beautification of the Community Areas and Facilities in order to insure an aesthetically pleasing appearance for the benefit of all Site Owners.

C. **Lien and Personal Obligation for Assessments and Charges**. Declarant, for and on behalf of each and every Site owned within the Property, does hereby covenant and agree, and each Site Owner by acceptance of a deed therefor whether or not it shall be set forth therein, is deemed to covenant and agree to pay to the Association: (a) all annual assessments or charges when due; (b) special assessments, if any, for capital improvements to be established and

collected as hereinafter set forth; (c) special assessments against the Site Owner for the cost of installing, maintaining and where needed replacing of sidewalks (if any), street trees and mail boxes, but only to the extent such items are the obligations of Site Owners under the terms of this Declaration; and (d) charges assessed by the City against the Property or Declarant that are directly or indirectly attributable to the construction of a home on the Site as described in paragraph J of this Article VI or paragraph I of Article VIII, and each Site Owner does covenant, agree and accept all of the terms, conditions, covenants and agreements hereof in accordance herewith. As provided in Article I above, any optionee or land contract vendee of any Site shall be responsible for the payment of all assessments and charges imposed pursuant to this Declaration.

D. **Purpose of General Assessments**. The purpose of the general assessments levied by the Association shall be for the fulfillment of the obligations of the Association hereunder, including but not limited to those undertaken under Article XII below, and for the repair, maintenance, operation, management and improvement of the Community Areas and Facilities, including but not limited to the payment of all taxes and insurance thereon, the repair and replacement thereof, the operation thereof, additions thereto and improvements thereon, and for the cost of labor, equipment, materials, management and supervision for and in conjunction therewith.

E. **Annual Assessments**. Until January 1 of the year immediately following the first conveyance by Declarant of a Site to a Site Owner who is a Member of the Association, the minimum monthly assessment shall be **Seventy Dollars ($70) per Site**, totaling to Eight Hundred Forty Dollars ($840) per Site per year.

1. From and after January 1 of the year immediately following the first conveyance by Declarant of a Site to a Site Owner who is a Member of the Association, the maximum annual assessment may be increased or decreased annually as may be determined by the Board of Directors of the Association (the "Board of Directors"). Notwithstanding the foregoing, in no event shall the annual assessment be increased during any calendar year by more than twenty-five percent (25%) of the annual assessment levied in the preceding calendar year except with the written consent of Declarant or, after conveyance of one hundred percent (100%) of the Sites in the Property and the Sites in any other actual or proposed subdivision which has or may in the future be combined with or annexed to the Property pursuant to Article II and issuance of certificates of occupancy for Dwellings on all such Sites, by a vote of two-third (2/3) of each of the Members of the Association who are voting in person or by proxy, at a meeting duly called for this purpose.

2. In the event the Board of Directors does not or cannot agree on any change from and after January 1 of the year immediately following the first conveyance of a Site to a Site Owner who is a Member of the Association, then and in such event the monthly assessment

shall continue at the rate of **Seventy Dollars ($70) per Site**, totaling to Eight Hundred Forty Dollars ($840) per Site per year, or such other annual rate hereafter established by Declarant pursuant to paragraph E.1. of this Article VI; provided, however, that after conclusion of Declarant's subsidy described in Article V.I.F. below, in the event of any annual deficit, the Board of Directors of the Association shall assess each Site pro rata annually to pay any such deficits.

F. **Declarant's Responsibility for Assessments**. Notwithstanding any provision of this Declaration or the Association's Articles of Incorporation or Bylaws to the contrary, Declarant shall not be obligated for, nor subject to, any annual assessment for any Site or acreage which it may own. Subject to the limitations herein provided for, Declarant shall only be responsible for paying the difference between the Association's operating expenses and the sum of the revenues of the Association (the "deficiency") from all sources. "All sources", as used in the previous sentence, includes, but is not limited to, revenues from the operation of the Community Areas and Facilities and assessments levied against Site Owners other than Declarant. The deficiency shall not include contributions to any reserve for replacements, operating reserves, depreciation reserves, capital expenditures or special assessments. Declarant may, at any time, terminate its responsibility for the deficiency by ninety (90) days advance written notice to the Association, which notice shall also state the date of termination. On the effective date of the termination, Declarant shall be deemed to have waived its right to exclusion from annual assessments for Sites owned by Declarant, as applicable, on which a completed Dwelling has been built and for which a certificate of occupancy has been issued. Sites or other acreage that are owned by Declarant and vacant shall not, in any event, be subject to assessment. On transfer of title of a Site owned by Declarant, the Site shall be assessed in the amount established for Sites owned by Site Owners other than Declarant, prorated as of the date of transfer of title.

Declarant shall not be responsible for any reserve for replacements, operating reserves, depreciation reserves, capital expenditures or special assessments. Declarant shall be assessed only for Sites that are encumbered by this Declaration. So long as Declarant is obligated to pay the deficiency, the Association, at Declarant's request, shall open the Community Areas and Facilities for use by non-members of the Association including the general public and shall provide any easements or licenses necessary for access to and from such facilities and for parking. Notwithstanding the foregoing, any Sites from which Declarant derives any rental income or holds an interest as mortgagee, shall be assessed at the same amount as Sites owned by Site Owners other than Declarant, prorated as of and commencing with the month following the earlier of the execution of the rental agreement or mortgagor's entry into possession, as the case may be.

G. **Exemption from Assessments**. The assessments, charges, and liens provided for or created by this Article VI shall not apply to Declarant, the Community Areas and Facilities.

any property dedicated to and accepted for maintenance by a public or governmental authority or agency, any property owned by a public or private utility company or public or governmental body or agency or any property used for commercial purposes.

H. **Special Assessments**. In addition to the annual assessments provided for herein, the Declarant, and the Association (but only after Declarant transfers control to the Site Owners as provided in this Declaration) may levy special assessments applicable to an assessment year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement to the Community Areas and Facilities, provided, however, that any such special assessment shall first be approved by two-thirds (2/3) of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose and who have the right to use the Community Areas and Facilities as provided elsewhere herein.

I. **Uniform Assessment Rate**. All annual, special and deficiency assessments shall be fixed and established at the same rate for all Sites, subject to the express exception established by the Master Deed.

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

K. **Notice and Quorum**. Written notice of any membership meeting called for any purpose hereunder shall be sent by first class mail to all Members at least twenty (20) days in advance of such meeting, and shall set forth the purposes thereof. At the first meeting of the Association, the presence of Members or of proxies entitled to cast thirty-five percent (35%) of all votes of the Members shall constitute a quorum. In the event the required quorum is not present at such meeting, another meeting may be called, upon notice as set forth herein, and the required quorum at such subsequent meeting shall be fifty percent (50%) of the required quorum at the preceding meeting.

L. **Commencement Date of Annual Assessments**. The first annual assessment shall commence and be due for each Site from the Site Owner on the date legal or equitable title is acquired from Declarant. In the event of land contract or option sales by Declarant, the land contract vendee or optionee shall be responsible for all assessments for the Site sold on land

contract or option from the date of the land contract or option. The amount of the annual assessment which shall be due for the first annual assessment shall be an amount which bears the same proportion to the annual assessment specified in paragraph E of this Article VI as the remaining number of months in that year bears to twelve (12). The annual assessments for any year, after the first assessment year, shall become due and payable on the first day of January of each year; provided, however, that the Board of Directors, in its discretion may establish an installment program for payment of the annual, special or deficit assessments and may charge interest in connection therewith, but each such assessment shall be and become a lien on each Site on January 1 of each year after the initial year.

M. **Board of Directors' Duties; Indemnity**. Subject to the foregoing provisions, the Board of Directors of the Association, which shall consist of at least three (3) and not more than fifteen (15) persons, shall fix the amount of the assessments against each Site for each assessment period at least thirty (30) days in advance of such date or period and shall prepare a roster of the Sites and the assessments applicable thereto to be maintained in the office of the Association and which shall be open to inspection by any Site Owner at all reasonable times. Written notice of the assessment shall thereupon be sent to every Site Owner subject thereto and the Association shall, upon demand and payment of a reasonable charge, furnish to any Site Owner liable for such assessment a certificate in writing signed by an officer of the Association, which states whether such assessment has been paid and the amount of any due but unpaid assessments. To the fullest extent permitted by law and as more fully set forth in the by-laws of the Association, the Association shall defend, indemnify and hold harmless each member of the Board of Directors against all liability, costs and expenses (including attorneys' fees) incurred in the course of or as a result of their conduct in their capacity as members of the Board of Directors excepting only fraud and other forms of willful wrongdoing. The Association shall maintain insurance for such purpose.

N. **Effect of Non-Payment of Assessments or Charges, Personal Obligation of the Site Owner and Liens and Remedies of the Association**. In the event any assessment or charge is not paid on the due date then such assessment or charge shall become delinquent and a lien therefor shall thereupon arise and shall. together with interest thereon and costs of collection therefor (as hereinafter provided), be and become a continuing lien on such Site until paid in full, and such lien shall be binding upon the Site, the Site Owner thereof and his or her heirs, personal representatives, successors and assigns. Such assessments and charges shall also be a personal obligation and debt of each Site Owner and shall be binding upon each Site Owner and remain the Site Owner's obligation and debt for the statutory period. Any successor or assign in or to title may obtain from the Association a written statement as to any unpaid assessments and charges on such Site and such statement shall be binding upon the Association. In the event the assessment is not paid in full within thirty (30) days after delinquency, the assessment shall bear interest from the date of delinquency at the maximum rate of interest allowed by law and the Association may bring an action at law against the Site Owner personally obligated to pay the

same or foreclose the lien against the Site, and the costs of preparing and filing the complaint in such action and/or in connection with foreclosure shall be added to the amount of such assessment(s) and interest, and, in the event a judgment is obtained, the judgment shall include interest on the assessment(s) as above provided and reasonable attorneys' fees together with all costs and expenses of the action.

O. **Subordination of the Assessment Lien to Mortgages**. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage and any sale or transfer of any Site shall not affect the assessment lien; provided, however, that the sale or transfer of any Site in connection with a mortgage foreclosure preceding or any proceeding in lieu thereof, shall extinguish the lien of the assessments, interest and charges due prior to such sale or transfer, but in no event shall the prior Site Owner thereof be relieved of any liability whatsoever for such obligation and debt. No subsequent sale or transfer shall relieve such Site from liability for any assessments, interest or charges which thereafter become due or from any lien therefor.

P. **Exemptions and Modification of Assessments**.

1. The Community Areas and Facilities shall be exempt from any regular assessments or deficiency assessments and from and against any liens or encumbrances therefore.

2. The initial cost of development of the Community Areas and Facilities for the purpose set forth on the Overall Plan shall be borne and paid for by Declarant, and Declarant shall have no other obligation to construct improvements upon or develop any of the other Community Areas and Facilities.

ARTICLE VII

ARCHITECTURAL CONTROL

A. No Structure may be commenced, erected, installed, placed, or maintained upon any Site unless or until the Site Owner of such Site has submitted the following documentation to the Architectural Control Committee (which shall be initially controlled by Declarant as provided in Article IX) and the Architectural Control Committee has approved all of such documentation in writing:

1. A topographic survey of the Site prepared and certified by a licensed engineer or surveyor showing existing and proposed grades, the proposed location of each Structure located or to be located on the Site, the location of all trees proposed for removal

during construction, the plan for preserving trees to remain, and the soil erosion control plan for construction.

2. Construction and architectural plans prepared and certified by a licensed engineer or architect including dimensioned floor plans, typical sections and all elevations for the Structure to be constructed upon or in the Site.

3. Specifications for each Structure prepared by a licensed architect or engineer setting forth the type and quality of all materials and workmanship and including a detailed finish schedule for all exterior materials, products and finishes, with actual samples of all exterior materials, including stain and brick color.

4. A construction schedule specifying the commencement and completion dates of construction of the Structures, as well as such other dates as the Architectural Control Committee may specify for completion of stages of the Structures.

5. A landscape plan, which shall be designed and implemented at the Site Owner's sole cost and expense by a landscape architect appointed by Declarant approved by the Architectural Control Committee in the exercise of its sole discretion.

6. A driveway plan, which shall be reviewed to ensure the location of all driveways in the Property comply with Declarant's master driveway location guide. Declarant has sole and absolute discretion to establish, maintain, and amend the master driveway location guide and to approve the driveway location on every Site in the Property.

B. A Site Owner (including land contract and option purchasers of Sites from Declarant) shall submit two copies of the aforedescribed documents to the Architectural Control Committee, and the Architectural Control Committee shall retain one copy of each document for its records.

C. Declarant intends and desires that all Structures within the Property be architecturally harmonious and architecturally pleasing and that the design and location of such Structures take into account the preservation of trees and the natural environment of the Property. In order to insure that such goals are accomplished, the Architectural Control Committee shall, in its sole discretion, have the right to approve or disapprove the appearance (including, but not limited to, the color of stain, brick and siding), construction, materials, proposed location, design, specifications or any other attribute of any Structure.

D. A Site Owner may only construct, install or place upon a Site those Structures and landscaping materials that have been approved in writing by the Architectural Control Committee in the manner set forth herein. Before construction of any Dwelling or making any

exterior improvement, change, or elevation change upon any Site, a Site Owner shall receive the written approval of the Architectural Control Committee. No application for a building permit or application for any other governmental approval or construction shall be filed until written approval of the Committee is received. No Structure shall be erected by anyone other than a licensed residential builder. The Architectural Control Committee shall approve in advance the licensed residential builder engaged by the Site Owner to construct a Dwelling and any other improvements on the Site Owner's Site. The Architectural Control Committee may require that such builder or Site Owner furnish to the Association adequate security, in the Architectural Control Committee's sole and absolute discretion, to protect the Association against costs and expenses which it might incur in connection with the failure to complete construction in a timely and diligent manner in accordance with the approved plans and specifications for the Dwelling and other improvements.

E. The following additional requirements, restrictions and regulations shall apply to all construction activities on Sites in the Property unless waived in writing by the Architectural Control Committee:

1. The Architectural Control Committee shall have the right to establish and enforce such rules and regulations relative to the performance of construction activities within the Property (whether or not in connection with the construction, repair or maintenance of a Dwelling or other Structure) as the Architectural Control Committee determines to be appropriate in order to maintain the tranquility, appearance and desirability of the Property.

2. All construction activities must be started within three (3) months of the time specified in the construction schedule submitted to and approved by the Architectural Control Committee. Prior to commencement of construction, the Site Owner must obtain all permits or approvals required by the City.

3. No approval by the Architectural Control Committee shall be valid if the Structure or improvement violates any of the restrictions or requirements set forth in this Declaration, except in cases where waivers or variances have been granted as provided for in this Declaration.

4. The Architectural Control Committee may disapprove plans because of noncompliance with any of the restrictions or requirements set forth in Articles VII and VIII of this Declaration, or because of reasonable dissatisfaction with: (a) the value of the proposed landscaping improvements; (b) the grading and drainage plan; (c) the location of the Structure on the Site; (d) the materials used; (e) the color scheme; (f) the finish, design, proportions, shape, height, style or appropriateness of the proposed improvement or alteration; or (g) because of any matter or thing which, in the reasonable judgment of the Committee, would render the proposed

improvement or alteration inharmonious or out of keeping with the objectives of the Committee or with Structures erected on other Sites in the Property.

F. The Architectural Control Committee shall have ten (10) business days after the receipt of all required plans and specifications to issue a written approval or denial. If the Architectural Control Committee fails to issue a written approval or denial of the plans and specifications within the ten (10) day period, then written approval will not be required and the plans and specifications submitted shall be deemed to comply with this Article and Declaration.

G. The Committee may charge a review fee, not to exceed Two Hundred Fifty Dollars ($250), in connection with the review of plans and specifications for any Structure or combination of Structures on any Site, or in regard to the substantial alteration of any Structure. The fee may not be utilized for the purpose of paying any salary to any Member of the Committee, but shall be used exclusively for the purpose of reimbursing the actual expenses of the Committee, including, without limitation, the professional fees of independent consultants to the Committee.

ARTICLE VIII

BUILDING, USE AND OTHER RESTRICTIONS AND EASEMENTS

A. **Sites**. No Site subject hereto shall be used except for residential purposes. No Site in the Property shall be used or shall have any improvement made to it or erected upon it in violation of the ordinances or requirements of the City or such other governmental entity as may have jurisdiction thereover. No Structure shall be erected, altered, placed or permitted to remain on any Site subject hereto other than one (1) detached Dwelling which shall include an attached private garage for at least two (2) cars for the sole use of the Site Owner or occupant of the Site upon which such Dwelling and garage shall have been erected; and subject, further, to the additional Covenants, Conditions and Restrictions hereinafter set forth and imposed upon and against the Sites, or any portions thereof.

B. **Square Footage and Type of Construction**. Declarant intends and desires that all Dwellings in the Property be architecturally harmonious and architecturally pleasing and that the design and location of such Dwellings take into account the preservation of trees and the natural environment of the Property. Architectural standards will be established with respect to elevations and materials, which, within limits established by Declarant, shall both preserve uniform architectural quality and permit reasonable diversity and uniqueness among the homes. No Dwelling shall be erected on any Site in the Property which has a ground floor area of the Structure, exclusive of one-story open porches and garages, of less than that permitted by the pertinent ordinances of the City. No Structures may be moved onto any Site in the Property. All

buildings shall be of brick veneer, frame, vinyl or other generally acceptable building materials or any combination thereof.

C. Site Size. No Site shall be divided and/or reduced in size by the conveyance of a part thereof, or by the use and/or addition of a part thereof in conjunction with or as part of any adjacent Site to constitute a building Site other than precisely as indicated within the recorded Overall Plan of the Property; provided, however, that if any of the Sites shall be altered and reduced in total area by the taking, use or purchase of a portion thereof for a public purpose by a public agency, this provision shall not apply to prohibit the construction of a Dwelling upon such Site as reduced in size.

D. Building Lines. No Structure shall be placed, erected, installed or located on any Site nearer to the front, side or rear lot line as permitted by the ordinances of the City in effect at the time of installation of such Structure. If permitted by the City ordinance and approved by the Architectural Control Committee, setbacks of less than those established in the preceding sentence will be permitted if the grade, soil or other physical conditions pertaining to a Site justify such a variance.

E. Trees. All Site Owners (and land contract and option purchasers of any Site from Declarant) shall comply with the City's woodlands ordinance then in effect, if any, in connection with any proposed tree removal.

F. Nuisances. No noxious or offensive activity shall be carried on or upon any Site, nor shall anything be done thereon which may be or become an annoyance or nuisance to the other Sites or Site Owners.

G. Restrictions on the Use of Community Areas and Facilities.

1. Motor Vehicles. All vehicles propelled by a motor, other than those used for maintenance purposes, including but not limited to snowmobiles, all-terrain vehicles, motorcycles, mo-peds, boats, automobiles, trucks and vans, are expressly prohibited from operation or storage in the Community Areas and Facilities.

2. Structures. No wall, building or Structure may be constructed nor any development or improvement done in the Open Space Areas without the prior written consent and approval of the Architectural Control Committee and all government agencies having jurisdiction.

3. **Refuse and Storage**. The Open Space Areas shall not be used as a dumping ground for storage or disposal of rubbish, trash, garbage or other materials.

4. **Pets**. No Site Owner shall allow the Site Owner's dog or any other pet to run loose in the Open Space Areas.

5. **Passive Use of the Open Space Areas**. The Open Space Areas shall be used only for passive recreation and for no other purpose. Golfing and all other active sports are prohibited. Activities in the Open Space Areas shall be carried on in such a manner as to avoid disturbing or otherwise offending other Site Owners. No firearms, air rifles, pellet or B-B guns, bows and arrows, sling shots or other weapons are allowed in the Open Space Areas.

6. **Fertilizer and Pesticide Use**. No Site Owner shall cause any pollutants or debris to be released in the Community Areas and Facilities.

7. **Wild Life**. No Site Owner shall permit or suffer the molestation or destruction of wild ducks, geese, birds or other wild life in the Community Areas and Facilities.

8. **Liability Insurance**. The Association shall maintain liability insurance in sufficient amounts for the purpose of protecting itself as well as the Site Owners and Declarant from the burden of liability resulting from accidents which may cause death or injury to anyone while in the Community Areas and Facilities, or on property under the jurisdiction or control of the Association.

9. **Rules and Regulations**. The Board of Directors of the Association shall have the right to publish from time to time reasonable rules and regulations consistent herewith governing the use of the Community Areas and Facilities as well as other matters relating thereto.

H. **Reservation of Rights**. Declarant reserves for itself and for the Association and their respective agents the right to enter upon any Site for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds or other unsightly growth, that in the opinion of Declarant or the Association detracts from the overall beauty, setting and safety of the Property. Such entrance for the purpose of mowing, cutting, clearing or pruning shall not be deemed a trespass. Declarant and the Association and their respective agents may likewise enter upon any Site to remove any trash which has collected on the Site without such entrance and removal being deemed a trespass. The provisions of this paragraph shall not be

construed as an obligation on the part of Declarant or the Association to mow, clear, cut, or prune any Site, or to provide garbage or trash removal services.

I. Street Cleaning. The Declarant shall have the right from time to time to cause the streets in the Property to be cleaned and to assess all Site Owners engaged in construction (including installation of landscaping) on or within thirty (30) days prior to the cleaning for a pro rata share of the last of the street cleaning. In the event the City or any other governmental authority issues the warning or ticket for a violation of ordinance or law on any Site, Declarant shall have the right to remediate the item for which a warning or ticket is issued and assess the Owner of the Site (or the land contract or option purchaser of the Site from Declarant) on which the work was done for the cost of the same. Any such cost assessed shall be a lien on the Site assessed as provided in Article VI of this Declaration.

J. Unsightly Conditions. It shall be the responsibility of each Site Owner to prevent the development of any unclean, unsightly or unkempt conditions of buildings or ground on the Owner's Site that tend to substantially decrease the beauty of the Property as a whole or any specific area thereof. No lawn ornaments, sculptures or statues shall be placed or permitted to remain on any Site.

K. Driveways and Garages. The location of all driveways shall be approved by the Architectural Control Committee prior to construction. All driveways shall be paved with concrete. There shall be no asphalt, gravel or other crushed stone driveways. All driveways shall be completed prior to occupancy of the Dwelling to be served by such driveway, except to the extent delayed or prohibited by strikes or adverse weather conditions, in which event such paving shall be completed within sixty (60) days after the termination of such strike or adverse weather conditions.

L. Temporary Structures. Trailers, tents, shacks, tool sheds, barns or any temporary buildings of any design whatsoever are expressly prohibited within the Property and no temporary Dwelling shall be permitted in an unfinished residential building. This shall not prevent the erection of a temporary storage building for materials and supplies to be used in the construction of a Dwelling, and which shall be removed from the premises on completion of the Structure, and shall not prevent use by any builder or contractor of trailers for material storage or model offices during the period of construction in the Property, provided the same shall be removed at the completion of such construction.

M. Signs. No signs of any kind shall be displayed to the public view on any Site excepting one (1) professional sign of not more than five (5) square feet advertising the

local ordiance controlla

30 days prior to election

property for sale or rent. Such signs as are allowed must be maintained in good condition at all times and removed on the termination of their use.

N. **Livestock and Poultry**. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Site, except two (2) household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose.

O. **Refuse and Stored Materials**. No Site shall be used or maintained as a dumping ground or for outside storage for rubbish, trash, garbage or other materials. Other waste shall be kept in a sanitary container, properly concealed from public view. The Board of Directors may designate a day of the week on which all trash pick-up in the Property shall occur. No trash shall be put out earlier than the morning of the day designated for pick-up and all containers shall be removed by the end of such day. By a 2/3 vote of the Members, the Board of Directors may cause the Association to contract with a selected trash removal service or services to service all the homes in the Property and the cost thereof shall be added to the annual assessment. For this purpose, the annual assessment may be made due and payable in monthly or quarterly installments as the Board of Directors shall determine.

P. **Street Trees and Landscaping**. Declarant shall plant two (2) street trees in the right-of-way adjacent to each Site. All such street trees shall be Norway Maples (summer shade or superform) or other deciduous trees, as determined by Declarant, and shall be of the greater of a three (3) inch caliper or the minimum size necessary to meet the City's street tree requirement for the Site. All street trees shall be placed in locations approved by Declarant in its sole discretion. When planted, each street tree shall be equidistant from the other street trees on the Site and the street trees located (or to be located) on the Site(s) adjacent to the Site on which the trees are planted, with the result being that the trees will be roughly 25-30 feet apart. Landscaping in accordance with the approved landscaping plan, including finish grading and sodding and shoreline to improvements, must be completed within ninety (90) days after the closing of the sale of a newly-constructed Dwelling, or occupancy, whichever is sooner. If, however, such closing or occupancy occurs after September 1 of any year, then the Site shall be sodded and appropriately landscaped in accordance with the approved landscaping plan by June 1 of the following year. Each Site Owner shall be responsible to maintain and replace the approved landscaping on the Site and the two (2) street trees planted in the street right of way adjacent to the Site Owner's Site as provided in this paragraph P. In the event any street tree dies, the Site Owner of the Site immediately adjacent to the right-of-way in which the street tree is planted shall replace the dead tree with a Norway Maple (summer shade or superform) or other deciduous trees approved in advance by Declarant, which shall have the greater of a three (3) inch caliper or the minimum size required by the City, at the Site Owner's sole cost and expense. If the Site Owner fails to make such a replacement within

thirty (30) days after written request to do so from the Association, the Association may replace the tree and assess the Site Owner with the cost of replacing the dead tree. If the Site owner fails to maintain landscaping, including shoreline improvements within thirty (30) days after written request to do so from the Association, the Association may perform the maintenance and assess the Site Owner with the cost. Any such special assessment shall be a lien on the Owner's Site as provided in Article VI of this Declaration. The Association shall not be obligated to replace dead trees or maintain landscaping pursuant to this paragraph P, and any rights exercised hereunder being entirely at the discretion of the Association.

Q. **General Conditions**:

1. **Trailers and Vehicles**. No trailers, boats, boat trailers, campers, RV's, junk cars, motorcycles, motor homes, commercial vehicles (other than those present temporarily on business for a period not to exceed eight (8) hours), ATVs, snowmobiles, jet skis, other recreational vehicles of any kind, or any trailer used for any type or kind of vehicle may be parked in the Property except within a private attached garage.

2. **Clothes Lines**. No clothes lines or outside drying of laundry shall be permitted.

3. **Mail Boxes**. All mail boxes shall be of uniform size, color and same design in compliance with the standards to be set forth by Declarant. All mail boxes shall be located uniformly with reference to the Dwellings in accordance with post office requirements.

4. **Solar Panels**. No solar panel, solar collector or similar device shall be placed, constructed, altered, or maintained on any Site or placed, constructed, altered, or maintained on any Dwelling or Structure.

5. **Television Antenna and Similar Devices**. No outside television antenna or other antenna, or aerial, saucer, dish, receiving device, signal capture and distribution device or similar device shall be placed, constructed, altered or maintained on any Site or Residence, unless: (a) the device is a so called "mini dish" (not to exceed 18 inches in diameter) located in a location that is fully screened from view and approved by the Board of Directors; or (b) the Architectural Control Committee determines in its sole discretion that the absence of an outside antenna causes substantial hardship with respect to a particular Site. The provisions of this subparagraph 5 shall not apply to those devices covered by 47 C.F.R. § 1.4000, promulgated pursuant to the Telecommunications Act of 1996, Pub. L. No. 104. 110, § 207 Stat. 56 (1996), as amended.

6. **Swimming Pools**. Swimming pools of any kind are not permitted.

7. **Air Conditioning Units**. No external air conditioning unit shall be placed in or attached to a window or wall of any Dwelling or Structure. No compressor or other component of a central air conditioning system (or similar system, such as a heat pump) shall be so located on any Site so as to be visible from the public street on which the Site fronts, and, to the extent reasonably possible, all such external equipment shall be so located on any Site so as to minimize the negative impact thereof on any adjoining Site, in the terms of noise and appearance. In general, such equipment shall be completely screened by an evergreen landscape screening.

R. **Fences and Walls; Dog Runs**. No fences or walls shall be permitted on any site. Dog kennels or runs or other enclosed shelters for animals are expressly prohibited.

S. **Sight Distance at Intersection**. No fence, wall, hedge, or shrub planting greater than three (3) feet in height above the roadways shall be placed or permitted to remain on any corner Site within the triangular area formed by the street property lines and a line connecting them at points thirty (30) feet from the intersection of the street lines, or in the case of a rounded property corner from the intersection of a street property line extended. The same sight line limitations shall apply on any Site within ten (10) feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at least ten (10) feet above the ground, or such greater height as is necessary to prevent obstructions of such sight lines.

T. **Declarant's Rights in Furtherance of Development and Sales**. None of the restrictions contained in this Article VIII shall apply to the commercial activities or signs or billboards of Declarant with respect to unsold Sites owned by Declarant. Anything herein contained to the contrary notwithstanding, Declarant, its successors and assigns, its or their agents, employees and sales representatives may use and occupy any Site or Dwelling built in the Property as a sales office for the handling of sales of Sites and/or Dwellings in said Property or other lands in the City owned by Declarant, until all of the Sites and/or Dwellings to be built on said lands shall have been sold, and further, may construct fences otherwise in violation of paragraph R of this Article VIII, above in front of, or along side of, model or display houses during such sales period; provided, however, that at such time as such model or display house is sold, any such fence or portion thereof otherwise in violation of paragraph R of this Article VIII, above shall be removed by the builder of such model or display house. Declarant further reserves the right, until Declarant has sold and closed title on the conveyance of one hundred percent (100%) of the total Sites in the Property and the Sites in any other

actual or proposed site condominiums that might at any time hereafter be combined with or annexed to the Property pursuant to Article II, to install signage promoting Declarant's unsold Sites and homes.

ARTICLE IX

ARCHITECTURAL CONTROL COMMITTEE

Except as otherwise expressly provided herein, the Architectural Control Committee shall have exclusive jurisdiction over the rights of approval and enforcement set forth in this Declaration. Declarant shall have the exclusive right to appoint and remove all Members of the Architectural Control Committee in its sole discretion until such time as certificates of occupancy have been issued for Dwellings on one hundred percent (100%) of the Sites in the Property and the Sites in any other actual or proposed site condominiums that might hereafter be combined with or annexed to the Property pursuant to Article II. There shall be no earlier surrender of this right except in a written instrument in recordable form executed by Declarant and specifically assigning to the Association the power to appoint and remove the Members of the Architectural Control Committee. From and after the date of such assignment or later expiration of Declarant's exclusive power of appointment and removal, the Architectural Control Committee shall be appointed by the Board of Directors of the Association, and Declarant shall have no further responsibilities with respect to any matters of approval or enforcement set forth herein. The Architectural Control Committee shall consist of at least one but no more than three persons. Neither Declarant nor any Member of the Architectural Control Committee shall be compensated from assessments collected from the Members of the Association for the time expended in architectural control activities.

ARTICLE X

EXCULPATION FROM LIABILITY

In no event shall any party have the right to impose liability on Declarant or the Association, or otherwise contest judicially any decision of Declarant or the Association (or alleged failure of Declarant or the Association to make a decision) relative to the approval or disapproval of a Structure or any aspect or other matter as to which Declarant reserves the right to approve or waive under this Declaration. The approval of Declarant of a Structure or other matter shall not be construed as a representation or warranty that the Structure or matter is in conformity with the ordinances or other requirements of the City or any other governmental authority. Any obligation or duty to ascertain any such nonconformities, or to advise the Site Owner or any other person of the same (even if known), is hereby disclaimed.

ARTICLE XI

GENERAL PROVISIONS

A. **Duration**. The Declaration and the Covenants, Conditions and Restrictions herein created shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Site Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time said Covenants, Conditions and Restrictions shall be automatically extended for successive periods of ten (10) years unless an instrument signed and agreed to by the then Site Owners of two-thirds (2/3) of the Sites has been recorded, changing said Covenants, Conditions and Restrictions in whole or in part; provided, however, that no such agreement and instrument of change shall be effective unless made and recorded at least six (6) months in advance of the effective date of such change, and unless written notice of proposed agreement and instrument of change is sent to every Site Owner at least ninety (90) days in advance of any action taken.

B. **Amendment by Declarant**. As provided in Article III, paragraph B, Declarant has reserved the right in the exercise of its sole and absolute discretion to amend this Declaration at any time and from time to time until the earlier to occur of (a) such time as title to not less than one hundred percent (100%) of the Sites in the Property and the Sites in any other Additional Property combined with or annexed to the Property pursuant to Article II have been conveyed by Declarant's delivery of deeds thereto and issuance of the certificates of occupancy for Dwellings on all such Sites; and (b) such time as Declarant shall execute and

deliver to the Association a written instrument executed by Declarant specifically relinquishing Declarant's exclusive voting rights pursuant to Article III, paragraph B of this Declaration.

C. Notices. Any notice required to be sent to any Site Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Site Owner on the records of the Oakland County, Michigan Register of Deeds Office at the time of such mailing.

D. Enforcement. Enforcement of these covenants and restrictions shall be by a proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure by the Association or any Site Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

E. Severability. Invalidation of any one or more of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

F. Headings. Captions and caption headings contained in this Declaration are for convenience and shall not be considered for any purpose in construing this Declaration.

ARTICLE XII

HOUSING FOR ACTIVE SENIORS

A. The Property is intended and shall be operated as housing for Active Seniors in compliance with the Fair Housing Act (42 U.S.C. 3601 et seq.) as may be amended from time to time. At all times, after there are occupied Dwellings on 25% of the building Sites shown on the Overall Plan, at least 80% of the total number of Dwellings in the Property must be occupied by at least one Active Senior per Residence. "Active Senior" as used in this Declaration means persons 55 years of age or older in accordance with the requirements of the

Fair Housing Act, 42 U.S.C. § 3607(b)(2)(C), as amended. The Association shall publish and adhere to policies and procedures that demonstrate an intent to provide housing for Active Seniors, including, but not limited to the following:

1. Ensuring that the Property is described and represented to prospective Owners, through oral and written communication (including advertising, marketing and sales materials) as a residential community for Active Seniors that claims an exemption from certain provisions of the Fair Housing Act;

2. Requiring that all Owners to sign a recordable statement of intent to provide housing for Active Seniors; and

3. Establishing and adhering to an age verification procedure to ensure at least 80% of the total number of Sites in the Property are occupied by at least one Active Senior per Site.

B. Any person who occupies a Dwelling for a total of 60 days or more in any twelve (12) month period must be at least 18 years of age or older.

C. No Site Owner may rent or sell a Site unless at least one person who will occupy the Site is an Active Senior. The Association shall have the right to require prior age verification from all prospective occupants.

D. An occupant of a Site under 55 years of age who is the surviving or divorced spouse of a former occupant 55 years of age or older shall be allowed to remain as an occupant of the Site.

E. Notwithstanding anything to the contrary contained herein, the Declarant shall have the right, but not the obligation, to sell or rent Sites in which there will be no occupants who are Active Seniors, provided that such sales do not conflict with any federal, state or local law.

F. The Association shall have the right to promulgate, from time to time, reasonable rules and regulations governing the visitation and temporary residence of, or use of the Community Areas and Facilities by persons under 18 years of age.

EXHIBIT LIST:

A. Property
A-1. Overall Property
B. Landscaping and Signage Area
C. Easement For Entry Road and Community Areas

WITNESSES:

/s/ Diane Penilla
* Diane Penilla

/s/ Donald J. Koestler Jr.
* Donald J. Koestler Jr.

HERITAGE HILLS OF AUBURN HILLS, L.L.C.,
a Michigan limited liability company

By: /s/ Jams G. Migliore
* James G. Migliore

Its: Member

STATE OF NEW JERSEY)
) ss
COUNTY OF MONMOUTH)

Signed this 30th day of July, by James G. Migliore, the authorized Member of Heritage Hills of Auburn Hills, L.L.C., a Michigan limited liability company, on behalf of the limited liability company.

/s/ Shirley Batlan
* Shirley Batlan
Notary Public Monmouth County, New Jersey
My commission expires: June 17, 2002

**Type or print name of person signing (in black ink).*

EXHIBIT A-1

Overall Property

The Southeast ¼ of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at the Southeast Corner of said Section 1, for a Point of Beginning; thence North 89°25'46" West, 2536.17 feet, along an extension of and the northerly line of "Hitchman's Squirrel Road Estates" (recorded as South 88°21' East), as recorded in Liber 67 of Plats, on Page 5, Oakland County Records, and along the South line of said Section 1 and the centerline of Tienken Road, to the South ¼ Corner of said Section 1; thence North 01°33'26" West, 2683.48 feet, along the North and South ¼ line of said Section 1 and the centerline of Squirrel Road, to the Center of said Section 1; thence South 88°48'06" East, 2506.65 feet, along the East and West ¼ line of said Section 1, to the Southeast corner of "Hawthorn Forest", as recorded in Liber 225 of Plats, on Pages 24, 25, 26, 27, 28, 29 and 30, of Oakland County Records, to a point on the Westerly line of "Hawthorn Hills No. 5", as recorded in Liber 198 of Plats, on Pages 36, 37 and 38, Oakland County Records, and to the East ¼ Corner of said Section 1; thence South 02°13'06" East, 2657.31 feet, along the Westerly line of said "Hawthorn Hills No. 5" (recorded as North 02°15'25" West), and the Westerly line of "Thornridge Sub. No. 3" (recorded as North 01°55'38" West), as recorded in Liber 202 of Plats, on Pages 18, 19 and 20, Oakland County Records, and the East line of said Section 1, to the Point of Beginning. All of the above containing 154.387 Acres. All of the above being subject to the rights of the public in Tienken Road and Squirrel Road. All of the above being subject to easements, restrictions, and right-of-ways of record.

66°03'48", and a chord bearing and distance of North 02°02'21" West, 218.04 feet; thence 133.84 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 29°29'39", and a chord bearing and distance of South 71°23'11" West, 132.37 feet, to the POINT OF BEGINNING; thence South 13°39'16" West, 136.18 feet; thence North 75°19'02" West, 114.28 feet; thence North 64°22'08" West, 214.10 feet; thence North 78°25'46" West, 315.00 feet; thence North 11°34'14" East, 125.75 feet; thence North 78°25'46" West, 47.22 feet; thence North 11°34'14" East, 180.00 feet; thence South 78°25'46" East, 32.50 feet; thence North 11°34'14" East, 133.72 feet; thence North 44°07'39" East, 83.81 feet; thence North 63°9'32" East, 62.50 feet; thence North 83°31'26" East, 56.99 feet; thence South 80°11'52" East, 51.49 feet; thence South 63°55'09" East, 90.19 feet; thence South 26°17'49" East, 118.13 feet; thence South 11°34'14" West, 141.02 feet; thence South 25°03'58" West, 128.55 feet; thence South 11°50'19" West, 60.00 feet; thence South 78°25'46" East 35.27 feet; thence 100.86 feet along a curve to the right, said curve having a radius of 200.00 feet, a central angle of 28°53'38", and a chord bearing and distance of South 63°58'57" East, 99.79 feet; thence 201.17 feet along a curve to the left, said curve having a radius of 260.00 feet, a central angle of 44°19'51", and a chord bearing and distance of South 71°42'04" East, 196.19 feet, to the point of beginning. All of the above containing 5.291 Acres. All of the above being subject to all easements and restrictions of record.

EXHIBIT A

Property

A part of the Southeast ¼ of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at the Southeast Corner of Said Section 1; thence North 02°13'06" West, 60.07 feet, along the East line of said Section 1 and the Westerly line of "Thornridge Sub. No. 6" (recorded as North 01°55'38" West), as recorded in Liber 214 of Plats, on Pages 28 and 29, Oakland County Records, to the Northerly right of way Tienken Road (60' ½ right of way), and the POINT OF BEGINNING; Thence North 89°25'46" West, 325.10 feet, along the Northerly right of way of said Tienken Road; thence North 00°34'14" East, 120.57 feet; thence 243.96 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 53°45'40", and a chord bearing and distance of North 78°56'31" West, 235.11 feet; thence North 52°03'41" West, 30.38 feet; thence 71.03 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 15°39'10", and a chord bearing and distance of South 52°23'27" West, 70.81 feet; thence South 60°13'02" West, 154.56 feet; thence 242.11 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 53°21'12", and a chord bearing and distance of South 86°53'38" West, 233.46 feet; thence North 66°25'46" West, 139.06 feet; thence South 23°34'14" West, 107.87 feet, to the Northerly right of way of said Tienken Road; thence North 89°25'46" West, 45.76 feet, along the Northerly right of way of said Tienken Road; thence North 66°25'46" West, 65.87 feet; thence North 77°56'17" West, 80.48 feet; thence South 81°04'14" West, 126.22 feet; thence 26.46 feet along a curve to the left, said curve having a radius of 286.00 feet, a central angle of 05°18'05", and a chord bearing and distance of North 06°16'43" West, 26.45 feet; thence North 08°55'46" West, 285.07 feet, to point "A"; thence North 81°04'14" East, 269.69 feet; thence North 58°37'45" East, 131.74 feet; thence North 87°54'38" East, 117.12 feet; thence South 51°19'53" East, 117.12 feet; thence South 54°15'59" West, 126.88 feet; thence 10.45 feet along a curve to the right, said curve having a radius of 60.00 feet, a central angle of 09°58'32, and a chord bearing and distance of South 30°44'45" East, 10.43 feet; thence North 64°14'31" East, 129.25 feet; thence South 07°46'11" East, 116.89 feet; thence South 28°04'34" West, 150.17 feet; thence 186.24 feet along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 53°21'12", and a chord bearing and distance of North 86°53'38" East, 179.58 feet; thence North 60°13'02" East, 18.96 feet; thence North 29°46'58" West, 125.75 feet; thence North 60°13'02" East, 105.00 feet; thence North 48°06'51" East, 82.49 feet; thence North 30°36'47" East, 269.41 feet; thence North 43°02'44" East, 142.88 feet; thence North 66°59'18" East, 208.72 feet; thence 34.89 feet along a curve to the right, said curve having a radius of 60.00 feet, a central angle of 33°19'13", and a chord bearing and distance of North 36°45'07" East, 34.40 feet; thence North 36°35'16" West, 120.00 feet; thence North 53°24'44" East, 58.45 feet; thence North 89°23'20" East, 116.89 feet; thence South 54°38'04" East, 147.05 feet, to the East line of said Section 1, and the Westerly line of "Thornridge Sub. No. 3", as recorded in Liber 202 of Plats, on Pages 18, 19 and 20, Oakland County Records; thence South 02°13'06" East, 838.84 feet, along the Westerly line of said "Thornridge Sub. No. 3" (recorded as North 01°55'38" West), and the Westerly line of said "Thornridge Sub. No. 6" (recorded as North 01°55'38" West), to the point of beginning. All of the above containing 15.449 Acres. All of the above being subject to all easements and restrictions of record; AND ALSO, a part of the Southeast ¼ of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at said point "A"; thence South 86°15'48" West, 86.35 feet; thence 181.16 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 39°55'20" and a chord bearing and distance of North 11°01'54" East, 177.52 feet; thence North 30°59'34" East, 556.80 feet; thence 230.60 feet along a curve to the left, said curve having a radius of 200.00 feet, a central angle of

THIS INSTRUMENT PREPARED BY
AND WHEN RECORDED RETURN TO:

Kevin Kohls, Esq.
Honigman Miller Schwartz and Cohn
2290 First National Building
Detroit, Michigan 48226
(313) 256-7811

DET_C\30882.6

EXHIBIT B

Landscaping and Signage Area

Portions of Lots 1 and 34 to be shown on an amendment to this Declaration of Covenants, Conditions and Restrictions.

EXHIBIT C

Easement for Entry Road and Community Areas

A part of the Southeast ¼ of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at the Southeast Corner of said Section 1; thence North 02°13'06" West, 60.07 feet, along the East line of said Section 1 and the Westerly line of "Thornridge Sub. No. 6" (recorded as North 01°55'38" West), as recorded in Liber 214 of Plats, on Pages 28 and 29, Oakland County Records, to the Northerly right of way Tienken Road (60' ½ right of way); thence North 89°25'46" West, 1481.57 feet, along the Northerly right of way of said Tienken Road, to the POINT OF BEGINNING;
thence continuing North 89°25'46" West, 96.00 feet, along the Northerly right of way of said Tienken Road; thence 31.50 feet along a curve to the left, said curve having a radius of 190.00 feet, a central angle of 09°30'00", and a chord bearing and distance of North 04°10'46" West, 31.47 feet; thence North 08°55'46" West, 99.39 feet; thence North 00°32'33" East, 60.77 feet; thence North 08°55'46" West, 133.57 feet; thence 181.16 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 39°55'20" and a chord bearing and distance of North 11°01'54" East, 177.52 feet; thence North 30°59'34" East, 556.80 feet; thence 230.60 feet along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 66°03'48", and a chord bearing and distance of North 02°02'21" West, 218.04 feet; thence 335.01 feet; along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 73°49'30", and a chord bearing and distance of North 86°26'53" West, 312.31 feet; thence 100.86 feet along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 28°53'38", and a chord bearing and distance of North 63°58'57" West, 99.79 feet; thence North 78°25'46" West, 35.27 feet; thence North 11°50'19" East, 60.00 feet; thence North 25°03'58" East, 128.55 feet; thence North 11°34'14" East, 141.02 feet; thence North 26°17'49" West, 118.13 feet; thence North 63°55'09" West, 90.19 feet; thence North 80°11'52" West, 51.49 feet; thence South 83°31'26" West, 56.99 feet; thence South 63°49'32" West, 62.50 feet; thence North 17°25'46" West, 24.97 feet; thence North 72°34'14" East, 83.76 feet; thence North 88°38'48" East, 130.10 feet; thence South 72°25'46" East, 542.38 feet; thence South 13°36'43" West, 87.75 feet; thence South 13°39'16" West, 227.92 feet; thence South 48°45'58" East, 60.00 feet; thence 9.60 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 02°06'57", and a chord bearing and distance of South 42°17'31" West, 9.60 feet; thence 304.96 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 67°12'15" and a chord bearing and distance of South 02°36'34" East, 287.78 feet; thence South 30°59'34" West, 516.29 feet; thence 139.35 feet along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 39°55'20", and a chord bearing and distance of South 11°01'54" West, 136.55 feet; thence South 08°55'46" East, 323.96 feet; thence 47.42 feet along a curve to the right, said curve having a radius of 286.00 feet, a central angle of 09°30'00", and a chord bearing and distance of South 04°10'46" East, 47.37 feet, to the point of beginning. All of the above containing 6.971 Acres. All of the above being subject to all easements and restrictions of record.

Recored on April 9, 1999
In Liber 19816, pages 156
Through 158, Oakland County Records

FIRST AMENDMENT OF
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

HERITAGE IN THE HILLS
OAKLAND COUNTY CONDOMINIUM
SUBDIVISION PLAN NO. 1133

THIS FIRST AMENDMENT OF DELCARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ("First Amendment") is made and executed this ___ day of March, 1999, by **HERITGAGE OF AUBURN HILLS, L.L.C**, a Michigan limited liability company (hereinafter referred to as "Developer"), whose address is 30840 Northwestern Highway, Suite 270, Farmington Hills, Michigan 48334.

WITNESSETH:

WHEREAS, Developer recorded a Declaration of Covenants, Conditions and Restrictions for the Condominium (the "Declaration"), which was recorded on August 20, 1998 in Liber 18858, Page 559, Oakland County Records with respect to the real property described on Exhibit "A" (the "Property"); and

WHEREAS, Developer reserved the right to amend the Declaration without the consent of any other person; and

WHEREAS, Developer intends, by this First Amendment, to reconfigure the land designated as the Entry Road in the original Declaration and to add certain land to the area designated as the Community Areas in the original Declaration; and

WHEREAS, as provided in the Declaration, Developer intends, by this First Amendment, to amend the Declaration to update and correct the legal description of the Easement for Entry Road and Community Areas as described in Exhibit C of the original Declaration.

NOW, THEREFORE, Developer hereby amends the Declaration as follows:

1. The legal description of the Easement for Entry Road and Community Areas as described in Exhibit C of the original Declaration shall be amended and restated as:

A part of the Southeast 1/4 of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at the Southeast Corner of said Section1; thence North 02°13'06" West, 60.07 feet, along the East line of said Section 1 and the Westerly line of "Thornridge Sub. No. 6" (recorded as North 01°55'38" West), as recorded in Liber 214 of Plats, on Pages 28 and 29, Oakland County Records, to the Northerly right of way Tienken Road (60' 1/2 right of way); thence North

89°25'46" West, 1481.57 feet, along the Northerly right of way of said Tienken Road, to the **POINT OF BEGINNING**; thence continuing North 89°25'46" West, 96.00 feet, along the Northerly right of way of said Tienken Road; thence 31.50 feet along a curve to the left, said curve having a radius of 190.00 feet, a central angle of 09°30'00", and a chord bearing and distance of North 04°10'46" West, 31.47 feet; thence North 08°55'46" West, 99.39 feet; thence North 00°32'33" East, 60.77 feet; thence North 08°55'46" West, 133.57 feet; thence 181.16 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 39°55'20" and a chord bearing and distance of North 11°01'54" East, 177.52 feet; thence North 30°59'34" East, 556.80 feet; thence 230.60 feet along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 66°03'48", and a chord bearing and distance of North 02°02'21" West, 218.04 feet; thence 335.01 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 73°49'30", and a chord bearing and distance of North 86°26'53" West, 312.31 feet; thence 100.86 feet along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 28°53'38", and a chord bearing and distance of North 63°58'57" West, 99.79 feet; thence North 78°25'46" West, 35.27 feet; thence North 11°50'19" East, 60.00 feet; thence North 25°03'58" East, 128.55 feet; thence North 11°34'14" East, 141.02 feet; thence North 19°35'09" West, 123.65 feet; thence South 72°25'46" East, 37.76 feet; thence North 17°34'14" East, 37.25 feet; thence South 72°25'46" East, 437.38 feet; thence South 13°36'43" West, 87.75 feet; thence South 13°39'16" West, 227.92 feet; thence South 48°45'58" East, 60.00 feet; thence 9.60 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 02°06'57" and a chord bearing and distance of South 42°17'31" West, 9.60 feet; thence 304.96 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 67°12'15" and a chord bearing and distance of South 02°36'34" East. 287.78 feet; thence South 30°59'34" West, 516.29 feet; thence 139.35 feet along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 39°55'20", and a chord bearing and distance of South 11°01'54" West, 136.55 feet; thence South 08°55'46" East, 323.96 feet; thence 47.42 feet along a curve to the right, said curve having a radius of 286.00 feet, a central angle of 09°30'00", and a chord bearing and distance of South 04°10'46" East, 47.37 feet, to the point of beginning. All of the above containing 6.746 Acres. All of the above being subject to all easements and restrictions of record.

2. Except as expressly amended herein, all other terms and provisions of the original Declaration and its exhibits, as amended, shall continue in full force and effect, including

without limitation those provisions which permit Developer to make future amendments to the Declaration.

IN WITNESS WHEREOF, Developer has caused this First Amendment to be executed the day and year first above written.

WITNESS: **SIGNED BY:**

HERITAGE OF AUBURN HILLS, L.L.C..,
a Michigan limited liability company

/s/ Donald J. Koestler Jr.
*

/s/ Sherry Smith
*

By: /s/ James G. Migliore
James G. Migliore
Its: Authorized Member

STATE OF NEW JERSEY)
) ss.
COUNTY OF OCEAN)

The foregoing instrument was acknowledged before me this 11th day of March, 1999, by James G. Migliore, who is the Authorized Member of Heritage of Auburn Hills, L.L.C.., a Michigan limited liability company, on behalf of the limited liability company.

/s/ Diane Penilla
*Diane Penilla
Notary Public, Ocean County, New Jersey
My Commission Expires: 12/24/03

* Please print or type name of person signing (in **black** in only).

DRAFTED BY AND WHEN RECORDED RETURN TO:

Kevin Kohls, Esq.
Honigman Miller Schwartz and Cohn
2290 First National Building
Detroit, Michigan 48226

DET_C\233358.1

Recorded on September 16, 1999
In Liber 20549, pages 48 through
54, Oakland County Records

SECOND AMENDMENT OF
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

HERITAGE IN THE HILLS
OAKLAND COUNTY CONDOMINIUM
SUBDIVISION PLAN NO. 1133

THIS SECOND AMENDMENT OF DELCARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ("Second Amendment") is made and executed this 29th day of July, 1999, by **HERITAGE OF AUBURN HILLS, L.L.C**, a Michigan limited liability company (hereinafter referred to as "Developer"), whose address is 30840 Northwestern Highway, Suite 270, Farmington Hills, Michigan 48334.

WITNESSETH:

WHEREAS, Developer made and recorded a Declaration of Covenants, Conditions and Restrictions for the Condominium, which Declaration was recorded on August 20, 1998 in Liber 18858, Page 559, Oakland County Records, as amended by First Amendment of Declaration of Covenants, Conditions and Restrictions recorded on April 9, 1999, in Liber 19816, Pages 156 through 158, Oakland County Records (collectively the "Declaration"), with respect to the real property described on Exhibit "A" of the Declaration; and

WHEREAS, Developer reserved the right to amend the Declaration without the consent of any other person; and

WHEREAS, Developer reserved the right to annex the additional property into the Property and to revise the legal description of the Additional Property described on Exhibit "A-1" of the Declaration.

WHEREAS, as provided in the Declaration, Developer intends, by this Second Amendment, to amend the Declaration to revise the legal description of the Property described on Exhibit "A" of the Declaration, to reflect the annexation of additional property to the Property, and to revise the legal description of the Additional Property described on Exhibit "A-1" of the Declaration.

NOW, THEREFORE, Developer hereby amends the Declaration as follows:

1. The legal description of the Property described in Exhibit "A" of the Declaration is amended and restated in its entirety as follows:

A part of the Southeast ¼ of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at the Southeast Corner of said Section 1; thence North 02°13'06"

West, 60.07 feet, along the East line of said Section 1 and the Westerly line of "Thornridge Sub. No. 6" (recorded as North 01°55'38" West), as recorded in Liber 214 of Plats, on Pages 28 and 29, Oakland County Records, to the Northerly right of way of Tienken Road (60' ½ right of way), and the POINT OF BEGINNING; thence North 89°25'46" West, 345.10 feet, along the Northerly right of way of said Tienken Road; thence North 00°34'14" East, 115.54 feet; thence 223.33 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 49°12'55", and a chord bearing and distance of North 76°40'08" West, 216.53 feet; thence North 52°03'41" West, 30.38 feet; thence 71.03 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 15°39'10", and a chord bearing and distance of South 52°23'27" West, 70.81 feet; thence South 60°13'02" West, 154.56 feet; thence 242.11 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 53°21'12", and a chord bearing and distance of South 86°53'38" West, 233.46 feet; thence North 66°25'46" West, 119.56 feet; thence South 23°34'14" West, 99.59 feet, to the Northerly right of way of said Tienken Road; thence North 89°25'46" West, 330.17 feet, along the Northerly right of way of said Tienken Road; thence 47.42 feet along a curve to the left, said curve having a radius of 286.00 feet, a central angle of 09°30'00", and a chord bearing and distance of North 04°10'46" West, 47.37 feet; thence North 08°55'46" West, 323.96 feet, to point "A"; thence North 81°04'14" East, 248.21 feet; thence North 76°31'10" East, 143.70 feet; thence North 87°54'38" East, 117.12 feet; thence South 51°19'53" East, 117.12 feet; thence South 54°15'59" West, 126.88 feet; thence 10.45 feet along a curve to the right, said curve having a radius of 60.00 feet, a central angle of 09°58'32", and a chord bearing and distance of South 30°44'45" East, 10.43 feet; thence North 64°14'31" East, 131.00 feet; thence South 07°46'11" East, 117.97 feet; thence South 08°25'51" West, 148.31 feet; thence 133.39 feet along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 38°12'49", and a chord bearing and distance of North 79°19'26" East, 130.93 feet; thence North 60°13'02" East, 18.96 feet; thence North 29°46'58" West, 164.00 feet; thence North 60°13'02" East, 142.56 feet; thence North 30°36'47" East, 379.96 feet; thence North 69°27'52" East, 308.04 feet; thence 19.07 feet along a curve to the right, said curve having a radius of 60.00 feet, a central angle of 18°12'50", and a chord bearing and distance of North 44°18'19" East, 18.99 feet; thence North 36°35'16" West, 120.00 feet; thence North 53°24'44" East, 58.45 feet; thence North 89°23'20" East, 116.89 feet; thence South 54°38'04" East, 147.05 feet, to the East line of said Section 1, and the Westerly line of "Thornridge Sub. No. 3", as recorded in Liber 202 of Plats, on Pages 18, 19 and 20, Oakland County Records; thence South 02°13'06" East, 838.84 feet, along the East line of said Section 1, the Westerly line of said "Thornridge Sub. No. 3" (recorded as North 01°55'38" West), and the Westerly line of said "Thornridge Sub. No. 6" (recorded as North 01°55'38" West), to the point of beginning. All of the above containing 16.730 Acres. All of the above being subject to all easements and restrictions of record; AND ALSO, a part of the Southeast ¼ of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at said point "A"; thence 139.35 feet, along a curve to the right, said curve having a radius of 200.00 feet, a central angle of 39°55'20", and a chord bearing and

distance of North 11°01'54" East, 136.55 feet; thence North 30°59'34" East, 516.29 feet; thence 166.80 feet, along a curve to the left, said curve having a radius of 260.00 feet, a central angle of 36°45'28", and a chord bearing and distance of North 12°36'49" East, 163.96 feet, to the POINT OF BEGINNING; thence continuing 138.16 feet, along a curve to the left, said curve having a radius of 260.00 feet, a central angle of 30°26'47", and a chord bearing and distance of North 20°59'18" West, 136.54 feet; thence North 39°39'02" West, 60.59 feet; thence 7.11 feet, along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 02°02'08", and a chord bearing and distance of North 40°12'58" East, 7.11 feet; thence North 39°11'54" East, 24.54 feet; thence 81.01 feet, along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 17°51'08", and a chord bearing and distance of North 48°07'28" East, 80.68 feet; thence North 32°56'58" West, 160.00 feet; thence North 65°18'39" East, 155.72 feet; thence North 01°44'37" East, 66.57 feet; thence North 50°49'31" West, 57.54 feet; thence North 07°16'53" West, 143.83 feet; thence 185.30 feet, along a curve to the left, said curve having a radius of 220.00 feet, a central angle of 48°15'32", and a chord bearing and distance of North 8°35'21" East, 179.87 feet; thence South 76°23'17" East, 159.05 feet; thence North 81°04'14" East, 53.35 feet; thence North 09°54'50" East, 68.10 feet; thence North 89°34'14" East, 153.73 feet; thence South 49°29'08" East, 80.11 feet; thence North 89°34'14" East, 125.75 feet; thence South 00°25'46" East, 120.00 feet; thence North 89°34'14" East, 60.00 feet; thence South 00°25'46" East, 13.23 feet; thence North 89°34'14" East, 164.00 feet; thence South 00°25'46" East, 113.94 feet; thence South 15°34'37" West, 155.05 feet; thence South 34°56'47" West, 154.08 feet; thence South 49°44'44" West, 158.31 feet; thence South 81°04'14" West, 574.43 feet; thence South 58°07'38" West, 125.79 feet, to the point of beginning. All of the above containing 13.032 Acres. All of the above being subject to all easements and restrictions of record.

2. The legal description of the Additional Property described in Exhibit "A-1" of the Declaration is amended and restated in its entirety as follows:

A part of the Southeast 1/4 of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at the Southeast Corner of said Section 1; thence North 02°13'06" West, 60.07 feet, along the East line of said Section 1 and the Westerly line of "Thornridge Sub. No. 6" (recorded as North 01°55'38" West), as recorded in Liber 214 of Plats, on Pages 28 and 29, Oakland County Records, to the Northerly right of way of Tienken Road (60' 1/2 right of way); thence North 89°25'46" West, 345.10 feet, along the Northerly right of way of said Tienken Road, to the POINT OF BEGINNING; thence North 00°34'14" East, 115.54 feet; thence 223.33 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 49°12'55", and a chord bearing and distance of North 76°40'08" West, 216.53 feet; thence North 52°03'41" West, 30.38 feet; thence 71.03 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 15°39'10", and a chord bearing and distance of South

52°23'27" West, 70.81 feet; thence South 60°13'02" West, 154.56 feet; thence 242.11 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 53°21'12", and a chord bearing and distance of South 86°53'38" West, 233.46 feet; thence North 66°25'46" West, 119.56 feet; thence South 23°34'14" West, 99.59 feet, to the Northerly right of way of said Tienken Road; thence South 89°25'46" East, 806.30 feet, along the Northerly right of way of said Tienken Road, to the point of beginning. All of the above containing 1.592 Acres.
AND ALSO, a part of the Southeast 1/4 of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at the Southeast Corner of said Section1; thence North 02°13'06" West, 60.07 feet, along the East line of said Section 1 and the Westerly line of "Thornridge Sub. No. 6" (recorded as North 01°55'38" West), as recorded in Liber 214 of Plats, on Pages 28 and 29, Oakland County Records, to the Northerly right of way of Tienken Road (60' 1/2 right of way); thence North 89°25'46" West, 1481.57 feet, along the Northerly right of way of said Tienken Road, to the POINT OF BEGINNING; thence continuing North 89°25'46" West, 96.00 feet, along the Northerly right of way of said Tienken Road; thence South 00°34'14" West, 60.00 feet, to the South line of said Section 1, the centerline of said Tienken Road, and the Northerly line of "Hitchman's Squirrel Road Estates", as recorded in Liber 67 of Plats, on Page 5, Oakland County Records; thence North 89°25'46" West, 955.67 feet, along the South line of said Section 1, the centerline of said Tienken Road, and the Northerly line of said "Hitchman's Squirrel Road Estates" (recorded as South 88°21' East), to the South 1/4 Corner of said Section 1; thence North 01°33'26" West, 2683.48 feet, along the North and South 1/4 line of said Section 1 and the centerline of Squirrel Road, to the Center of said Section 1; thence South 88°48'06" East, 2506.65 feet, along the East and West 1/4 line of said Section 1, to the Southeast corner of "Hawthorn Forest", as recorded in Liber 225 of Plats, on Pages 24, 25, 26, 27, 28, 29 and 30, of Oakland County Records, and a point on the Westerly line of "Hawthorn Hills No. 5", as recorded in Liber 198 of Plats, on Pages 36, 37 and 38, Oakland County Records, and to the East 1/4 Corner of said Section 1; thence South 02°13'06" East, 1758.40 feet, along the East line of said Section 1, the Westerly line of said "Hawthorn Hills No. 5" (recorded as North 02°15'25" West), and the Westerly line of "Thornridge Sub. No. 3" (recorded as North 01°55'38" West), as recorded in Liber 202 of Plats, on Pages 18, 19 and 20, Oakland County Records; thence North 54°38'04" West, 147.05 feet; thence South 89°23'20" West, 116.89 feet; thence South 53°24'44" West, 58.45 feet; thence South 36°35'16" East, 120.00 feet; thence 19.07 feet along a curve to the left, said curve having a radius of 60.00 feet, a central angle of 18°12'50", and a chord bearing and distance of South 44°18'19" West, 18.99 feet; thence South 69°27'52" West, 308.04 feet; thence South 30°36'47" West, 379.96 feet; thence South 60°13'02" West, 142.56 feet; thence South 29°46'58" East, 164.00 feet; thence South 60°13'02" West, 18.96 feet; thence 133.39 feet along a curve to the right, said curve having a radius of 200.00 feet, a central angle of 38°12'49", and a chord bearing and distance of South 79°19'26" West, 130.93 feet; thence North 08°25'51" East, 148.31 feet; thence North 07°46'11" West, 117.97 feet; thence

South 64°14'31" West, 131.00 feet; thence 10.45 feet along a curve to the left, said curve having a radius of 60.00 feet, a central angle of 09°58'32", and a chord bearing and distance of North 30°44'45" West, 10.43 feet; thence North 54°15'59" East, 126.88 feet; thence North 51°19'53" West, 117.12 feet; thence South 87°54'38" West, 117.12 feet; thence South 76°31'10" West, 143.70 feet; thence South 81°04'14" West, 248.21 feet, to point "A"; thence South 08°55'46" East, 323.96 feet; thence 47.42 feet along a curve to the right, said curve having a radius of 286.00 feet, a central angle of 09°30'00", and a chord bearing and distance of South 04°10'46" East, 47.37 feet, to the point of beginning. All of the above containing 133.890 Acres; EXCEPT THAT PART DESCRIBED AS: A part of the Southeast 1/4 of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at said point "A"; thence South 61°12'22" West, 91.44 feet; thence 181.16 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 39°55'20" and a chord bearing and distance of North 11°01'54" East, 177.52 feet; thence North 30°59'34" East, 556.80 feet; thence 230.60 feet along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 66°03'48", and a chord bearing and distance of North 02°02'21" West, 218.04 feet; thence 133.84 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 29°29'39", and a chord bearing and distance of South 71°23'11" West, 132.37 feet, to the POINT OF BEGINNING of this exception; thence South 13°39'16" West, 175.00 feet; thence North 83°12'55" West, 120.33 feet; thence North 59°29'10" West, 211.95 feet; thence North 78°25'46" West, 315.00 feet; thence North 11°34'14" East,164.00 feet; thence North 78°25'46" West, 47.22 feet; thence North 11°34'14" East, 232.50 feet; thence North 28°35'06" East, 94.17 feet; thence North 35°38'46" East, 65.67 feet; thence North 72°20'13" East, 105.00 feet; thence South 87°32'43" East, 65.73 feet; thence South 72°25'46" East, 118.30 feet; thence South 19°35'09" East, 123.65 feet; thence South 11°34'14" West, 141.02 feet; thence South 25°03'58" West, 128.55 feet; thence South 11°50'19" West, 60.00 feet; thence South 78°25'46" East, 35.27 feet; thence 100.86 feet along a curve to the right, said curve having a radius of 200.00 feet, a central angle of 28°53'38", and a chord bearing and distance of South 63°58'57" East, 99.79 feet; thence 201.17 feet along a curve to the left, said curve having a radius of 260.00 feet, a central angle of 44°19'51", and a chord bearing and distance of South 71°42'04" East, 196.19 feet, to the point of beginning. This exception contains 6.067 Acres. AND ALSO, EXCEPT THAT PART DESCRIBED AS: A part of the Southeast ¼ of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at said point "A", thence 139.35 feet, along a curve to the right, said curve having a radius of 200.00 feet, a central angle of 39°55'20", and a chord bearing and distance of North 11°01'54" East, 136.55 feet; thence North 30°59'34" East, 516.29 feet; thence 166.80 feet, along a curve to the left, said curve having a radius of 260.00 feet, a central angle of 36°45'28", and a chord bearing and distance of North 12°36'49" East, 163.96 feet, to the POINT OF BEGINNING of this exception; thence continuing 138.16 feet, along a curve to the left, said curve having a radius of

260.00 feet, a central angle of 30°26'47", and a chord bearing and distance of North 20°59'18" West, 136.54 feet; thence North 39°39'02" West, 60.59 feet; thence 7.11 feet, along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 02°02'08", and a chord bearing and distance of North 40°12'58" East, 7.11 feet; thence North 39°11'54" East, 24.54 feet; thence 185.30 feet, along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 17°51'08", and a chord bearing and distance of North 48°07'28" East, 80.68 feet; thence North 32°56'58" West, 160.00 feet; thence North 65°18'39" East, 155.72 feet; thence North 01°44'37" East, 66.57 feet; thence North 50°49'31" West, 57.54 feet; thence North 07°16'53" West, 143.83 feet; thence 185.30 feet, along a curve to the left, said curve having a radius of 220.00 feet, a central angle of 48°15'32", and a chord bearing and distance of North 58°35'21" East, 179.87 feet; thence South 76°23'17" East, 159.05 feet; thence North 81°04'14" East, 53.35 feet; thence North 09°54'50" East, 68.10 feet; thence North 89°34'14" East, 153.73 feet; thence South 49°29'08" East, 80.11 feet; thence North 89°34'14" East, 125.75 feet; thence South 00°25'46" East, 120.00 feet; thence North 89°34'14" East, 60.00 feet; thence South 00°25'46" East, 13.23 feet; thence North 89°34'14" East, 164.00 feet; thence South 00°25'46" East, 113.94 feet; thence South 15°34'37" West, 155.05 feet; thence South 34°56'47" West, 154.08 feet; thence South 49°44'44" West, 158.31 feet; thence South 81°04'14" West, 574.43 feet; thence South 58°07'38" West, 125.79 feet, to the point of beginning. This exception contains 13.032 Acres. The resultant area of this parcel contains 114.791 Acres. All of the above being subject to the rights of the public in Tienken Road and Squirrel Road. All of the above being subject to easements, restrictions and right-of-ways of record.

3. Except as expressly amended herein, all other terms and provisions of the Declaration and its exhibits, as amended, shall continue in full force and effect, including without limitation those provisions which permit Developer to make future amendments to the Declaration.

4. All capitalized terms not defined herein shall have the respective meanings ascribed to them in the Declaration.

IN WITNESS WHEREOF, Developer has caused this Second Amendment to be executed the day and year first above written.

WITNESS:

SIGNED BY:

HERITAGE OF AUBURN HILLS, L.L.C.,
a Michigan limited liability company

/s/ Sherry Smith
* Sherry Smith

/s/ Yvonne Edgerton
* Yvonne Edgerton

By: /s/ James G. Migliore
James G. Migliore
Its: Authorized Member

STATE OF NEW JERSEY)
) ss.
COUNTY OF OCEAN)

The foregoing instrument was acknowledged before me this 29th day of July, 1999, by James G. Migliore, who is the Authorized Member of Heritage of Auburn Hills, L.L.C., a Michigan limited liability company, on behalf of the limited liability company.

/s/ Diane Penilla
* Diane Penilla
Notary Public, Ocean County, New Jersey
My Commission Expires: December 24, 2003

* Please print or type name of person signing (in **black** in only).

DRAFTED BY AND WHEN RECORDED RETURN TO:

Kevin Kohls, Esq.
Wasinger Kickham and Kohls
26862 Woodward Avenue, Suite 100
Royal Oak, Michigan 48067-0958

WK001793

Recorded on January 6, 2000
in Liber 20961, Pages 291 through
300, Oakland County Records

THIRD AMENDMENT OF
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

HERITAGE IN THE HILLS
OAKLAND COUNTY CONDOMINIUM
SUBDIVISION PLAN NO. 1133

THIS THIRD AMENDMENT OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ("Third Amendment") is made and executed this 13th day of December, 1999, by **HERITAGE OF AUBURN HILLS, L.L.C.**, a Michigan limited liability company (hereinafter referred to as "Developer"), whose address is 30840 Northwestern Highway, Suite 270, Farmington Hills, Michigan 48334.

WITNESSETH:

WHEREAS, Developer made and recorded a Declaration of Covenants, Conditions and Restrictions for the Condominium, which Declaration was recorded on August 20, 1998 in Liber 18858, Page 559, Oakland County Records, as amended by First Amendment of Declaration of Covenants, Conditions and Restrictions recorded on April 9, 1999 in Liber 19816, Pages 156 through 158, Oakland County Records, and Second Amendment of Declaration of Covenants, Conditions and Restrictions recorded on September 16, 1999 in Liber 20549, Pages 48 through 54, Oakland County Records (collectively, the "Declaration");

WHEREAS, Developer reserved the right to amend the Declaration without the consent of any other person;

WHEREAS, Developer reserved the right to annex the additional property into the Property and to revise the legal description of the Additional Property described on Exhibit "A-1" of the Declaration; and

WHEREAS, as provided in the Declaration, Developer intends, by this Second Amendment, to, among other things, amend the Declaration to revise the legal description of the Property described on Exhibit "A" of the Declaration, to reflect the annexation of additional property to the Property, and to revise the legal description of the Additional Property described on Exhibit "A-1" of the Declaration.

NOW, THEREFORE, Developer hereby amends the Declaration as follows:

1. The legal description of the Property described in Exhibit "A" of the Declaration is amended and restated in its entirety as follows:

A part of the Southeast ¼ of Section 1, Town 3 North, Range 10 East, City of Auburn

Hills, Oakland County, Michigan; more particularly described as commencing at the Southeast Corner of said Section 1; thence North 02°13'06" West, 60.07 feet, along the East line of said Section 1 and the Westerly line of "Thornridge Sub. No. 6" (recorded as North 01°55'38" West), as recorded in Liber 214 of Plats, on Pages 28 and 29, Oakland County Records, to the Northerly right of way of Tienken Road (60' ½ right of way), and the POINT OF BEGINNING; thence North 89°25'46" West, 345.10 feet, along the Northerly right of way of said Tienken Road; thence North 00°34'14" East, 115.54 feet; thence 223.33 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 49°12'55", and a chord bearing and distance of North 76°40'08" West, 216.53 feet; thence North 52°03'41" West, 30.38 feet; thence 71.03 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 15°39'10", and a chord bearing and distance of South 52°23'27" West, 70.81 feet; thence South 60°13'02" West, 154.56 feet; thence 242.11 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 53°21'12", and a chord bearing and distance of South 86°53'38" West, 233.46 feet; thence North 66°25'46" West, 119.56 feet; thence South 23°34'14" West, 99.59 feet, to the Northerly right of way of said Tienken Road; thence North 89°25'46" West, 330.17 feet, along the Northerly right of way of said Tienken Road; thence 47.42 feet along a curve to the left, said curve having a radius of 286.00 feet, a central angle of 09°30'00", and a chord bearing and distance of North 04°10'46" West, 47.37 feet; thence North 08°55'46" West, 323.96 feet, to point "A"; thence North 81°04'14" East, 248.21 feet; thence North 76°31'10" East, 143.70 feet; thence North 87°54'38" East, 117.12 feet; thence South 51°19'53" East, 117.12 feet; thence South 54°15'59" West, 126.88 feet; thence 10.45 feet along a curve to the right, said curve having a radius of 60.00 feet, a central angle of 09°58'32", and a chord bearing and distance of South 30°44'45" East, 10.43 feet; thence North 64°14'31" East, 131.00 feet; thence South 07°46'11" East, 117.97 feet; thence South 08°25'51" West, 148.31 feet; thence 133.39 feet along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 38°12'49", and a chord bearing and distance of North 79°19'26" East, 130.93 feet; thence North 60°13'02" East, 18.96 feet; thence North 29°46'58" West, 164.00 feet; thence North 60°13'02" East, 142.56 feet; thence North 30°36'47" East, 379.96 feet; thence North 69°27'52" East, 308.04 feet; thence 19.07 feet along a curve to the right, said curve having a radius of 60.00 feet, a central angle of 18°12'50", and a chord bearing and distance of North 44°18'19" East, 18.99 feet; thence North 36°35'16" West, 120.00 feet; thence North 53°24'44" East, 58.45 feet; thence North 89°23'20" East, 116.89 feet; thence South 54°38'04" East, 147.05 feet, to the East line of said Section 1, and the Westerly line of "Thornridge Sub. No. 3", as recorded in Liber 202 of Plats, on Pages 18, 19 and 20, Oakland County Records; thence South 02°13'06" East, 838.84 feet, along the East line of said Section 1, the Westerly line of said "Thornridge Sub. No. 3" (recorded as North 01°55'38" West), and the Westerly line of said "Thornridge Sub. No. 6" (recorded as North 01°55'38" West), to the point of beginning. All of the above containing 16.730 Acres. All of the above being subject to all easements and restrictions of record; **AND ALSO**, a part of the Southeast 1/4 of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at said point "A"; thence South 61°12'22" West, 91.44 feet; thence 181.16 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 39°55'20" and a chord bearing and distance of North 11°01'54" East, 177.52 feet; thence North 30°59'34" East, 556.80 feet; thence 230.60 feet along a curve to the left, said curve having a radius of 200.00 feet, a central angle of

66°03'48", and a chord bearing and distance of North 02°02'21" West, 218.04 feet; thence 133.84 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 29°29'39", and a chord bearing and distance of South 71°23'11" West, 132.37 feet, to the POINT OF BEGINNING; thence South 13°39'16" West, 175.00 feet; thence North 83°12'55" West, 120.33 feet; thence North 59°29'10" West, 211.95 feet; thence North 78°25'46" West, 315.00 feet; thence North 11°34'14" East,164.00 feet; thence North 78°25'46" West, 47.22 feet; thence North 11°34'14" East, 232.50 feet; thence North 28°35'06" East, 94.17 feet; thence North 35°38'46" East, 65.67 feet; thence North 72°20'13" East, 105.00 feet; thence South 87°32'43" East, 65.73 feet; thence South 72°25'46" East, 118.30 feet; thence South 19°35'09" East, 123.65 feet; thence South 11°34'14" West, 141.02 feet; thence South 25°03'58" West, 128.55 feet; thence South 11°50'19" West, 60.00 feet; thence South 78°25'46" East, 35.27 feet; thence 100.86 feet along a curve to the right, said curve having a radius of 200.00 feet, a central angle of 28°53'38", and a chord bearing and distance of South 63°58'57" East, 99.79 feet; thence 201.17 feet along a curve to the left, said curve having a radius of 260.00 feet, a central angle of 44°19'51", and a chord bearing and distance of South 71°42'04" East, 196.19 feet, to the point of beginning. All of the above containing 6.067 Acres. **AND ALSO**, a part of the Southeast ¼ of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at said point "A"; thence 139.35 feet, along a curve to the right, said curve having a radius of 200.00 feet, a central angle of 39°55'20", and a chord bearing and distance of North 11°01'54" East, 136.55 feet; thence North 30°59'34" East, 516.29 feet; thence 166.80 feet, along a curve to the left, said curve having a radius of 260.00 feet, a central angle of 36°45'28", and a chord bearing and distance of North 12°36'49" East, 163.96 feet, to the POINT OF BEGINNING; thence continuing 138.16 feet, along a curve to the left, said curve having a radius of 260.00 feet, a central angle of 30°26'47", and a chord bearing and distance of North 20°59'18" West, 136.54 feet; thence North 39°39'02" West, 60.59 feet; thence 7.11 feet, along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 02°02'08", and a chord bearing and distance of North 40°12'58" East, 7.11 feet; thence North 39°11'54" East, 24.54 feet; thence 81.01 feet, along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 17°51'08", and a chord bearing and distance of North 48°07'28" East, 80.68 feet; thence North 32°56'58" West, 160.00 feet; thence North 65°18'39" East, 155.72 feet; thence North 01°44'37" East, 66.57 feet; thence North 50°49'31" West, 57.54 feet; thence North 07°16'53" West, 143.83 feet; thence 185.30 feet, along a curve to the left, said curve having a radius of 220.00 feet, a central angle of 48°15'32", and a chord bearing and distance of North 8°35'21" East, 179.87 feet; thence South 76°23'17" East, 159.05 feet; thence North 81°04'14" East, 53.35 feet; thence North 09°54'50" East, 68.10 feet; thence North 89°34'14" East, 153.73 feet; thence South 49°29'08" East, 80.11 feet; thence North 89°34'14" East, 125.75 feet; thence South 00°25'46" East, 120.00 feet; thence North 89°34'14" East, 60.00 feet; thence South 00°25'46" East, 13.23 feet; thence North 89°34'14" East, 164.00 feet; thence South 00°25'46" East, 113.94 feet; thence South 15°34'37" West, 155.05 feet; thence South 34°56'47" West, 154.08 feet; thence South 49°44'44" West, 158.31 feet; thence South 81°04'14" West, 574.43 feet; thence South 58°07'38" West, 125.79 feet, to the point of beginning. All of the above containing 13.032 Acres. **AND ALSO**, a part of the Southeast 1/4 of Section 1, Town 3 North, Range 10 East, City of Auburn

Hills, Oakland County, Michigan, more particularly described as commencing at the Southeast Corner of said Section 1; thence North 02°13'06" West, 60.07 feet, along the East line of said Section 1 and the Westerly line of "Thornridge Sub. No. 6" (recorded as North 01°55'38" West), as recorded in Liber 214 of Plats, on Pages 28 and 29, Oakland County Records, to the Northerly right of way of Tienken Road (60 foot 1/2 right of way); thence North 89°25'46" West, 1577.57 feet, along the Northerly right of way of said Tienken Road, to the POINT OF BEGINNING; thence continuing North 89°25'46" West, 331.46 feet, along the Northerly right of way of said Tienken Road; thence North 06°14'46" East, 121.87 feet; thence 72.71 feet, along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 16°01'22", and a chord bearing and distance of North 75°44'33" West, 72.47 feet; thence South 33°44'17" West, 93.02 feet; thence South 25°50'22" West, 66.97 feet to the Northerly right of way of said Tienken Road; thence North 89°25'46" West, 122.22 feet, along the Northerly right of way of said Tienken Road; thence North 35°46'09" West, 169.88 feet; thence North 13°25'46" West, 315.00 feet; thence North 36°01'19" West, 113.73 feet; thence North 02°45'07" East, 198.50 feet; thence South 60°42'16" East, 157.98 feet; thence 168.96 feet, along a curve to the right, said curve having a radius of 60.00 feet, a central angle of 161°20'56", and a chord bearing and distance of South 70°01'48" East, 118.41 feet; thence 33.06 feet, along a curve to the left, said curve having a radius of 42.00 feet, a central angle of 45°05'57", and a chord bearing and distance of South 11°54'18" East, 32.21 feet; thence South 34°27'16" East, 6.94 feet; thence 55.27 feet, along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 12°10'48", and a chord bearing and distance of South 28°21'53" East, 55.17 feet; thence North 76°34'14" East, 70.66 feet; thence 20.07 feet, along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 04°25'25", and a chord bearing and distance of North 78°46'57" East, 20.07 feet; thence North 09°00'21" West, 166.27 feet; thence North 76°34'14" East, 80.95 feet; thence South 75°24'58" East, 160.28 feet; thence South 56°15'43" East, 185.57 feet; thence South 33°44'17" West, 165.00 feet; thence South 56°15'43" East, 41.47 feet; thence 110.86 feet, along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 31°45'33", and a chord bearing and distance of South 72°08'30" East, 109.45 feet; thence 60.13 feet, along a curve to the left, said curve having a radius of 260.00 feet, a central angle of 13°15'06", and a chord bearing and distance of South 02°17'40" West, 60.00 feet; thence 143.79 feet, along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 31°41'11", and a chord bearing and distance of North 72°06'19" West, 141.96 feet; thence North 56°15'43" West, 26.47 feet; thence South 33°44'17" West, 255.24 feet; thence 47.78 feet, along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 13°41'12", and a chord bearing and distance of South 82°35'10" East, 47.66 feet; thence South 89°25'46" East, 113.74 feet; thence North 00°34'14" East, 122.55 feet; thence North 86°09'20" East, 140.70 feet; thence South 08°55'46" East, 124.95 feet; thence South 00°32'33" West, 60.77 feet; thence South 08°55'46" East, 99.39 feet; thence 31.50 feet, along a curve to the right, said curve having a radius of 190.00 feet, a central angle of 09°30'00", and a chord bearing and distance of South 04°10'46" East, 31.47 feet, to the point of beginning. All of the above containing 9.463 Acres. All of the above being subject to all easements and restrictions of record.

2. **Future Development.** The legal description of the Additional Property described in Exhibit "A-1" of the Declaration is amended and restated in its entirety as follows:

A part of the Southeast 1/4 of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at the Southeast Corner of said Section 1; thence North 02°13'06" West, 60.07 feet, along the East line of said Section 1 and the Westerly line of "Thornridge Sub. No. 6" (recorded as North 01°55'38" West), as recorded in Liber 214 of Plats, on Pages 28 and 29, Oakland County Records, to the Northerly right of way of Tienken Road (60 foot 1/2 right of way); thence North 89°25'46" West, 345.10 feet, along the Northerly right of way of said Tienken Road, to the POINT OF BEGINNING; thence North 00°34'14" East, 115.54 feet; thence 223.33 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 49°12'55", and a chord bearing and distance of North 76°40'08" West, 216.53 feet; thence North 52°03'41" West, 30.38 feet; thence 71.03 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 15°39'10", and a chord bearing and distance of South 52°23'27" West, 70.81 feet; thence South 60°13'02" West, 154.56 feet; thence 242.11 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 53°21'12", and a chord bearing and distance of South 86°53'38" West, 233.46 feet; thence North 66°25'46" West, 119.56 feet; thence South 23°34'14" West, 99.59 feet, to the Northerly right of way of said Tienken Road; thence South 89°25'46" East, 806.30 feet, along the Northerly right of way of said Tienken Road, to the point of beginning. All of the above containing 1.592 Acres. **AND ALSO**, a part of the Southeast 1/4 of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at the Southeast Corner of said Section 1; thence North 02°13'06" West, 60.07 feet, along the East line of said Section 1 and the Westerly line of "Thornridge Sub. No. 6" (recorded as North 01°55'38" West), as recorded in Liber 214 of Plats, on Pages 28 and 29, Oakland County Records, to the Northerly right of way of Tienken Road (60 foot 1/2 right of way); thence North 89°25'46" West, 1481.57 feet, along the Northerly right of way of said Tienken Road, to the POINT OF BEGINNING; thence continuing North 89°25'46" West, 565.29 feet, along the Northerly right of way of said Tienken Road; thence South 00°34'14" West, 60.00 feet, to the South line of said Section 1, the centerline of said Tienken Road, and the Northerly line of "Hitchman's Squirrel Road Estates", as recorded in Liber 67 of Plats, on Page 5, Oakland County Records; thence North 89°25'46" West, 364.16 feet, along the South line of said Section 1, the centerline of said Tienken Road, and the Northerly line of said "Hitchman's Squirrel Road Estates" (recorded as South 88°21' East), to the South 1/4 Corner of said Section 1; thence North 01°33'26" West, 2683.48 feet, along the North and South 1/4 line of said Section 1 and the centerline of Squirrel Road, to the Center of said Section 1; thence South 88°48'06" East, 2506.65 feet, along the East and West 1/4 line of said Section 1, to the Southeast corner of "Hawthorn Forest", as recorded in Liber 225 of Plats, on Pages 24, 25, 26, 27, 28, 29 and 30, of Oakland County Records, and a point on the Westerly line of "Hawthorn Hills No. 5", as recorded in Liber 198 of Plats, on Pages 36, 37 and 38, Oakland County Records, and to the East 1/4 Corner of said Section 1; thence South 02°13'06" East, 1758.40 feet, along the East line of said Section 1, the Westerly line of said "Hawthorn Hills No. 5" (recorded as North 02°15'25" West), and the Westerly line of "Thornridge Sub. No. 3" (recorded as North 01°55'38" West), as recorded in Liber 202 of Plats, on Pages 18, 19 and 20, Oakland County Records; thence North 54°38'04" West, 147.05 feet; thence South 89°23'20" West, 116.89 feet; thence

South 53°24'44" West, 58.45 feet; thence South 36°35'16" East, 120.00 feet; thence 19.07 feet along a curve to the left, said curve having a radius of 60.00 feet, a central angle of 18°12'50", and a chord bearing and distance of South 44°18'19" West, 18.99 feet; thence South 69°27'52" West, 308.04 feet; thence South 30°36'47" West, 379.96 feet; thence South 60°13'02" West, 142.56 feet; thence South 29°46'58" East, 164.00 feet; thence South 60°13'02" West, 18.96 feet; thence 133.39 feet along a curve to the right, said curve having a radius of 200.00 feet, a central angle of 38°12'49", and a chord bearing and distance of South 79°19'26" West, 130.93 feet; thence North 08°25'51" East, 148.31 feet; thence North 07°46'11" West, 117.97 feet; thence South 64°14'31" West, 131.00 feet; thence 10.45 feet along a curve to the left, said curve having a radius of 60.00 feet, a central angle of 09°58'32", and a chord bearing and distance of North 30°44'45" West, 10.43 feet; thence North 54°15'59" East, 126.88 feet; thence North 51°19'53" West, 117.12 feet; thence South 87°54'38" West, 117.12 feet; thence South 76°31'10" West, 143.70 feet; thence South 81°04'14" West, 248.21 feet, to point "A"; thence South 08°55'46" East, 323.96 feet; thence 47.42 feet along a curve to the right, said curve having a radius of 286.00 feet, a central angle of 09°30'00", and a chord bearing and distance of South 04°10'46" East, 47.37 feet, to the point of beginning. All of the above containing 133.075 Acres; EXCEPT THAT PART DESCRIBED AS: A part of the Southeast 1/4 of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at said point "A"; thence South 61°12'22" West, 91.44 feet; thence 181.16 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 39°55'20" and a chord bearing and distance of North 11°01'54" East, 177.52 feet; thence North 30°59'34" East, 556.80 feet; thence 230.60 feet along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 66°03'48", and a chord bearing and distance of North 02°02'21" West, 218.04 feet; thence 133.84 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 29°29'39", and a chord bearing and distance of South 71°23'11" West, 132.37 feet, to the POINT OF BEGINNING of this exception; thence South 13°39'16" West, 175.00 feet; thence North 83°12'55" West, 120.33 feet; thence North 59°29'10" West, 211.95 feet; thence North 78°25'46" West, 315.00 feet; thence North 11°34'14" East, 164.00 feet; thence North 78°25'46" West, 47.22 feet; thence North 11°34'14" East, 232.50 feet; thence North 28°35'06" East, 94.17 feet; thence North 35°38'46" East, 65.67 feet; thence North 72°20'13" East, 105.00 feet; thence South 87°32'43" East, 65.73 feet; thence South 72°25'46" East, 118.30 feet; thence South 19°35'09" East, 123.65 feet; thence South 11°34'14" West, 141.02 feet; thence South 25°03'58" West, 128.55 feet; thence South 11°50'19" West, 60.00 feet; thence South 78°25'46" East, 35.27 feet; thence 100.86 feet along a curve to the right, said curve having a radius of 200.00 feet, a central angle of 28°53'38", and a chord bearing and distance of South 63°58'57" East, 99.[illegible] feet; thence 201.17 feet along a curve to the left, said curve having a radius of 260.00 feet, a central angle of 44°19'51", and a chord bearing and distance of South 71°42'04" East, 196.19 feet, to the point of beginning. This exception contains 6.067 Acres. **AND ALSO**, EXCEPT THAT PART DESCRIBED AS: A part of the Southeast 1/4 of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at said point "A"; thence 139.35 feet, along a curve to the right, said curve having a radius of 200.00 feet, a central angle of 39°55'20", and a chord

bearing and distance of North 11°01'54" East, 136.55 feet; thence North 30°59'34" East, 516.29 feet; thence 166.80 feet, along a curve to the left, said curve having a radius of 260.00 feet, a central angle of 36°45'28", and a chord bearing and distance of North 12°36'49" East, 163.96 feet, to the POINT OF BEGINNING of this exception; thence continuing 138.16 feet, along a curve to the left, said curve having a radius of 260.00 feet, a central angle of 30°26'47", and a chord bearing and distance of North 20°59'18" West, 136.54 feet; thence North 39°39'02" West, 60.59 feet; thence 7.11 feet, along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 02°02'08", and a chord bearing and distance of North 40°12'58" East, 7.11 feet; thence North 39°11'54" East, 24.54 feet; thence 185.30 feet, along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 17°51'08", and a chord bearing and distance of North 48°07'28" East, 80.68 feet; thence North 32°56'58" West, 160.00 feet; thence North 65°18'39" East, 155.72 feet; thence North 01°44'37" East, 66.57 feet; thence North 50°49'31" West, 57.54 feet; thence North 07°16'53" West, 143.83 feet; thence 185.30 feet, along a curve to the left, said curve having a radius of 220.00 feet, a central angle of 48°15'32", and a chord bearing and distance of North 58°35'21" East, 179.87 feet; thence South 76°23'17" East, 159.05 feet; thence North 81°04'14" East, 53.35 feet; thence North 09°54'50" East, 68.10 feet; thence North 89°34'14" East, 153.73 feet; thence South 49°29'08" East, 80.11 feet; thence North 89°34'14" East, 125.75 feet; thence South 00°25'46" East, 120.00 feet; thence North 89°34'14" East, 60.00 feet; thence South 00°25'46" East, 13.23 feet; thence North 89°34'14" East, 164.00 feet; thence South 00°25'46" East, 113.94 feet; thence South 15°34'37" West, 155.05 feet; thence South 34°56'47" West, 154.08 feet; thence South 49°44'44" West, 158.31 feet; thence South 81°04'14" West, 574.43 feet; thence South 58°07'38" West, 125.79 feet, to the point of beginning. This exception contains 13.032 Acres. **AND ALSO,** EXCEPT THAT PART DESCRIBED AS: A part of the Southeast 1/4 of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan, more particularly described as commencing at the Southeast Corner of said Section 1; thence North 02°13'06" West, 60.07 feet, along the East line of said Section 1 and the Westerly line of "Thornridge Sub. No. 6" (recorded as North 01°55'38" West), as recorded in Liber 214 of Plats, on Pages 28 and 29, Oakland County Records, to the Northerly right of way of Tienken Road (60 ½ right of way); thence North 89°25'46" West, 1577.57 feet, along the Northerly right of way of said Tienken Road, to the POINT OF BEGINNING; thence continuing North 89°25'46" West, 331.46 feet, along the Northerly right of way of said Tienken Road; thence North 06°14'46" East, 121.87 feet; thence 72.71 feet, along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 16°01'22", and a chord bearing and distance of North 75°44'33" West, 72.47 feet; thence South 33°44'17" West, 93.02 feet; thence South 25°50'22" West, 66.97 feet to the Northerly right of way of said Tienken Road; thence North 89°25'46" West, 122.22 feet, along the Northerly right of way of said Tienken Road; thence North 35°46'09" West, 169.88 feet; thence North 13°25'46" West, 315.00 feet; thence North 36°01'19" West, 113.73 feet; thence North 02°45'07" East, 198.50 feet; thence South 60°42'16" East, 157.98 feet; thence 168.96 feet, along a curve to the right, said curve having a radius of 60.00 feet, a central angle of 161°20'56", and a chord bearing and distance of South 70°01'48" East, 118.41 feet; thence 33.06 feet, along a curve to the left, said curve having a radius of 42.00 feet, a central angle of 45°05'57", and a chord bearing and distance of South 11°54'18" East, 32.21 feet; thence South 34°27'16" East, 6.94 feet; thence 55.27 feet, along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 12°10'48", and a chord bearing and distance of South 28°21'53" East, 55.17 feet; thence North 76°34'14" East, 70.66 feet; thence 20.07

feet, along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 04°25'25", and a chord bearing and distance of North 78°46'57" East, 20.07 feet; thence North 09°00'21" West, 166.27 feet; thence North 76°34'14" East, 80.95 feet; thence South 75°24'58" East, 160.28 feet; thence South 56°15'43" East, 185.57 feet; thence South 33°44'17" West, 165.00 feet; thence South 56°15'43" East, 41.47 feet; thence 110.86 feet, along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 31°45'33", and a chord bearing and distance of South 72°08'30" East, 109.45 feet; thence 60.13 feet, along a curve to the left, said curve having a radius of 260.00 feet, a central angle of 13°15'06", and a chord bearing and distance of South 02°17'40" West, 60.00 feet; thence 143.79 feet, along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 31°41'11", and a chord bearing and distance of North 72°06'19" West, 141.96 feet; thence North 56°15'43" West, 26.47 feet; thence South 33°44'17" West, 255.24 feet; thence 47.78 feet, along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 13°41'12", and a chord bearing and distance of South 82°35'10" East, 47.66 feet; thence South 89°25'46" East, 113.74 feet; thence North 00°34'14" East, 122.55 feet; thence North 86°09'20" East, 140.70 feet; thence South 08°55'46" East, 124.95 feet; thence South 00°32'33" West, 60.77 feet; thence South 08°55'46" East, 99.39 feet; thence 31.50 feet, along a curve to the right, said curve having a radius of 190.00 feet, a central angle of 09°30'00", and a chord bearing and distance of South 04°10'46" East, 31.47 feet, to the point of beginning. This exception contains 9.463 Acres. The resultant area of this Future Expansion Area contains 106.105 Acres. All of the above being subject to the rights of the public in Tienken Road and Squirrel Road. All of the above being subject to easements, restrictions, and right-of-ways of record.

3. Article I of the Declaration is amended to include the following provision at the end of Paragraph G.:

Currently, the Condominium Association is comprised of only Heritage in the Hills Homeowners Association. Until such time that other condominium associations are created, if ever, Heritage in the Hills Homeowners Association is responsible for, among other things, carrying out the primary purpose of the Condominium Association.

4. Article VII, Paragraph F. of the Declaration is amended and restated in its entirety as follows:

F. The Architectural Control Committee shall have <u>fifteen (15) business days</u> after the receipt of all required plans and specifications to issue a written approval or denial. If the Architectural Control Committee fails to issue a written approval or denial of the plans and specifications within the fifteen (15) business day period, then written approval will not be required and the plans and specifications submitted shall be deemed to comply with this Article and Declaration.

5. Article XI, Paragraph C. of the Declaration is amended and restated in its entirety as follows:

C. **<u>Notices</u>.** Any notice required to be sent to any Site Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the Site address of the Site owned by the Site Owner at the time of such mailing.

6. Except as expressly amended herein, all other terms and provisions of the Declaration and its exhibits, as amended, shall continue in full force and effect, including, without limitation, those provisions which permit Developer to make future amendments to the Declaration.

7. All capitalized terms not defined herein shall have the respective meanings ascribed to them in the Declaration.

IN WITNESS WHEREOF, Developer has caused this Third Amendment to be executed the day and year first above written.

WITNESS:

/s/ Dara West
*Dara West

/s/ Tom DeSimpel
*Tom DeSimpel

SIGNED BY:

HERITAGE OF AUBURN HILLS, L.L.C.,
a Michigan limited liability company

By: /s/ James G. Migliore
James G. Migliore

Its: Authorized Member

STATE OF NEW JERSEY)
) ss.
COUNTY OF OCEAN)

The foregoing instrument was acknowledged before me this 13th day of December, 1999, by James G. Migliore, who is the Authorized Member of Heritage of Auburn Hills, L.L.C., a Michigan limited liability company, on behalf of the limited liability company.

/s/ Diane Penilla
*Diane Penilla
Notary Public, Ocean County, New Jersey
My Commission Expires: 12/24/03

* Please print or type name of person signing (in **black** ink only).

DRAFTED BY AND WHEN RECORDED RETURN TO:

Kevin Kohls, Esq. and
Jorge I. Beltrán, Esq.
Wasinger Kickham and Kohls
100 Beacon Centre
26862 Woodward Avenue
Royal Oak, Michigan 48067-0958
(248) 414-9900

WK004739 1

Recorded on June 9, 2000
in Liber 21470, pages 459 through 469,
Oakland County Records

FOURTH AMENDMENT OF
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

HERITAGE IN THE HILLS
OAKLAND COUNTY CONDOMINIUM
SUBDIVISION PLAN NO. 1133

THIS FOURTH AMENDMENT OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ("Fourth Amendment") is made and executed this 2nd day of June, 2000, by **HERITAGE OF AUBURN HILLS, L.L.C.**, a Michigan limited liability company (hereinafter referred to as "Developer"), whose address is 30840 Northwestern Highway, Suite 270, Farmington Hills, Michigan 48334.

WITNESSETH:

WHEREAS, Developer made and recorded a Declaration of Covenants, Conditions and Restrictions for the Condominium, which Declaration was recorded on August 20, 1998 in Liber 18858, Page 559, Oakland County Records, as amended by First Amendment of Declaration of Covenants, Conditions and Restrictions recorded on April 9, 1999 in Liber 19816, Pages 156 through 158, Oakland County Records, and Second Amendment of Declaration of Covenants, Conditions and Restrictions recorded on September 16, 1999 in Liber 20549, Pages 48 through 54, Oakland County Records, and Third Amendment of Declaration of Covenants, Conditions and Restrictions recorded on January 6, 2000 in Liber 20961, Pages 291 through 299, Oakland County Records (collectively, the "Declaration");

WHEREAS, Developer reserved the right to amend the Declaration without the consent of any other person;

WHEREAS, Developer reserved the right to annex the additional property into the Property and to revise the legal description of the Additional Property described on Exhibit "A-1" of the Declaration; and

WHEREAS, as provided in the Declaration, Developer intends, by this Fourth Amendment, to, among other things, amend the Declaration to revise the legal description of the Property described on Exhibit "A" of the Declaration, to reflect the annexation of additional property to the Property, and to revise the legal description of the Additional Property described on Exhibit "A-1" of the Declaration.

NOW, THEREFORE, Developer hereby amends the Declaration as follows:

1. The legal description of the Property described in Exhibit "A" of the Declaration is amended and restated in its entirety as follows:

A part of the Southeast ¼ of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at the Southeast Corner of said Section 1; thence North 02°13'06" West, 60.07 feet, along the East line of said Section 1 and the Westerly line of "Thornridge Sub. No. 6" (recorded as North 01°55'38" West), as recorded in Liber 214 of Plats, on Pages 28 and 29, Oakland County Records, to the Northerly right of way of Tienken Road (60' ½ right of way), and the POINT OF BEGINNING; thence North 89°25'46" West, 345.10 feet, along the Northerly right of way of said Tienken Road; thence North 00°34'14" East, 115.54 feet; thence 223.33 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 49°12'55", and a chord bearing and distance of North 76°40'08" West, 216.53 feet; thence North 52°03'41" West, 30.38 feet; thence 71.03 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 15°39'10", and a chord bearing and distance of South 52°23'27" West, 70.81 feet; thence South 60°13'02" West, 154.56 feet; thence 242.11 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 53°21'12", and a chord bearing and distance of South 86°53'38" West, 233.46 feet; thence North 66°25'46" West, 119.56 feet; thence South 23°34'14" West, 99.59 feet, to the Northerly right of way of said Tienken Road; thence North 89°25'46" West, 330.17 feet, along the Northerly right of way of said Tienken Road; thence 47.42 feet along a curve to the left, said curve having a radius of 286.00 feet, a central angle of 09°30'00", and a chord bearing and distance of North 04°10'46" West, 47.37 feet; thence North 08°55'46" West, 323.96 feet, to point "A"; thence North 81°04'14" East, 248.21 feet; thence North 76°31'10" East, 143.70 feet; thence North 87°54'38" East, 117.12 feet; thence South 51°19'53" East, 117.12 feet; thence South 54°15'59" West, 126.88 feet; thence 10.45 feet along a curve to the right, said curve having a radius of 60.00 feet, a central angle of 09°58'32", and a chord bearing and distance of South 30°44'45" East, 10.43 feet; thence North 64°14'31" East, 131.00 feet; thence South 07°46'11" East, 117.97 feet; thence South 08°25'51" West, 148.31 feet; thence 133.39 feet along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 38°12'49", and a chord bearing and distance of North 79°19'26" East, 130.93 feet; thence North 60°13'02" East, 18.96 feet; thence North 29°46'58" West, 164.00 feet; thence North 60°13'02" East, 142.56 feet; thence North 30°36'47" East, 379.96 feet; thence North 69°27'52" East, 308.04 feet; thence 19.07 feet along a curve to the right, said curve having a radius of 60.00 feet, a central angle of 18°12'50", and a chord bearing and distance of North 44°18'19" East, 18.99 feet; thence North 36°35'16" West, 120.00 feet; thence North 53°24'44" East, 58.45 feet; thence North 89°23'20" East, 116.89 feet; thence South 54°38'04" East, 147.05 feet, to the East line of said Section 1, and the Westerly line of "Thornridge Sub. No. 3", as recorded in Liber 202 of Plats, on Pages 18, 19 and 20, Oakland County Records; thence South 02°13'06" East, 838.84 feet, along the East line of said Section 1, the Westerly line of said "Thornridge Sub. No. 3" (recorded as North 01°55'38" West), and the Westerly line of said "Thornridge Sub. No. 6" (recorded as North 01°55'38" West), to the **POINT OF BEGINNING**. All of the above containing 16.730 Acres. All of the above being subject to all easements and restrictions of record; **AND ALSO**, a part of the Southeast 1/4 of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at said point "A"; thence South 61°12'22" West, 91.44 feet; thence 181.16 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 39°55'20" and a chord bearing and distance of North 11°01'54" East, 177.52 feet; thence North 30°59'34" East, 556.80 feet; thence 230.60 feet along a

curve to the left, said curve having a radius of 200.00 feet, a central angle of 66°03'48", and a chord bearing and distance of North 02°02'21" West, 218.04 feet; thence 133.84 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 29°29'39", and a chord bearing and distance of South 71°23'11" West, 132.37 feet, to the POINT OF BEGINNING; thence South 13°39'16" West, 175.00 feet; thence North 83°12'55" West, 120.33 feet; thence North 59°29'10" West, 211.95 feet; thence North 78°25'46" West, 315.00 feet; thence North 11°34'14" East,164.00 feet; thence North 78°25'46" West, 47.22 feet; thence North 11°34'14" East, 232.50 feet; thence North 28°35'06" East, 94.17 feet; thence North 35°38'46" East, 65.67 feet; thence North 72°20'13" East, 105.00 feet; thence South 87°32'43" East, 65.73 feet; thence South 72°25'46" East, 118.30 feet; thence South 19°35'09" East, 123.65 feet; thence South 11°34'14" West, 141.02 feet; thence South 25°03'58" West, 128.55 feet; thence South 11°50'19" West, 60.00 feet; thence South 78°25'46" East, 35.27 feet; thence 100.86 feet along a curve to the right, said curve having a radius of 200.00 feet, a central angle of 28°53'38", and a chord bearing and distance of South 63°58'57" East, 99.79 feet; thence 201.17 feet along a curve to the left, said curve having a radius of 260.00 feet, a central angle of 44°19'51", and a chord bearing and distance of South 71°42'04" East, 196.19 feet, to the **POINT OF BEGINNING.** All of the above containing 6.067 Acres. **AND ALSO**, a part of the Southeast ¼ of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at said point "A"; thence 139.35 feet, along a curve to the right, said curve having a radius of 200.00 feet, a central angle of 39°55'20", and a chord bearing and distance of North 11°01'54" East, 136.55 feet; thence North 30°59'34" East, 516.29 feet; thence 166.80 feet, along a curve to the left, said curve having a radius of 260.00 feet, a central angle of 36°45'28", and a chord bearing and distance of North 12°36'49" East, 163.96 feet, to the POINT OF BEGINNING; thence continuing 138.16 feet, along a curve to the left, said curve having a radius of 260.00 feet, a central angle of 30°26'47", and a chord bearing and distance of North 20°59'18" West, 136.54 feet; thence North 39°39'02" West, 60.59 feet; thence 7.11 feet, along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 02°02'08", and a chord bearing and distance of North 40°12'58" East, 7.11 feet; thence North 39°11'54" East, 24.54 feet; thence 81.01 feet, along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 17°51'08", and a chord bearing and distance of North 48°07'28" East, 80.68 feet; thence North 32°56'58" West, 160.00 feet; thence North 65°18'39" East, 155.72 feet; thence North 01°44'37" East, 66.57 feet; thence North 50°49'31" West, 57.54 feet; thence North 07°16'53" West, 143.83 feet; thence 185.30 feet, along a curve to the left, said curve having a radius of 220.00 feet, a central angle of 48°15'32", and a chord bearing and distance of North 8°35'21" East, 179.87 feet; thence South 76°23'17" East, 159.05 feet; thence North 81°04'14" East, 53.35 feet; thence North 09°54'50" East, 68.10 feet; thence North 89°34'14" East, 153.73 feet; thence South 49°29'08" East, 80.11 feet; thence North 89°34'14" East, 125.75 feet; thence South 00°25'46" East, 120.00 feet; thence North 89°34'14" East, 60.00 feet; thence South 00°25'46" East, 13.23 feet; thence North 89°34'14" East, 164.00 feet; thence South 00°25'46" East, 113.94 feet; thence South 15°34'37" West, 155.05 feet; thence South 34°56'47" West, 154.08 feet; thence South 49°44'44" West, 158.31 feet; thence South 81°04'14" West, 574.43 feet; thence South 58°07'38" West, 125.79 feet, to the **POINT OF BEGINNING.** All of the above containing 13.032 Acres. **AND**

ALSO, a part of the Southeast 1/4 of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan, more particularly described as commencing at the Southeast Corner of said Section 1; thence North 02°13'06" West, 60.07 feet, along the East line of said Section 1 and the Westerly line of "Thornridge Sub. No. 6" (recorded as North 01°55'38" West), as recorded in Liber 214 of Plats, on Pages 28 and 29, Oakland County Records, to the Northerly right of way of Tienken Road (60 foot 1/2 right of way); thence North 89°25'46" West, 1577.57 feet, along the Northerly right of way of said Tienken Road, to the POINT OF BEGINNING; thence continuing North 89°25'46" West, 331.46 feet, along the Northerly right of way of said Tienken Road; thence North 06°14'46" East, 121.87 feet; thence 72.71 feet, along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 16°01'22", and a chord bearing and distance of North 75°44'33" West, 72.47 feet; thence South 33°44'17" West, 93.02 feet; thence South 25°50'22" West, 66.97 feet to the Northerly right of way of said Tienken Road; thence North 89°25'46" West, 122.22 feet, along the Northerly right of way of said Tienken Road; thence North 35°46'09" West, 169.88 feet; thence North 13°25'46" West, 315.00 feet; thence North 36°01'19" West, 113.73 feet; thence North 02°45'07" East, 198.50 feet; thence South 60°42'16" East, 157.98 feet; thence 168.96 feet, along a curve to the right, said curve having a radius of 60.00 feet, a central angle of 161°20'56", and a chord bearing and distance of South 70°01'48" East, 118.41 feet; thence 33.06 feet, along a curve to the left, said curve having a radius of 42.00 feet, a central angle of 45°05'57", and a chord bearing and distance of South 11°54'18" East, 32.21 feet; thence South 34°27'16" East, 6.94 feet; thence 55.27 feet, along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 12°10'48", and a chord bearing and distance of South 28°21'53" East, 55.17 feet; thence North 76°34'14" East, 70.66 feet; thence 20.07 feet, along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 04°25'25", and a chord bearing and distance of North 78°46'57" East, 20.07 feet; thence North 09°00'21" West, 166.27 feet; thence North 76°34'14" East, 80.95 feet; thence South 75°24'58" East, 160.28 feet; thence South 56°15'43" East, 185.57 feet; thence South 33°44'17" West, 165.00 feet; thence South 56°15'43" East, 41.47 feet; thence 110.86 feet, along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 31°45'33", and a chord bearing and distance of South 72°08'30" East, 109.45 feet; thence 60.13 feet, along a curve to the left, said curve having a radius of 260.00 feet, a central angle of 13°15'06", and a chord bearing and distance of South 02°17'40" West, 60.00 feet; thence 143.79 feet, along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 31°41'11", and a chord bearing and distance of North 72°06'19" West, 141.96 feet; thence North 56°15'43" West, 26.47 feet; thence South 33°44'17" West, 255.24 feet; thence 47.78 feet, along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 13°41'12", and a chord bearing and distance of South 82°35'10" East, 47.66 feet; thence South 89°25'46" East, 113.74 feet; thence North 00°34'14" East, 122.55 feet; thence North 86°09'20" East, 140.70 feet; thence South 08°55'46" East, 124.95 feet; thence South 00°32'33" West, 60.77 feet; thence South 08°55'46" East, 99.39 feet; thence 31.50 feet, along a curve to the right, said curve having a radius of 190.00 feet, a central angle of 09°30'00", and a chord bearing and distance of South 04°10'46" East, 31.47 feet, to the **POINT OF BEGINNING**. All of the above containing 9.463 Acres. **AND ALSO**, a part of the Southeast 1/4 of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan, more particularly described as commencing at said Point "A"; thence 139.35 feet, along a curve to the right, said curve having a radius of 200.00 feet, a central angle of 39°55'20", and a chord bearing and distance of North 11°01'54" East, 136.55 feet;

thence North 30°59'34" East, 516.29 feet; thence 304.96, along a curve to the left, said curve having a radius of 260.00 feet, a central angle of 67°12'15", and a chord bearing and distance of North 02°36'34" West, 287.78 feet; thence North 39°39'02" West, 60.59 feet; thence 7.11 feet, along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 02°02'08", and a chord bearing and distance of North 40°12'58" East, 7.11 feet; thence North 39°11'54" East, 24.54 feet; thence 81.01 feet, along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 17°51'08", and a chord bearing and distance of North 48°07'28" East, 80.68 feet; thence North 32°56'58" West, 160.00 feet; thence North 65°18'39" East, 155.72 feet; thence North 01°44'37" East, 66.57 feet; thence North 50°49'31" West, 57.54 feet; thence North 07°16'53" West, 83.83 feet to Point "B"; thence continuing North 07°16'53" West, 60.00 feet; thence 185.30 feet, along a curve to the left, said curve having a radius of 220.00 feet, a central angle of 48°15'32", and a chord bearing and distance of North 58°35'21" East, 179.87 feet, to the **POINT OF BEGINNING**; thence continuing 68.41 feet, along a curve to the left, said curve having a radius of 220.00 feet, a central angle of 17°48'55", and a chord bearing and distance of North 25°33'07" East, 68.13 feet; thence North 76°23'17" West, 163.69 feet; thence North 13°36'43" East, 472.75 feet; thence North 29°37'39" East, 144.11 feet; thence South 39°10'25" East, 168.70 feet; thence 20.55 feet, along a curve to the right, said curve having a radius of 60.00 feet, a central angle of 19°37'28", and a chord bearing and distance of North 42°39'04" East, 20.45 feet; thence North 37°32'12" West, 170.76 feet, to the East and West 1/4 line of said Section 1 (said point being located South 88°48'06" East, 1608.49 feet from the Center of said Section 1); thence South 88°48'06" East, 454.37 feet, along the East and West 1/4 line of said Section 1 (said point being located North 88°48'06" West, 443.79 feet from the East 1/4 Corner of said Section 1); thence South 57°29'12" East, 155.14 feet; thence South 22°59'55" East, 156.99 feet; thence 10.01 feet, along a curve to the right, said curve having a radius of 60.00 feet, a central angle of 09°33'37", and a chord bearing and distance of North 71°46'53" East, 10.00 feet; thence North 13°26'18" West, 129.25 feet; thence South 85°27'00" East, 116.89 feet; thence South 49°28'24" East, 116.89 feet; thence South 13°29'48" East, 116.89 feet; thence South 22°28'48" West, 116.89 feet; thence South 57°20'02" West, 120.46 feet; thence South 00°25'46" East, 367.50 feet; thence South 89°34'14" West, 164.00 feet; thence North 00°25'46" West, 13.23 feet; thence South 89°34'14" West, 60.00 feet; thence North 00°25'46" West, 120.00 feet; thence South 89°34'14" West, 125.75 feet; thence North 49°29'08" West, 80.11 feet; thence South 89°34'14" West, 153.73 feet; thence South 09°54'50" West, 68.10 feet; thence South 81°04'14" West, 53.35 feet; thence North 76°23'17" West, 159.05 feet, to the **POINT OF BEGINNING**. All of the above containing 14.260 Acres. **AND ALSO**, a part of the Southeast 1/4 of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan, more particularly described as commencing at said Point "B" for a **POINT OF BEGINNING**; thence 71.04 feet, along a curve to the right, said curve having a radius of 280.00 feet, a central angle of 14°32'13", and a chord bearing and distance of South 89°59'13" West, 70.85 feet; thence South 13°36'43" West, 130.59 feet; thence North 72°25'46" West, 323.14 feet; thence North 17°34'14" East, 125.75 feet; thence North 72°25'46" West, 15.00 feet; thence South 17°34'14" West, 163.00 feet; thence North 72°25'46" West, 156.06 feet; thence North 87°32'43" West, 65.73 feet; thence South 72°20'13" West, 105.00 feet; thence South 35°38'46" West, 65.67 feet; thence South 74°52'04" West, 182.11 feet; thence South 59°33'39" East, 132.24 feet; thence South

11°34'14" West, 137.94 feet; thence South 78°25'46" East, 10.00 feet; thence South 11°34'14" West, 60.00 feet; thence North 78°25'46" West, 79.06 feet; thence 55.22 feet, along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 12°10'07", and a chord bearing and distance of North 72°20'43" West, 55.12 feet; thence South 23°44'20" West, 160.00 feet; thence North 49°42'58" West, 296.02 feet, to the Easterly right of way of Squirrel Road (60 foot 1/2 right of way); thence North 01°33'26" West, 144.03 feet, along the Easterly right of way of said Squirrel Road; thence North 66°05'21" East, 105.51 feet; thence 113.54 feet, along a curve to the right, said curve having a radius of 60.00 feet, a central angle of 108°25'38", and a chord bearing and distance of North 04°55'30" West, 97.34 feet; thence North 40°42'41" West, 145.04 feet; thence North 50°34'14" East, 252.90 feet; thence North 72°34'14" East, 468.62 feet; thence South 87°27'44" East, 143.11 feet; thence South 06°32'49" West, 160.00 feet; thence 20.00 feet, along a curve to the right, said curve having a radius of 360.00 feet, a central angle of 03°10'59", and a chord bearing and distance of South 81°51'41" East, 20.00 feet; thence North 09°43'48" East, 169.95 feet; thence South 72°25'46" East, 229.65 feet; thence South 17°34'14" West, 165.00 feet; thence South 72°25'46" East, 12.00 feet; thence North 17°34'14" East, 165.00 feet; thence South 72°25'46" East, 257.38 feet; thence South 13°36'43" West, 160.53 feet; thence 49.12 feet, along a curve to the left, said curve having a radius of 220.00 feet, a central angle of 12°47'34", and a chord bearing and distance of North 89°06'54" East, 49.02 feet; thence South 07°16'53" East, 60.00 feet, to the **POINT OF BEGINNING.** All of the above containing 12.904 Acres. All of the above being subject to all easements and restrictions of record.

2. **Future Development.** The legal description of the Additional Property described in Exhibit "A-1" of the Declaration is amended and restated in its entirety as follows:

A part of the Southeast 1/4 of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at the Southeast Corner of said Section 1; thence North 02°13'06" West, 60.07 feet, along the East line of said Section 1 and the Westerly line of "Thornridge Sub. No. 6" (recorded as North 01°55'38" West), as recorded in Liber 214 of Plats, on Pages 28 and 29, Oakland County Records, to the Northerly right of way of Tienken Road (60 foot 1/2 right of way); thence North 89°25'46" West, 345.10 feet, along the Northerly right of way of said Tienken Road, to the **POINT OF BEGINNING**; thence North 00°34'14" East, 115.54 feet; thence 223.33 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 49°12'55", and a chord bearing and distance of North 76°40'08" West, 216.53 feet; thence North 52°03'41" West, 30.38 feet; thence 71.03 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 15°39'10", and a chord bearing and distance of South 52°23'27" West, 70.81 feet; thence South 60°13'02" West, 154.56 feet; thence 242.11 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 53°21'12", and a chord bearing and distance of South 86°53'38" West, 233.46 feet; thence North 66°25'46" West, 119.56 feet; thence South 23°34'14" West, 99.59 feet, to the Northerly right of way of said Tienken Road; thence South 89°25'46" East, 806.30 feet, along the Northerly right of way of said Tienken Road, to the **POINT OF BEGINNING.** All of the above containing 1.592 Acres. **AND ALSO**, a part of the Southeast 1/4 of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan;

more particularly described as commencing at the Southeast Corner of said Section 1; thence North 02°13'06" West, 60.07 feet, along the East line of said Section 1 and the Westerly line of "Thornridge Sub. No. 6" (recorded as North 01°55'38" West), as recorded in Liber 214 of Plats, on Pages 28 and 29, Oakland County Records, to the Northerly right of way of Tienken Road (60 foot 1/2 right of way); thence North 89°25'46" West, 1909.03 feet, along the Northerly right of way of said Tienken Road, to the **POINT OF BEGINNING**; thence continuing North 89°25'46" West, 137.84 feet, along the Northerly right of way of said Tienken Road; thence North 25°50'22" East, 66.97 feet; thence North 33°44'17" East, 93.02 feet; thence 72.71 feet, along a curve to the left, said curve having a radius of 260.00 feet, a central angle of 16°01'22", and a chord bearing and distance of South 75°44'33" East, 72.47 feet; thence South 06°14'46" West, 121.87 feet, to the **POINT OF BEGINNING.** All of the above containing 0.326 Acres. **AND ALSO**, a part of the Southeast 1/4 of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at the Southeast Corner of said Section 1; thence North 02°13'06" West, 60.07 feet, along the East line of said Section 1 and the Westerly line of "Thornridge Sub. No. 6" (recorded as North 01°55'38" West), as recorded in Liber 214 of Plats, on Pages 28 and 29, Oakland County Records, to the Northerly right of way of Tienken Road (60 foot 1/2 right of way); thence North 89°25'46" West, 1577.57 feet, along the Northerly right of way of said Tienken Road; thence 31.50 feet, along a curve to the left, said curve having a radius of 190.00 feet, a central angle of 09°30'00", and a chord bearing and distance of North 04°10'46" West, 31.47 feet; thence North 08°55'46" West, 99.39 feet; thence North 00°32'33" East, 60.77 feet; thence North 08°55'46" West, 124.95 feet, to the **POINT OF BEGINNING**; thence continuing North 08°55'46" West, 8.62 feet; thence 20.86 feet, along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 04°35'53", and a chord bearing and distance of North 06°37'50" West, 20.86 feet; thence 143.79 feet, along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 31°41'11", and a chord bearing and distance of North 72°06'19" West, 141.96 feet; thence North 56°15'43" West, 26.47 feet; thence South 33°44'17" West, 255.24 feet; thence 47.78 feet, along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 13°41'12", and a chord bearing and distance of South 82°35'10" East, 47.66 feet; thence South 89°25'46" East, 113.74 feet; thence North 00°34'14" East, 122.55 feet; thence North 86°09'20" East, 140.70 feet, to the **POINT OF BEGINNING.** All of the above containing 0.618 Acres, **AND ALSO**, a part of the Southeast 1/4 of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at the South 1/4 Corner of said Section 1; thence North 01°33'26" West, 1461.48 feet, along the North and South 1/4 line of said Section 1, and the centerline of Squirrel Road; thence North 88°26'34" East, 60.00 feet, to the Easterly right of way of said Squirrel Road (60 foot 1/2 right of way); thence South 49°42'58" East, 296.02 feet; thence North 23°44'20" East, 160.00 feet; thence 55.22 feet, along a curve to the left, said curve having a radius of 260.00 feet, a central angle of 12°10'07", and a chord bearing and distance of South 72 20'43" East, 55.12 feet; thence South 78°25'46" East, 79.06 feet; thence North 11°34'14" East, 60.00 feet, to the **POINT OF BEGINNING**; thence North 78°25'46" West, 10.00 feet; thence North 11°34'14" East, 137.94 feet; thence North 59°33'39" West, 132.24 feet; thence North 74°52'04" East, 182.11 feet; thence South 28°35'06" West, 94.17 feet; thence South 11°34'14" West, 172.50 feet, to the **POINT OF BEGINNING.** All of the above

containing 0.232 Acres. **AND ALSO**, a part of the Southeast 1/4 of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at the South 1/4 Corner of said Section 1; thence North 01°33'26" West, 1605.51 feet, along the North and South 1/4 line of said Section 1 and the centerline of Squirrel Road, to the **POINT OF BEGINNING**; thence North 88°26'34" East, 60.00 feet, to the Easterly right of way of said Squirrel Road (60 foot 1/2 right-of-way); thence North 66°05'21" East, 105.51 feet; thence 113.54 feet, along a curve to the right, said curve having a radius of 60.00 feet, a central angle of 108°25'38", and a chord bearing and distance of North 04°55'30" West, 97.34 feet; thence North 40°42'41" West, 145.04 feet; thence North 50°34'14" East, 252.90 feet; thence North 72°34'14" East, 468.62 feet; thence South 87°27'44" East, 143.11 feet; thence South 06°32'49" West, 160.00 feet; thence 20.00 feet, along a curve to the right, said curve having a radius of 360.00 feet, a central angle of 03°10'59", and a chord bearing and distance of South 81°51'41" East, 20.00 feet; thence North 09°43'48" East, 169.95 feet; thence South 72°25'46" East, 229.65 feet; thence South 17°34'14" West, 165.00 feet; thence South 72°25'46" East, 12.00 feet; thence North 17°34'14" East, 165.00 feet; thence South 72°25'46" East, 257.38 feet; thence South 13°36'43" West, 160.53 feet; thence 302.83 feet, along a curve to the left, said curve having a radius of 220.00 feet, a central angle of 78°52'02", and a chord bearing and distance of North 56°04'40" East, 279.48 feet; thence North 76°23'17" West, 163.69 feet; thence North 13°36'43" East, 472.75 feet; thence North 29°37'39" East, 144.11 feet; thence South 39°10'25" East, 168.70 feet; thence 20.55 feet, along a curve to the right, said curve having a radius of 60.00 feet, a central angle of 19°37'28", and a chord bearing and distance of North 42°39'04" East, 20.45 feet; thence North 37°32'12" West, 170.76 feet, to the East and West 1/4 line of said Section 1; thence North 88°48'06" West, 1608.49 feet, along the East and West 1/4 line of said Section 1, to the Center of said Section 1; thence South 01°33'26" East, 1077.97 feet, along the North and South 1/4 line of said Section 1 and the centerline of said Squirrel Road, to the **POINT OF BEGINNING**. All of the above containing 22.199 Acres. All of the above being subject to the rights of the public in Squirrel Road. **AND ALSO**, a part of the Southeast 1/4 of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at the Southeast Corner of said Section 1; thence North 02°13'06" West, 60.07 feet, along the East line of said Section 1 and the Westerly line of "Thornridge Sub. No. 6" (recorded as North 01°55'38" West), as recorded in Liber 214 of Plats, on Pages 28 and 29, Oakland County Records, to the Northerly right of way of Tienken Road (60 foot 1/2 right of way); thence North 89°25'46" West, 1481.57 feet, along the Northerly right of way of said Tienken Road, to the **POINT OF BEGINNING**; thence 47.42 feet, along a curve to the left, said curve having a radius of 286.00 feet, a central angle of 09°30'00", and a chord bearing and distance of North 04°10'46" West, 47.37 feet; thence North 08°55'46" West, 323.96 feet; thence North 81°04'14" East, 248.21 feet; thence North 76°31'10" East, 143.70 feet; thence North 87°54'38" East, 117.12 feet; thence South 51°19'53" East, 117.12 feet; thence South 54°15'59" West, 126.88 feet; thence 10.45 feet along a curve to the right, said curve having a radius of 60.00 feet, a central angle of 09°58'32", and a chord bearing and distance of South 30°44'45" East, 10.43 feet; thence North 64°14'31" East, 131.00 feet; thence South 07°46'11" East, 117.97 feet; thence South 08°25'51" West, 148.31 feet; thence 133.39 feet along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 38°12'49", and a chord bearing and

distance of North 79°19'26" East, 130.93 feet; thence North 60°13'02" East, 18.96 feet; thence North 29°46'58" West, 164.00 feet; thence North 60°13'02" East, 142.56 feet; thence North 30°36'47" East, 379.96 feet; thence North 69°27'52" East, 308.04 feet; thence 19.07 feet along a curve to the right, said curve having a radius of 60.00 feet, a central angle of 18°12'50", and a chord bearing and distance of North 44°18'19" East, 18.99 feet; thence North 36°35'16" West, 120.00 feet; thence North 53°24'44" East, 58.45 feet; thence North 89°23'20" East, 116.89 feet; thence South 54°38'04" East, 147.05 feet, to the East line of said Section 1 and the Westerly line of "Thornridge Sub. No. 3" as recorded in Liber 202 of Plats, on Pages 18, 19 and 20, Oakland County Records; thence North 02°13'06" West, 1758.40 feet, along the East line of said Section 1, the Westerly line of said "Thornridge Sub. No. 3" (recorded as North 01°55'38" West), and the Westerly line of "Hawthorn Hills No. 5", as recorded in Liber 198 of Plats, on Pages 36, 37 and 38, (recorded as North 02°15'25" West), to the Southeast corner of "Hawthorn Forest", as recorded in Liber 225 of Plats, on Pages 24, 25, 26, 27, 28, 29 and 30, of Oakland County Records, and to the East 1/4 Corner of said Section 1; thence North 88°48'06" West, 443.79 feet, along the East and West 1/4 line of said Section 1; thence South 57°29'12" East, 155.14 feet; thence South 22°59'55" East, 156.99 feet; thence 10.01 feet, along a curve to the right, said curve having a radius of 60.00 feet, a central angle of 9°33'37", and a chord bearing and distance of North 71°46'53" East, 10.00 feet; thence North 13°26'18" West, 129.25 feet; thence South 85°27'00" East, 116.89 feet; thence South 49°28'24" East, 116.89 feet; thence South 13°29'48" East, 116.89 feet; thence South 22°28'48" West, 116.89 feet; thence South 57°20'02" West, 120.46 feet; thence South 00°25'46" East, 481.44 feet; thence South 15°34'37" West, 155.05 feet; thence South 34°56'47" West, 154.08 feet; thence South 49°44'44" West, 158.31 feet; thence South 81°04'14" West, 574.43 feet; thence South 58°07'38" West, 125.79 feet; thence 138.16 feet, along a curve to the left, said curve having a radius of 260.00 feet, a central angle of 30°26'47", and a chord bearing and distance of North 20°59'18" West, 136.54 feet; thence North 39°39'02" West, 60.59 feet; thence 7.11 feet, along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 02°02'08", and a chord bearing and distance of North 40°12'58" East, 7.11 feet; thence North 39°11'54" East, 24.54 feet; thence 81.01 feet, along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 17°51'08", and a chord bearing and distance of North 48°07'28" East, 80.68 feet; thence North 32°56'58" West, 160.00 feet; thence North 65°18'39" East, 155.72 feet; thence North 01°44'37" East, 66.57 feet; thence North 50°49'31" West, 57.54 feet; thence North 07°16'53" West, 83.83 feet; thence 71.04 feet, along a curve to the right, said curve having a radius of 280.00 feet, a central angle of 14°32'13", and a chord bearing and distance of South 89 59'13" West, 70.85 feet; thence South 13°36'43" West, 130.59 feet; thence North 72°25'46" West, 323.14 feet; thence North 17°34'14" East, 125.75 feet; thence North 72°25'46" West, 15.00 feet; thence South 17°34'14" West, 163.00 feet; thence North 72°25'46" West, 37.76 feet; thence South 19°35'09" East, 123.65 feet; thence South 11°34'14" West, 141.02 feet; thence South 25°03'58" West, 128.55 feet; thence South 11°50'19" West, 60.00 feet; thence South 78°25'46" East, 35.27 feet; thence 100.86 feet along a curve to the right, said curve having a radius of 200.00 feet, a central angle of 28°53'38", and a chord bearing and distance of South 63°58'57" East, 99.79 feet; thence 201.17 feet along a curve to the left, said curve having a radius of 260.00 feet, a central angle of 44°19'51", and a chord bearing and distance of South 71°42'04" East, 196.19 feet;

thence South 13°39'16" West, 175.00 feet; thence North 83°12'55" West, 120.33 feet; thence North 59°29'10" West, 211.95 feet; thence North 78°25'46" West, 315.00 feet; thence North 11°34'14" East, 164.00 feet; thence North 78°25'46" West, 126.28 feet; thence 55.22 feet, along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 12°10'07", and a chord bearing and distance of North 72°20'43" West, 55.12 feet; thence South 23°44'20" West, 160.00 feet; thence North 49°42'58" West, 296.02 feet, to the Easterly right of way of said Squirrel Road (60 foot 1/2 right of way); thence South 88°26'34" West, 60.00 feet, to the North and South 1/4 line of said Section 1 and the centerline of said Squirrel Road; thence South 01°33'26" East, 1461.48 feet, along the North and South 1/4 line of said Section 1 and the centerline of said Squirrel Road, to the South 1/4 Corner of said Section 1; thence South 89°25'46" East, 364.16 feet, along the South line of said Section 1 and the centerline of said Tienken Road; thence North 00°34'14" East, 60.00 feet, to the Northerly right of way of said Tienken Road; thence North 35°46'09" West, 169.88 feet; thence North 13°25'46" West, 315.00 feet; thence North 36°01'19" West, 113.73 feet; thence North 02°45'07" East, 198.50 feet; thence South 60°42'16" East, 157.98 feet; thence 168.96 feet, along a curve to the right, said curve having a radius of 60.00 feet, a central angle of 161°20'56", and a chord bearing and distance of South 70°01'48" East, 118.41 feet; thence 33.06 feet, along a curve to the left, said curve having a radius of 42.00 feet, a central angle of 45°05'57", and a chord bearing and distance of South 11°54'18" East, 32.21 feet; thence South 34°27'16" East, 6.94 feet; thence 55.27 feet, along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 12°10'48", and a chord bearing and distance of South 28°21'53" East, 55.17 feet; thence North 76°34'14" East, 70.66 feet; thence 20.07 feet, along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 04°25'25", and a chord bearing and distance of North 78°46'57" East, 20.07 feet; thence North 09°00'21" West, 166.27 feet; thence North 76°34'14" East, 80.95 feet; thence South 75°24'58" East, 160.28 feet; thence South 56°15'43" East, 185.57 feet; thence South 33°44'17" West, 165.00 feet; thence South 56°15'43" East, 41.47 feet; thence 110.86 feet, along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 31°45'33", and a chord bearing and distance of South 72°08'30" East, 109.45 feet; thence 81.00 feet, along a curve to the left, said curve having a radius of 260.00 feet, a central angle of 17°50'59", and a chord bearing and distance of South 00°00'17" East, 80.67 feet; thence South 08°55'46" East, 133.57 feet; thence South 00°32'33" West, 60.77 feet; thence South 08°55'46" East, 99.39 feet; thence 31.50 feet, along a curve to the right, said curve having a radius of 190.00 feet, a central angle of 09°30'00", and a chord bearing and distance of South 04°10'46" East, 31.47 feet, to the Northerly right of way of said Tienken Road; thence South 89°25'46" East, 96.00 feet, to the **POINT OF BEGINNING**. All of the above containing 53.774 Acres. All of the above being subject to the rights of the public in Squirrel Road and Tienken Road. All of the above being subject to all easements, restrictions and right-of-ways of record.

3. Except as expressly amended herein, all other terms and provisions of the Declaration and its exhibits, as amended, shall continue in full force and effect, including, without limitation, those provisions which permit Developer to make future amendments to the Declaration.

4. All capitalized terms not defined herein shall have the respective meanings ascribed to them in the Declaration.

IN WITNESS WHEREOF, Developer has caused this Fourth Amendment to be executed the day and year first above written.

WITNESS:

SIGNED BY:

HERITAGE OF AUBURN HILLS, L.L.C.,
a Michigan limited liability company

/s/ Sherry Smith
*Sherry Smith

/s/ Tom Desimpel
*Tom Desimpel

By: /s/ James G. Migliore
James G. Migliore

Its: Authorized Member

STATE OF NEW JERSEY)
) ss.
COUNTY OF OCEAN)

The foregoing instrument was acknowledged before me this 2nd day of June, 2000, by James G. Migliore, who is the Authorized Member of Heritage of Auburn Hills, L.L.C., a Michigan limited liability company, on behalf of the limited liability company.

/s/ Diane Penilla
*Diane Penilla
Notary Public, Ocean County, New Jersey
My Commission Expires: December 24, 2003

* Please print or type name of person signing (in **black** ink only).

DRAFTED BY AND WHEN RECORDED RETURN TO:

Kevin Kohls, Esq. and
Jorge I. Beltrán, Esq.
Wasinger Kickham and Kohls
100 Beacon Centre
26862 Woodward Avenue
Royal Oak, Michigan 48067-0958
(248) 414-9900

WK009768.DOC;1

Recorded on August 14, 1998
In Liber 18833, pages 594
Through 664, Oakland County Records

MASTER DEED

HERITAGE IN THE HILLS
OAKLAND COUNTY CONDOMINIUM
SUBDIVISION PLAN NO. 1133

This Master Deed is made and executed this 30th day of July, 1998, by **HERITAGE HILLS OF AUBURN HILLS, L.L.C.**, a Michigan limited liability company (hereinafter referred to as "Developer"), whose address is 30840 Northwestern Highway, Suite 270, Farmington Hills, Michigan 48334-2551.

WITNESSETH:

WHEREAS, Developer desires by recording this Master Deed, together with the Bylaws attached hereto as Exhibit A and the Condominium 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 thereon, and the appurtenances thereto, as a condominium under the provisions of the Condominium Act of Michigan.

NOW, THEREFORE, upon the recording hereof, Developer establishes Heritage in the Hills as a Condominium under the Condominium Act and declares that the Condominium shall be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any other manner utilized, subject to the provisions of said Act, and to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this Master Deed and the Exhibits hereto, all of which shall be deemed to run with the land and shall be a burden and a benefit to the Developer, its successors and assigns, and any persons acquiring or owning an interest in the said real property, their grantees, successors, heirs, executors, administrators and assigns.

ARTICLE I

TITLE AND NATURE

The Condominium shall be known as Heritage in the Hills, Oakland County Condominium Subdivision Plan No. 1133 The architectural plans and specifications for each Residence of the Condominium will be filed with the City of Auburn Hills. The number, boundaries, dimensions and volume of each Site in the Condominium are set forth in the Condominium Subdivision Plan attached as Exhibit B hereto. Each Site is capable of individual use, having its own access to a Common Element of the Condominium. Each Site Owner in the Condominium shall have an exclusive right to the Site owned and shall have undivided and inseparable rights to share with other Owners the Common Elements of the Condominium as designated by this Master Deed and the attachments hereto. Owners shall have voting rights in the Association as set forth herein and in the Bylaws and Articles of Incorporation of the Association.

ARTICLE II

LEGAL DESCRIPTION

The land which comprises the Condominium established by this Master Deed is a parcel of land in Auburn Hills, Oakland County, Michigan described as follows:

A part of the Southeast ¼ of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at the Southeast Corner of Said Section 1; thence North 02°13'06" West, 60.07 feet, along the East line of said Section 1 and the Westerly line of "Thornridge Sub. No. 6" (recorded as North 01°55'38" West), as recorded in Liber 214 of Plats, on Pages 28 and 29, Oakland County Records, to the Northerly right of way Tienken Road (60' ½ right of way), and the POINT OF BEGINNING; Thence North 89°25'46" West, 325.10 feet, along the Northerly right of way of said Tienken Road; thence North 00°34'14" East, 120.57 feet; thence 243.96 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 53°45'40", and a chord bearing and distance of North 78°56'31" West, 235.11 feet; thence North 52°03'41" West, 30.38 feet; thence 71.03 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 15°39'10", and a chord bearing and distance of South 52°23'27" West, 70.81 feet; thence South 60°13'02" West, 154.56 feet; thence 242.11 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 53°21'12", and a chord bearing and distance of South 86°53'38" West, 233.46 feet; thence North 66°25'46" West, 139.06 feet; thence South 23°34'14" West, 107.87 feet, to the Northerly right of way of said Tienken Road;

thence North 89°25'46" West, 45.76 feet, along the Northerly right of way of said Tienken Road; thence North 66°25'46" West, 65.87 feet; thence North 77°56'17" West, 80.48 feet; thence South 81°04'14" West, 126.22 feet; thence 26.46 feet along a curve to the left, said curve having a radius of 286.00 feet, a central angle of 05°18'05", and a chord bearing and distance of North 06°16'43" West, 26.45 feet; thence North 08°55'46" West, 285.07 feet, to point "A"; thence North 81°04'14" East, 269.69 feet; thence North 58°37'45" East, 131.74 feet; thence North 87°54'38" East, 117.12 feet; thence South 51°19'53" East, 117.12 feet; thence South 54°15'59" West, 126.88 feet; thence 10.45 feet along a curve to the right, said curve having a radius of 60.00 feet, a central angle of 09°58'32, and a chord bearing and distance of South 30°44'45" East, 10.43 feet; thence North 64°14'31" East, 129.25 feet; thence South 07°46'11" East, 116.89 feet; thence South 28°04'34" West, 150.17 feet; thence 186.24 feet along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 53°21'12", and a chord bearing and distance of North 86°53'38" East, 179.58 feet; thence North 60°13'02" East, 18.96 feet; thence North 29°46'58" West, 125.75 feet; thence North 60°13'02" East, 105.00 feet; thence North 48°06'51" East, 82.49 feet; thence North 30°36'47" East, 269.41 feet; thence North 43°02'44" East, 142.88 feet; thence North 66°59'18" East, 208.72 feet; thence 34.89 feet along a curve to the right, said curve having a radius of 60.00 feet, a central angle of 33°19'13", and a chord bearing and distance of North 36°45'07" East, 34.40 feet; thence North 36°35'16" West, 120.00 feet; thence North 53°24'44" East, 58.45 feet; thence North 89°23'20" East, 116.89 feet; thence South 54°38'04" East, 147.05 feet, to the East line of said Section 1, and the Westerly line of "Thornridge Sub. No. 3", as recorded in Liber 202 of Plats, on Pages 18, 19 and 20, Oakland County Records; thence South 02°13'06" East, 838.84 feet, along the Westerly line of said "Thornridge Sub. No. 3" (recorded as North 01°55'38" West), and the Westerly line of said "Thornridge Sub. No. 6" (recorded as North 01°55'38" West), to the point of beginning. All of the above containing 15.449 Acres. All of the above being subject to all easements and restrictions of record; AND ALSO, a part of the Southeast ¼ of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at said point "A"; thence South 86°15'48" West, 86.35 feet; thence 181.16 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 39°55'20" and a chord bearing and distance of North 11°01'54" East, 177.52 feet; thence North 30°59'34" East, 556.80 feet; thence 230.60 feet along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 66°03'48", and a chord bearing and distance of North 02°02'21" West, 218.04 feet; thence 133.84 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 29°29'39", and a chord bearing and distance of South 71°23'11" West, 132.37 feet, to the POINT OF BEGINNING; thence South 13°39'16" West, 136.18 feet; thence North 75°19'02" West, 114.28 feet; thence North 64°22'08" West, 214.10 feet; thence North 78°25'46" West, 315.00 feet; thence North 11°34'14" East, 125.75 feet; thence North 78°25'46" West, 47.22 feet; thence North 11°34'14" East, 180.00 feet; thence South 78°25'46" East, 32.50 feet; thence North 11°34'14" East, 133.72 feet; thence North 44°07'39" East, 83.81 feet; thence North 63°9'32" East, 62.50 feet; thence

North 83°31'26" East, 56.99 feet; thence South 80°11'52" East, 51.49 feet; thence South 63°55'09" East, 90.19 feet; thence South 26°17'49" East, 118.13 feet; thence South 11°34'14" West, 141.02 feet; thence South 25°03'58" West, 128.55 feet; thence South 11°50'19" West, 60.00 feet; thence South 78°25'46" East 35.27 feet; thence 100.86 feet along a curve to the right, said curve having a radius of 200.00 feet, a central angle of 28°53'38", and a chord bearing and distance of South 63°58'57" East, 99.79 feet; thence 201.17 feet along a curve to the left, said curve having a radius of 260.00 feet, a central angle of 44°19'51", and a chord bearing and distance of South 71°42'04" East, 196.19 feet, to the point of beginning. All of the above containing 5.291 Acres. All of the above being subject to all easements and restrictions of record.

ARTICLE III

DEFINITIONS

Certain terms used in this Master Deed and the Exhibits hereto are defined as follows:

(a) The "Act" or "Condominium Act" means Act 59 of the Public Acts of Michigan of 1978, as amended.

(b) "Active Senior" means persons 55 years of age or older in accordance with the requirements of the Fair Housing Act, 42 U.S.C. § 3607(b)(2)(C), as amended.

(c) "Additional Land" means the land described in Article XI of this Master Deed, some or all of which may be added to the Condominium in one or more amendments of this Master Deed.

(d) "Architectural Control Committee" means the Architectural Control Committee defined and described in Article IX of the Master Declaration.

(e) "Association" means Heritage in the Hills Homeowners Association, a Michigan nonprofit corporation established to administer, operate, manage and maintain the Condominium, including all Common Elements of the Condominium. Any action 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.

(f) "Bylaws" means Exhibit A hereto, which are the Bylaws required for the Condominium and the Association.

(g) "City" means the City of Auburn Hills, a Michigan municipal corporation.

(h) "Common Elements" means the portions of the Condominium other than the Condominium Sites.

(i) "Community Areas and Facilities" has the meaning ascribed in Article I of the Master Declaration. Pursuant to the Master Declaration, each Owner of a Site has a non-exclusive easement for the use and enjoyment of the Community Areas and Facilities, along with the residents of homes built on the Additional Land.

(j) "Condominium" means Heritage in the Hills as a Condominium established pursuant to the provisions of the Act, and includes the land and the buildings, all improvements and structures thereon, and all easements, rights and appurtenances belonging to the Condominium.

(k) "Condominium Documents" means and includes this Master Deed and the Exhibits hereto and the Articles of Incorporation of the Association.

(l) "Condominium Subdivision Plan" or "Plan" means the Plan attached to this Master Deed as Exhibit B. The Plan assigns a number to each Condominium Site and includes a description of the nature, location and approximate size of certain Common Elements.

(m) "Developer" means Heritage Hills of Auburn Hills, L.L.C., a Michigan limited liability company, its successors or assigns. All development rights reserved to Developer herein are assignable in writing; provided, however, that conveyances of Sites by Developer, including the conveyance of Sites to a "successor developer" pursuant to Section 135 of the Act, shall not serve to assign Developer's development rights unless the instrument of conveyance expressly so states.

(n) "Development Agreement" means that certain Heritage Hills Development Agreement, executed between the City and the Developer, which establishes that all decks constructed on sites 134 through 138, inclusive, as shown on the overall site plan of Heritage Hills approved by the City, shall be constructed entirely within the building envelope shown on the City-approved site plan, and that no deck variances shall be requested by the Developer or by any other person to the City's Zoning Board of Appeals to extend decks on sites 134 through 138, inclusive, beyond the building envelope shown on the City-approved site plan. The Development Agreement further provides that, with respect to any sites at the perimeter of the Condominium that back up to adjacent developed lots, no variances shall be requested by the Developer or any other person to the City's Zoning Board of Appeals to extend decks beyond that which is permitted by the Auburn Hills Zoning Ordinance in effect on the date of the Development Agreement.

(o) "General Common Elements" means the Common Elements other than the Limited Common Elements.

(p) "Limited Common Elements" means a portion of the Common Elements reserved in this Master Deed for the exclusive use of less than all of the Owners.

(q) "Master Association" means Heritage Hills Association, a Michigan nonprofit corporation, of which all Owners shall be members. Pursuant to the Master Declaration, the Master Association is responsible, among other things, to administer, operate, manage and maintain: (1) the Condominium, as housing for Active Seniors; (2) the architectural and building specifications of the Condominium; and (3) the Community Areas and Facilities. Any action required of or permitted to the Master Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Master Declaration or the laws of the State of Michigan.

(r) "Master Declaration" means the Declaration of Covenants, Conditions and Restrictions of Heritage in the Hills, to be recorded in the Oakland County Records, which establishes non-exclusive easements in, and the method of maintaining, repairing and replacing the Community Areas and Facilities.

(s) "Master Deed" means this document to which the Condominium Bylaws and Condominium Subdivision Plan are attached as exhibits.

(t) "Mortgagee" means the named mortgagee or owner of any mortgage on all or any portion of the Condominium.

(u) "Owner" or "Site Owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which owns one or more Sites in the Condominium. Developer is a Site Owner as long as Developer owns one or more Sites.

(v) "Percentage of Value" means the percentage assigned to each Condominium Site in Article VI of this Master Deed. The Percentages of Value of all Sites shall total one hundred (100%) percent. Percentages of Value shall be determinative only with respect to those matters to which they are specifically deemed to relate either in the Condominium Documents or in the Act.

(w) "Permanent Occupant" means a person who occupies a Residence for a total of 60 days or more in any twelve (12) month period.

(x) "Person" means an individual, firm, corporation, partnership, association, trust, the state or an agency of the state or other legal entity, or any combination thereof.

(y) "Residence" means a residential dwelling together with an attached garage constructed within the perimeter of a Site in accordance with the architectural and building specifications and use restrictions set forth in this Master Deed.

(z) "Site", "Condominium Site", "Condominium Unit" or "Unit" means the volume of space constituting a single complete Site designed and intended for separate ownership and use in the Condominium as such space may be described on Exhibit B hereto, and includes the Residence and Structures, if any, within such space. As used in this Master Deed, the term "Site" has the same definition as "Unit" under the Act.

(aa) "Structure" means any Residence, building, driveway, parking area, structure, dwelling, garage, fence, wall, gazebo, hedge or any other improvement of a permanent or substantial nature constructed within the perimeter of a Site.

(bb) "Transitional Control Date" means the date on which the Board of Directors of the Association takes office pursuant to an election in which the votes which may be cast by eligible Owners unaffiliated with the Developer exceed the votes which may be cast by the Developer.

ARTICLE IV

COMMON ELEMENTS

The Common Elements of the Condominium described in Exhibit B to this Master Deed and the respective responsibilities for maintenance, decoration, repair, replacement, restoration or renovation thereof are as follows:

(a) The General Common Elements are:

(1) The land (excluding any part thereof included in the Sites described in Article VI below and on the Plan) described in Article II hereof, including any drives, parking areas, community walks and landscaped areas, except to the extent any of the foregoing are designated herein or in the Plan as Limited Common Elements. The drives designated on the Plan, which provide internal traffic circulation for the Condominium, are privately owned in common by all Owners and will be maintained by the Association and not the board of county road commissioners or any other governmental agency.

(2) The storm water drainage system throughout the Condominium, including below-ground and above-ground systems, and the electrical, gas, water (up to the point of lateral connection at the edge of the vehicular access road for Site service), sanitary sewer (only the mains shall be Common Elements, the lateral connections to serve the Sites shall be the individual responsibilities of the respective Owners), storm sewer, telephone, plumbing and cable television (if any) networks or systems throughout the Condominium, including that contained within Sites to the extent that the portion within the Site is a main that also services other Sites. Leads connecting utility mains to Residences built within Sites are not Common Elements. Some or all of the utility lines, systems and mains described above may be owned by the local public authority or by the company that is providing the appurtenant service. Accordingly, such utility lines, systems and mains shall be General Common Elements only to the extent of the Owners' interest therein, if any, and Developer makes no warranty with respect to the nature or extent of such interest, if any.

(3) Such other elements of the Condominium not herein designated as Limited Common Elements which are not enclosed within the boundaries of a Site.

(4) All beneficial utility and drainage easements and the easements and use rights established by the Master Declaration.

(b) The Limited Common Elements are the areas depicted on the Plan as Limited Common Elements and are limited to the use of the Owners of the Sites to which such Limited Common Elements are assigned on the Plan. At present there are no Limited Common Elements in the Condominium. Developer has reserved the right to create Limited Common Elements in Article IX of this Master Deed.

(c) The respective responsibilities for the maintenance, repair and replacement of all Common Elements shall be as follows:

(1) The Association shall maintain, repair and replace all General Common Elements and any landscaped areas in the roads, including, but not limited to, cul-du-sac islands and medians, and the expense thereof shall be assessed to the Owners in proportion to the Percentages of Value stated in Article VI hereof, subject to any provision of the Master Declaration expressly to the contrary. Notwithstanding anything herein to the contrary, the City may maintain, repair and replace the municipal water system up to the point of lateral connections at the edge of the private road adjacent to each Site.

(2) It is anticipated that separate Residences will be constructed within the Sites depicted on the Plan. Except as otherwise expressly provided, the responsibility for, and the costs of maintenance, decoration, repair and replacement of the Residence and Structures within each Site, including landscaped areas in the Site's abutting private road right-of-way, shall be borne by the Site Owner of the Site which is served thereby; provided, however, that the structure, exterior color or appearance of any Residence and any other Structures within a Site shall not be changed without the prior written specific approval of such change from the Architectural Control Committee. The Residences and other Structures within each Site shall conform in all respects to the architectural and building specifications and use restrictions provided in this Master Deed, the Bylaws, the Master Declaration, the bylaws of the Master Association, the rules and regulations of both the Association and the Master Association, if any, and applicable ordinances of the City.

(3) The Association shall not be responsible in the first instance for performing any maintenance, repair or replacement with respect to Residences and Structures located within the Sites. Developer's initial maintenance budgets for the Association establish that the Association shall mow and edge all lawns within the Sites and provide snow removal services from the Sites for snowfalls of 2" or greater. In order to provide additional flexibility in administering the Condominium, the Association may, after the Developer sells the last Site and certificates of occupancy are issued for Residences in 100% of the Sites in the Condominium, acting through its Board of Directors and after the affirmative vote of more than two-thirds (2/3) in number and value of the Owners: (a) undertake additional regularly recurring, reasonably uniform and periodic exterior maintenance functions with respect to the Residences and other Structures constructed or installed within Site boundaries as it may deem appropriate (including, without limitation, tree trimming and exterior painting); or (b) modify the Association's existing undertakings. 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 Site Owner on a reasonably uniform basis and collected in accordance with the assessment procedures established under Article II of the Bylaws.

(4) The cost of repair of damage to a Common Element caused by a Site Owner, or family member or invitee of a Site Owner, shall be assessed against the Site Owner.

ARTICLE V

USE OF PREMISES

Each Site shall only be used for residential purposes. All Residences, Structures and other improvements constructed in the Site shall comply with the terms, provisions and conditions of this Master Deed, the Bylaws and the Master Declaration. No person shall use any Site or the Common Elements in any manner inconsistent with the purposes of the Condominium or in any manner which will interfere with or impair the rights of any other Site Owner in the use and enjoyment of the Condominium.

ARTICLE VI

CONDOMINIUM SITE DESCRIPTION AND PERCENTAGE OF VALUE

The Condominium consists of 87 residential Sites. Each Site is described in this paragraph with reference to the Condominium Subdivision Plan attached hereto as Exhibit B. Each Site shall include all that space contained within the Site boundaries as shown on the Plan and delineated with heavy outlines. For all purposes, individual Sites may hereafter be defined and described by reference to this Master Deed and the individual number assigned to the Site in the Plan. The Percentage of Value assigned to each Site shall be determinative of the proportionate share of each respective Site Owner in the proceeds and expenses of the Association and the Value of such Site Owner's vote at meetings of the Association and the undivided interest of the Site Owner in the Common Elements. The total percentage value of the Condominium is 100%. Each Site Percentage of Value shall be equal and shall be the number obtained by dividing 100 by the number of Sites included in the Condominium. The method and formula used by Developer to establish the foregoing Percentages was to determine that the expenses incurred by the Association in connection with the Sites should be equal.

ARTICLE VII

EASEMENTS, RESTRICTIONS AND AGREEMENTS

The Condominium is subject to the following easements, restrictions and agreements:

(a) Developer hereby reserves permanent easements for ingress and egress over the roads and walks in the Condominium and permanent easements to use, tap into, enlarge or extend all roads, walks and utility lines in the Condominium, including, without limitation, all communications, water, gas, electric, storm and sanitary sewer lines, and any pumps, sprinklers or water retention areas, all of which easements shall be for the benefit of the Additional Land described herein, whether or not such Additional Land is hereafter added to the Condominium, and for the benefit of any other land in the vicinity of the Condominium if now owned or hereafter acquired by Developer, Developer's affiliates or their successors or assigns. These easements shall run with the land in perpetuity, and shall survive the six year period for adding the Additional Land to the Condominium. Developer has no financial obligation to support such easements, except that any dwelling unit using the roads in the Condominium, if such unit is not included within the Condominium and if the roads in the Condominium are not public roads, shall pay a pro rata share of the expense of maintenance, repairs or replacement of the portion of the road which is used, which share shall be determined pro rata according to the total number of dwelling units using such portion of the road.

(b) Developer (on its behalf and on behalf of its successors) also reserves the right and power to grant easements over, or to dedicate, portions of any of the Common Elements for utility, drainage, conservation, street, safety or construction purposes, and all Persons acquiring any interest in the Condominium, including, without limitation, all Owners and Mortgagees shall be deemed to have appointed Developer and its successors as agent and attorney-in-fact to make such easements or dedications. After Developer has sold the last Site and certificates of occupancy are issued for Residences in 100% of the Sites in the Condominium, the foregoing right and power may be exercised by the Association.

(c) There shall be easements to and in favor of the Association and the Master Association, and their respective officers, directors, agents and designees (and in favor of Developer until the last Site is sold and certificates of occupancy are issued for Residences in 100% of the Sites in the Condominium), in, on and over all Sites and appurtenances that are constructed within each Site to conduct any activities authorized by this Master Deed, the Bylaws or the Master Declaration.

(d) The Condominium is established subject to the Master Declaration which provides that all Owners shall be members of the Master Association, which is the entity responsible for maintenance, repair, insurance and replacement of the Community Areas and Facilities. All expenses incurred by the Master Association shall be assessed pro rata to all residential dwellings benefited by and subject to the Master Declaration. The expense of the administration of the Community Areas and Facilities shall be assessed to each Owner on a reasonably uniform basis and collected in accordance with the procedures

established under Article II of the Bylaws. All assessments imposed on Owners pursuant to the Master Declaration shall be deemed an expense of administration of this Condominium, which shall be paid by the Association and assessed equally to each Owner in accordance with the percentage of value allocated to the Owner's Site in Article VI of this Master Deed. As provided in the Master Declaration, each Site Owner has a non-exclusive easement for the use of the Community Areas and Facilities.

(e) The Condominium is subject to the terms, conditions and provisions of the Development Agreement executed between the City and the Developer. Among other things, the Development Agreement requires that all decks constructed on sites 134 through 138, inclusive, as shown on the overall site plan of Heritage Hills approved by the City, shall be constructed entirely within the building envelopes shown on the City-approved site plan, and that no deck variances shall be requested by the Developer or by any other person to the City's Zoning Board of Appeals to extend decks on sites 134 through 138, inclusive, beyond the building envelopes shown on the City-approved site plan. The Development Agreement further provides that, with respect to any sites in the Condominium that back up to adjacent developed lots, no variances shall be requested by the Developer or any other person to the City's Zoning Board of Appeals to extend decks beyond that which is permitted by the Auburn Hills Zoning Ordinance in effect on the date of the Development Agreement.

(f) The Developer, the Association, the Master Association and all public and private utility companies shall have such easements over, under, across and through the Condominium, including all Sites and Common Elements, as may be necessary to develop, construct, market and operate any Sites within the land described in Article II hereof (or any portion of the Additional Land described in Article XI, hereof, which may be added to the Condominium from time to time), and also to fulfill any responsibilities of maintenance, repair, decoration or replacement which they or any of them are required or permitted to perform under the Condominium Documents, Master Declaration or by law or to respond to any emergency or common need of the Condominium.

(g) There shall exist for the benefit of the Owners, the City, any emergency service agency, and other governmental units, an easement over all roads in the Condominium for use by the City, the United States Postal Service, emergency and other governmental service vehicles and commercial delivery vehicles making deliveries to the clubhouse or a Site (e.g., FedEx, U.P.S. or any other delivery service). Said easement shall be for purposes of ingress and egress to provide, without limitation, mail delivery, fire and police protection, ambulance and rescue services and all other lawful governmental and private emergency services to the Condominium and all Owners. This grant of easement shall in no way be construed as a dedication of any streets, roads or driveways to the public.

(h) There shall be permanent, non-exclusive easements to, through and over the General Common Elements and those portions of the Sites designated on the Plan for the installation, maintenance and servicing of all utilities in the Condominium, including, but not limited to, lighting, heating, power, sewer, water, communications, telephone and cable television lines. Easements for the construction, installation and maintenance of public utilities and for drainage are reserved as shown on the Plan. Within all of the foregoing easements, unless the necessary approvals are obtained from the City and any other appropriate municipal authority and except for each Residence's driveway, no Structure, planting

or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of such service facilities and utilities, including underground electrical, telephone distribution, and cable communication local systems, or which may change, obstruct or retard the flow or direction of water in and through drainage in the easements, nor shall any change, which may obstruct or retard the flow of surface water or be detrimental to the property of others, be made by the occupant in the finished grade of any Site once established by the builder upon completion of construction of the Residence thereon. The easement area of each Site and all improvements in it shall be maintained (in a presentable condition continuously) by the Site Owner, except for those improvements for which the Master Association, the Association, a public authority or utility company is responsible, and the Site Owner shall be liable for damage to service facilities and utilities thereon, including damage to electric, gas, telephone distribution, and cable communication lines and facilities therein. Except as may be otherwise provided herein, each Site Owner shall maintain the surface area of easements within their Site.

ARTICLE VIII

AMENDMENTS

This Master Deed and any Exhibit hereto may be amended in the following manner:

(a) Amendments may be made and recorded by Developer or by the Association.

(b) If the amendment will materially change the rights of the Owners or Mortgagees, then such amendment requires the consent of not less than two-thirds (2/3) in value of the votes of the Owners and Mortgagees of the Sites (unless a greater majority is specified in the Condominium Bylaws). A Mortgagee shall have one vote for each mortgage held.

(c) Notwithstanding subparagraph (b) above, but subject to the limitation of subparagraph (d) below, Developer reserves the right to amend this Master Deed or any of its Exhibits for any of the following purposes without the consent of Owners or Mortgagees:

(1) To delete unsold Sites and to modify the locations, types and sizes of unsold Sites and the General and/or Limited Common Elements adjoining or appurtenant to unsold Sites;

(2) To amend the Condominium Bylaws, subject to any restrictions on amendments stated therein;

(3) To correct arithmetic errors, typographical errors, survey errors, or any similar errors in the Condominium Documents;

(4) To clarify or explain the provisions of this Master Deed and its exhibits;

(5) To comply with the Act or rules promulgated thereunder or with any requirements of any governmental or quasi-governmental agency or any financing institution providing or proposing to provide a mortgage on any Site or to satisfy the title requirements of any title insurer insuring or proposing to insure title to any Site;

(6) To convert the Convertible Areas of the Condominium and to redefine Common Elements and Sites and adjust Percentages of Value in connection therewith;

(7) To expand the Condominium and to redefine Common Elements and adjust Percentages of Value in connection therewith and to make any other amendment expressly permitted by this Master Deed;

(8) To make, define or limit easements affecting the Condominium;

(9) To record an "as-built" Condominium Subdivision Plan and/or consolidating master deed;

(10) To comply with the requirements of any governmental agency; provided, however, that no such amendment may alter the size of any Site without the consent of the Owner and Mortgagee of the affected Site; and

(11) To amend Article X of this Master Deed.

(d) Notwithstanding any other provision of this Article VIII, the method or formula used to determine the Percentages of Value for Sites in the Condominium, as described above, and any provisions relating to the ability or terms under which a Site Owner may rent a Site to others, may not be modified without the consent of each affected Site Owner and Mortgagee. A Site Owner's Condominium Site dimensions or appurtenant Limited Common Elements may not be modified without the Site Owner's consent. The Association shall make no amendment that materially changes the rights of Developer without the written consent of Developer as long as Developer owns any Site in the Condominium.

(e) Anything herein to the contrary notwithstanding, Article IV, Subparagraph (c)(1) and Article VII, Subparagraph (g) of this Master Deed, and Article II, Section 3(b) and Article VI, Section 22 of the Bylaws shall not be amended without the written consent of the City.

ARTICLE IX

CONVERTIBLE AREAS

(a) The Common Elements and all unsold Sites have been designated on the Condominium Subdivision Plan as Convertible Areas within which the unsold Sites and Common Elements may be modified and within which unsold Sites may be expanded, moved, deleted and created as provided in this

Article IX. Developer reserves the right, but not an obligation, to convert the Convertible Areas.

(b) Developer (on its behalf and on behalf of its successors and no other third party) reserve the right, in its sole discretion, during a period ending 6 years from the date of recording this Maste Deed, to modify the size, location, and configuration of any Site that it owns in the Condominium, and t make corresponding changes to the Common Elements, subject to the approval of the City and th requirements of local ordinances and building authorities. The changes could include (by way c illustration and not limitation) the deletion of Sites from the Condominium and the substitution of Genera and Limited Common Elements therefor. The maximum number of Sites that may be created in th Convertible Areas is zero.

(c) All improvements constructed or installed within the Convertible Areas described above shall be restricted exclusively to residential use and to such Common Elements as are compatible with residential use. There are no other restrictions upon such improvements except those which are imposec by state law, local ordinances or building authorities.

(d) The consent of any Site Owner Mortgagee shall not be required to convert the Convertible Areas. All of the Owners and Mortgagees and other persons interested or to become interested in the Condominium from time to time shall be deemed to have irrevocably and unanimously consented to such conversion of the Convertible Areas and any amendment or amendments to this Master Deed to effectuate the conversion and to any reallocation of Percentages of Value of existing Sites which Developer may determine necessary in connection with such amendment or amendments. All such interested persons irrevocably appoint the 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 thereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits hereto. Nothing herein contained, however, shall in any way obligate Developer to convert the Convertible Areas. These provisions give notice to all Owners, Mortgagees and other persons acquiring interests in the Condominium that such amendments of this Master Deed may be made and recorded, and no further notice of such amendment shall be required.

(e) All modifications to Sites and Common Elements made pursuant to this Article IX shall be given effect by appropriate amendments to this Master Deed in the manner provided by law, which amendments shall be prepared by and at the discretion of Developer and in which the Percentages of Value set forth in Article VI hereof shall be proportionately readjusted, if Developer deems it to be applicable, in order to preserve a total value of 100% for the entire Condominium resulting from such amendments to this Master Deed. The precise determination of the readjustments in Percentages of Value shall be made within the sole judgment of Developer. Such readjustments, however, shall reflect a continuing reasonable relationship among Percentages of Value based upon the original method and formula described in Article VI of this Master Deed. Such amendments to the Master Deed shall also contain further definitions and redefinitions of General or Limited Common Elements as may be necessary to adequately describe and service the Sites and Common Elements being modified by such amendments. In connection with any such amendments, Developer shall have the right to change the

nature of any Common Element previously included in the Condominium for any purpose reasonably necessary to achieve the purposes of this Article IX.

ARTICLE X

HOUSING FOR ACTIVE SENIORS

(a) The Condominium is intended and shall be operated as housing for Active Seniors in compliance with the Fair Housing Act (42 U.S.C. 3601 et seq.) as may be amended from time to time. At all times, after there are occupied Residences on 25% of the Sites that may be created in the Condominium, at least 80% of the total number of Residences in the Condominium must be occupied by at least one Active Senior per Residence. The Master Association shall publish and adhere to policies and procedures that demonstrate an intent to provide housing for Active Seniors, including, but not limited to the following:

(1) Ensuring that the Condominium is described and represented to prospective Owners, through oral and written communication (including advertising, marketing and sales materials) as a Condominium for Active Seniors that claims an exemption from certain provisions of the Fair Housing Act;

(2) Requiring that all Owners to sign a recordable statement of intent to provide housing for Active Seniors; and

(3) Establishing and adhering to an age verification procedure to ensure at least 80% of the total number of Sites in the Condominium are occupied by at least one Active Senior per Site.

(b) All Permanent Occupants of a Site must be at least 18 years of age or older.

(c) No Site Owner may rent or sell a Site unless at least one person who will occupy the Site is an Active Senior. The Association shall have the right to require prior age verification from all prospective occupants.

(d) An occupant of a Site under 55 years of age who is the surviving or divorced spouse of a former occupant 55 years of age or older shall be allowed to remain as an occupant of the Site.

(e) Notwithstanding anything to the contrary contained herein, Developer shall have the right, but not an obligation, to sell or rent Sites in which there will be no occupants who are Active Seniors, provided that such sales do not conflict with any federal, state or local law.

(f) The Master Association shall have the right to promulgate, from time to time, reasonable rules and regulations governing the visitation and temporary residence of, or use of the Common Elements and the Community Areas and Facilities by persons under 18 years of age.

ARTICLE XI

FUTURE EXPANSION OF CONDOMINIUM

The Condominium is established as an expandable condominium in accordance with th provisions of this Article:

(a) Developer reserves the right, but not an obligation, to expand the Condominium. Excep as set forth herein, no other Person may exercise the right to expand the Condominium.

(b) There are no restrictions or limitations on Developer's right to expand the Condominiun except as stated in this Article. The consent of any Owner or their Mortgagee shall not be required t expand the Condominium. All of the Owners and Mortgagees of Sites and persons interested or t become interested in the Condominium from time to time shall be deemed to have irrevocably an unanimously consented to such expansion of the Condominium and any amendment or amendments t this Master Deed to effectuate the expansion and to any reallocation of Percentages of Value of existin Sites which Developer 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-fac for the purpose of executing such amendment or amendments to this Master Deed and all_othe documents necessary to effectuate the foregoing. Such amendments may be made without the necessit of re-recording an entire master deed or the Exhibits thereto and may incorporate by reference all or an pertinent portions of this Master Deed and the Exhibits herein. Nothing herein contained, however, shal in any way obligate Developer to enlarge the Condominium and Developer may, in its discretion establish all or a portion of the Additional Land described below as a separate condominium or any othe form of development. These provisions give notice to all persons acquiring interests in the Condominiur that such amendments of this Master Deed may be made and recorded, and no further notice c amendment shall be required.

(c) Developer's right to expand the Condominium shall expire six years after the initi recording of this Master Deed.

(d) The land which may be added to the Condominium (herein referred to as the "Additional Land") is referred to in the Plan as the proposed future development area, and is situated in Auburn Hills, Oakland County, Michigan, being more specifically described as follows:

The Southeast ¼ of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at the Southeast Corner of said Section 1, for a Point of Beginning; thence North 89°25'46" West, 2536.17 feet, along an extension of and the northerly line of "Hitchman's Squirrel Road Estates" (recorded as South 88°21' East), as recorded in Liber 67 of Plats, on Page 5, Oakland County Records, and along the South line of said Section 1 and the centerline of Tienken

Road, to the South ¼ Corner of said Section 1; thence North 01°33'26" West, 2683.48 feet, along the North and South ¼ line of said Section 1 and the centerline of Squirrel Road, to the Center of said Section 1; thence South 88°48'06" East, 2506.65 feet, along the East and West ¼ line of said Section 1, to the Southeast corner of "Hawthorn Forest", as recorded in Liber 225 of Plats, on Pages 24, 25, 26, 27, 28, 29 and 30, of Oakland County Records, to a point on the Westerly line of "Hawthorn Hills No. 5", as recorded in Liber 198 of Plats, on Pages 36, 37 and 38, Oakland County Records, and to the East ¼ Corner of said Section 1; thence South 02°13'06" East, 2657.31 feet, along the Westerly line of said "Hawthorn Hills No. 5" (recorded as North 02°15'25" West), and the Westerly line of "Thornridge Sub. No. 3" (recorded as North 01°55'38" West), as recorded in Liber 202 of Plats, on Pages 18, 19 and 20, Oakland County Records, and the East line of said Section 1, to the Point of Beginning;

EXCEPTING THEREFROM: commencing at the Southeast Corner of said Section 1; thence North 02°13'06" West, 60.07 feet, along the East line of said Section 1 and the Westerly line of "Thornridge Sub. No. 6" (recorded as North 01°55'38' West), as recorded in Liber 214 of Plats, on Pages 28 and 29, Oakland County Records, to the Northerly right-of-way of Tienken Road (60' ½ right-of-way) and the POINT OF BEGINNING; thence North 89°25'46" West, 325.10 feet, along the Northerly right-of-way of said Tienken Road; thence North 00°34'14" East, 120.57 feet; thence 243.96 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 53°45'40", and a chord bearing and distance of North 78°56'31" West, 235.11 feet; thence North 52°03'41" West, 30.38 feet; thence 71.03 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 15°39'10", and a chord bearing and distance of South 52°23'27" West, 70.81 feet; thence South 60°13'02" West, 154.56 feet; thence 242.11 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 53°21'12", and a chord bearing and distance of South 86°53'38" West, 233.46 feet; thence North 66°25'46" West, 139.06 feet; thence South 23°34'14" West, 107.87 feet, to the Northerly right-of-way of said Tienken Road; thence North 89°25'46" West, 45.76 feet, along the Northerly right-of-way of said Tienken Road; thence North 66°25'46" West, 65.87 feet; thence North 77°56'17" West, 80.48 feet; thence South 81°04'14" West, 126.22 feet; thence 26.46 feet along a curve to the left, said curve having a radius of 286.00 feet, a central angle of 05°18'05", and a chord bearing and distance of North 06°16'43" West, 26.45 feet; thence North 08°55'46" West, 285.07 feet, to Point "A" thence North 81°04'14" East, 269.69 feet; thence North 58°37'45" East, 131.74 feet; thence North 87°54'38" East, 117.12 feet; thence South 51°19'53" East, 117.12 feet; thence South 54°15'59" West, 126.88 feet; thence 10.45 feet along a curve to the right, said curve having a radius of 60.00 feet, a central angle of 09°58'32", and a chord bearing and distance of South 30°44'45" East, 10.43 feet; thence North 64°14'31" East, 129.25 feet; thence South 07°46'11" East, 116.89 feet; thence South 28°04'34" West, 150.17 feet; thence 186.24 feet along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 53°21'12", and a chord bearing

and distance of North 86°53'38" East, 179.58 feet; thence North 60°13'02" East, 18.96 feet; thence North 29°46'58" West, 125.75 feet; thence North 60°13'02" East, 105.00 feet; thence North 48°06'51" East, 82.49 feet; thence North 30°36'47" East, 269.41 feet; thence North 43°02'44" East, 142.88 feet; thence North 66°59'18" East, 208.72 feet; thence 34.89 feet along a curve to the right, said curve having a radius of 60.00 feet, a central angle of 33°19'13", and a chord bearing and distance of North 36°45'07" East, 34.40 feet; thence North 36°35'16" West, 120.00 feet; thence North 53°24'44" East, 58.45 feet; thence North 89°23'20" East, 116.89 feet; thence South 54°38'04" East, 147.05 feet, to the East line of said Section 1, and the Westerly line of "Thornridge Sub. No. 3", as recorded in Liber 202 of Plats, on Pages 18, 19 and 20, Oakland County Records; thence South 02°13'06" East, 838.84 feet, along the Westerly line of said "Thornridge Sub. No. #3" (recorded as North 01°55'38" West), and the Westerly line of said "Thornridge Sub. No. 6" (recorded as North 01°55'38" West), to the POINT OF BEGINNING;

AND ALSO EXCEPTING THEREFROM: commencing at said Point "A"; thence South 86°15'48" West, 86.35 feet; thence 181.16 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 39°55'20" and a chord bearing and distance of North 11°01'54" East, 177.52 feet; thence North 30°59'34" East, 556.80 feet; thence 230.60 feet along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 66°03'48", and a chord bearing and distance of North 02°02'21" West, 218.04 feet; thence 133.84 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 29°29'39", and chord bearing a distance of South 71°23'11" West, 132.37 feet, to the POINT OF BEGINNING; thence South 13°39'16" West, 136.18 feet; thence North 75°19'02" West, 114.28 feet; thence North 64°22'08" West, 214.10 feet; thence North 78°25'46" West, 315.00 feet; thence North 11°34'14" East, 125.75 feet; thence North 78°25'46" West, 47.22 feet; thence North 11°34'14" East, 180.00 feet; thence South 78°25'46" East, 32.50 feet; thence North 11°34'14" East, 133.72 feet; thence North 44°007'39" East, 83.81 feet; thence North 63°49'32" East, 62.50 fee; thence North 83°31'26" East, 56.99 feet; thence South 80°11'52" East, 51.49 feet; thence South 63°55'09" East, 90.19 feet; thence South 26°17'49" East, 118.13 feet; thence South 11°34'14" West, 141.02 feet; thence South 25°03'58" West, 128.55 feet; thence South 11°50'19" West, 60.00 feet; thence South 78°25'46" East, 35.27 feet; thence 100.86 feet along a curve to the right, said curve having a radius of 200.00 feet, a central angle of 28°53'38", and a chord bearing and distance of South 63°58'57" East, 99.79 feet; thence 201.17 feet along a curve to the left, said curve having a radius of 260.00 feet, a central angle of 44°19'51", and a chord bearing and distance of South 71°42'04" East, 196.19 feet, to the POINT OF BEGINNING. All of the above containing 133.647 Acres. All of the above being subject to easements, restrictions, and right-of-ways of record. All of the above being subject to the rights of the public in Tienken Road and Squirrel Road.

(e) The Additional Land may be added to the Condominium in its entirety or in parcels, in one amendment to this Master Deed or in separate amendments, at the same time or at different times, all in Developer's discretion. There are no restrictions upon the order in which portions of the Additional Land may be added to the Condominium.

(f) There are no restrictions upon the locations of any improvements that may be made on any portions of the Additional Land, and Developer reserves the right to locate such improvements in Developer's sole discretion subject only to such applicable laws and ordinances which may affect the Condominium.

(g) The number of Sites which Developer reserves the right to construct, all or in part, upon the Additional Land is 213, for a maximum of 300 Sites which may be included in the Condominium including the Sites now shown on the Plan. Local building ordinances and regulations may permit a smaller number of Sites to be created upon the Additional Land. This Master Deed imposes no restrictions upon the number of Sites to be created on the Additional Land, provided that the maximum number of Sites stated herein for the whole shall not be exceeded.

(h) All land and improvements added to the Condominium shall be restricted exclusively to residential Sites and to such Common Elements as may be consistent and compatible with residential use. There are no other restrictions upon such improvements except those which are imposed by state law, local ordinances or building authorities.

(i) The extent to which any structure erected on any portion of the Additional Land to the Condominium are compatible with structures on land included in the original Master Deed is solely within the discretion of Developer, subject only to the requirements of local ordinances and building authorities, and is not limited by this Master Deed.

(j) There are no restrictions as to types of Condominium Sites which may be created upon the Additional Land except that such Sites must comply with state law, local ordinances and the requirements of building authorities.

(k) Developer may create Limited Common Elements upon the Additional Land and designate Common Elements thereon which may be subsequently assigned as Limited Common Elements. The nature of any such Limited Common Elements to be added to the Condominium is exclusively within the discretion of Developer.

(l) If the Condominium is expanded, it shall be expanded by an amendment to the Master Deed or by a series of successive amendments to the Master Deed, each adding Additional Land and/or improvements to the Condominium.

(m) Any amendment to the Master Deed which alters the number of Sites in the Condominium shall proportionately readjust the existing Percentages of Value of Condominium Sites to preserve a total value of one hundred (100%) percent for the entire condominium. Percentages of Value shall be

readjusted and determined in accordance with the method and formula described in Article VI of tl Master Deed.

(n) Any expansion shall be deemed to have occurred at the time of the recording of amendment to this Master Deed embodying all essential elements of the expansion. At the conclusion expansion of the Condominium, not later than 180 days after completion of construction, a consolidati master deed and plans showing the Condominium "as built" shall be prepared and recorded l Developer. A copy of the recorded consolidating master deed shall be provided to the Association.

ARTICLE XII

ASSIGNMENT

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

IN WITNESS WHEREOF, Developer has caused this Master Deed to be executed the day an year first above written.

WITNESSES:

/s/ Diane Penilla
* Diane Penilla

/s/ Donald J. Koestler Jr.
* Donald J. Koestler Jr.

SIGNED BY:

HERITAGE HILLS OF AUBURN HILLS, L.L.C.,
a Michigan limited liability company

By: /s/ James G. Migliore
* James G. Migliore

Its: Member

STATE OF NEW JERSEY)
) ss.
COUNTY OF MONMOUTH)

Signed this 30th day of July, by James G. Migliore, the authorized Member of HERITAGE HILLS OF AUBURN HILLS, L.L.C., a Michigan limited liability company, on behalf of the limited liability company.

/s/ Shirley H. Batlan

* Shirley H. Batlan, Notary Public
Monmouth County
State of New Jersey
My Commission Expires: June 17, 2002

*Print or type name of person signing.

DRAFTED BY AND
WHEN RECORDED RETURN TO:

Kevin M. Kohls, Esq.
Honigman Miller Schwartz and Cohn
2290 First National Building
Detroit, Michigan 48226-3501
(313) 256-7811
DET_C\30909 6

HERITAGE IN THE HILLS

EXHIBIT A

BYLAWS

ARTICLE I

ASSOCIATION OF OWNERS

Heritage in the Hills, a residential condominium located in Auburn Hills, Oakland County, Michigan, shall be administered by an Association of Owners which shall be a nonprofit corporation, herein referred to as 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 in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and required by Section 3(8) of the Act and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Owner shall be entitled to membership and no other person or entity shall be entitled to membership. The share of a Owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to the Owner's Site. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium available at reasonable hours to Owners, prospective purchasers and prospective mortgagees of Sites in the Condominium. The Association, all Owners in the Condominium and all persons using or entering upon or acquiring any interest in any Site therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents. 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 II

ASSESSMENTS

The Association's levying of assessments against the Condominium Sites and collection of such assessments from the Owners in order to pay the expenses arising from the management, administration and operation of the Association shall be governed by the following provisions:

Section 1. **Taxes Assessed on Personal Property Owned or Possessed in Common.** 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 Owners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 2. **Receipts and Expenditures Affecting Administration.** Expenditures affecting administration of the Condominium shall include all costs incurred in satisfaction of any liability arising within, caused by or connected with the Common Elements or the administration of the Condominium.

Receipts affecting administration of the Condominium shall include all sums received by the Association as proceeds of, or pursuant to, a policy of insurance securing the interests of the Owners against liabilities or losses arising within, caused by or connected with the Common Elements or the administration of the Condominium.

Section 3. **Determination of Assessments.** Assessments shall be determined in accordance with the following provisions:

(a) **The Annual Budget and Regular Annual Assessments.** 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, including a reasonable allowance for contingencies and reserves. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Owner and the assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Owner shall not affect or in any way diminish the liability of any Owner for any existing or future assessments. 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 annual payments as set forth in Section 5 below rather than by special assessments. At a minimum, the reserve fund shall be equal to 10% of the Association's current annual budget (excluding that portion of the budget allocated to the reserve fund itself) on a non-cumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate, the Association should carefully analyze the Condominium 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. The Board of Directors shall annually consider the needs of the Condominium to determine if a greater amount should be set aside in reserve or if additional reserve funds should be established for any other purposes. The regular annual Association assessments provided in this Article II, Section 3(a) shall be levied in the sole discretion of the Board of Directors.

(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 Owners as hereinafter provided to meet other appropriate requirements of the Association. Special assessments referred to in this subparagraph (b) shall be levied only with the prior approval of more than 60% of all Owners in number and in value. 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.

Section 4. **Apportionment of Assessments.** Unless otherwise provided herein or in the Master Deed, all assessments levied against the Owners to cover expenses of management, administration and operation of the Condominium shall be apportioned among and paid by the Owners in accordance with the Percentage of Value assigned to each Site in Article VI of the Master Deed.

Section 5. **Payment of Assessments and Penalty for Default.** Annual assessments as determined in accordance with Article II, Section 3(a) above shall be payable annually by Owners, commencing with acceptance of a deed to or a land contract vendee's interest in a Site, or with the acquisition of fee simple title to a Site 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. Each assessment in default for ten (10) or more days shall bear interest from the initial due date thereof at the rate of 7% per annum until each assessment is paid in full. The Board of Directors may also adopt uniform late charges pursuant to Section 10 of Article VI of these Bylaws. Each Owner (whether 1 or more persons) shall be, and remain, personally liable for the payment of all assessments (including interest, late charges and costs of collection and enforcement of payment) levied against the Site which may be levied while such Owner is the owner thereof, except a land contract purchaser from any Owner including the 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, if applicable, such land contract seller actually takes possession of the Site following extinguishment of all rights of the land contract purchaser in the Site. Payments on account 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 and other charges for late payment on such assessments; and third, to installments in default in order of their due dates. An Owner selling a Site shall not be entitled to any refund whatsoever from the Association with respect to any reserve. account or other asset of the Association.

Section 6. **Effect of Waiver of Use or Abandonment of Site.** An Owner's waiver of the use or enjoyment of any of the Common Elements or abandonment of the Owner's Site shall not exempt the Owner from liability for the Owner's contribution toward the expenses of administration.

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. The Association may also discontinue the furnishing of any utilities or other services to an Owner in default upon seven (7) days' written notice to such Owner of its intention to do so. An Owner in default shall not be entitled to vote at any meeting of the Association so long as such default continues. In a judicial foreclosure action, a receiver may be appointed to and empowered to take possession of the Site (if the Site is not occupied by the Owner) and to lease the Site and collect and apply the rental therefrom. All of these remedies shall be cumulative and not alternative.

(b) **Foreclosure Proceedings.** Each Owner, and every other person who from time to time has any interest in the Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the statutory lien that secures 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 Owner and every other person who from time to time has any interest in the Condominium shall be deemed to have authorized and empowered the Association to sell or cause to be sold the Site with respect to which the assessment(s) is or are delinquent to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by Michigan law. The Association, acting on behalf of all Owners, may bid at the foreclosure sale, and acquire, hold, lease, mortgage, or convey the Site sold.

(c) **Notice of Action.** The Association may not commence proceedings to foreclose a lien for unpaid assessments without recording and serving a notice of lien in the following manner:

(i) The notice of lien shall set forth the legal description of the Condominium Site or Sites to which the lien attaches, the name of the Owner of record thereof, the amount due the Association as of the date of the notice, exclusive of interest, costs, attorneys fees and future assessments.

(ii) The notice of lien shall be in recordable form, executed by an authorized representative of the Association, and may contain such other information as the Association deems appropriate.

(iii) The notice of lien shall be recorded in the office of the register of deeds in the county in which the Condominium is situated and shall be served upon the delinquent Owner by first class mail, postage prepaid, addressed to the last known address of the Owner at least ten (10) days in advance of the commencement of the foreclosure proceedings.

(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, plus any late charges, shall be chargeable to the Owner in default and shall be secured by the lien on the Site.

Section 8. **Liability of Mortgagee.** Notwithstanding any other provisions of the Condominium Documents, if the mortgagee of a first mortgage of record or other purchaser of a Condominium Site obtains title to the Condominium Site as a result of foreclosure of the first mortgage, such person, its successors and assigns, is not liable for the assessments by the Association chargeable to the Site which became due prior to the acquisition of title to the Site by such person and the expiration of the period of redemption from such foreclosure. The unpaid assessments are deemed to be common expenses collectible from all of the Condominium Site Owners including such persons, its successors and assigns.

Section 9. **Developer's Responsibility for Assessments.** Notwithstanding any provision of the Condominium Documents to the contrary, the Developer shall not be obligated for, nor subject to, any annual assessment for any Site or acreage which it may own. Subject to the limitations herein provided for, the Developer shall only be responsible for paying the difference between the Association's operating expenses and the sum of the revenues of the Association (the "deficiencies") from all sources. "All sources", as used in the previous sentence, includes, but is not limited to, revenues from assessments levied against Site Owners other than the Developer. The deficiency shall not include contributions to any reserve for replacements, operating reserves, depreciation reserves, capital expenditures or special assessments. The Developer may any time terminate its responsibility for the deficiency by ninety (90) days advance written notice to the Association, which notice shall also state the date of termination. On the effective date of the termination, the Developer shall not pay regular annual Association assessments for Sites which are owned by the Developer so long as the Sites are vacant and unoccupied, but the Developer shall at all times thereafter pay all expenses of

maintaining the Sites that it owns, including the improvements located therein. Sites or other acreage that are owned by the Developer and vacant shall not, in any event, be subject to assessment. On transfer of title of a Site owned by the Developer, the Site shall be assessed in the amount established for Sites owned by Site Owners other than the Developer, prorated as of the date of transfer of title. Developer shall in no event be liable for any assessment levied in whole or in part to purchase any Site from the Developer or to finance any litigation or other claims against the Developer, any cost of investigating and preparing such litigation or claim or any similar or related costs. Developer shall in no event be responsible for any reserve for replacements, operating reserves, depreciation reserves, capital expenditures or special assessments.

Notwithstanding the foregoing, any Sites from which the Developer derives any rental income shall be assessed at the same amount as Sites owned by Site Owners other than Developer, prorated as of and commencing with the month following the earlier the execution of the rental agreement.

Section 10. **Exemption from Assessments**. The assessments, charges, and liens provided for or created by this Article II shall not apply to Developer, the General common Elements, any property dedicated to and accepted for maintenance by a public or governmental authority or agency, any property owned by a public or private utility company or public or governmental body or agency or any property used for commercial purposes.

Section 11. **Unpaid Assessments Due on Site Sale; Statement of Unpaid Assessments**. Upon the sale or conveyance of a Condominium Site, all unpaid assessments against the Condominium Site shall be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except (a) amounts due the State of Michigan or any subdivision thereof for taxes or special assessments due and unpaid on the Site and (b) payments due under first mortgages having priority thereto. A purchaser of a Condominium Site is entitled to a written statement from the Association setting forth the amount of unpaid assessments outstanding against the Site and the purchaser is not liable for any unpaid assessment in excess of the amount set forth in such written statement, nor shall the Site be subject to any lien for any amounts in excess of the amount set forth in the written statement. Any purchaser or grantee who fails to request a written statement from the Association as provided herein at least five days before the sale, or to pay unpaid assessments against the Site at the closing of the Site purchase if such a statement was requested, shall be liable for any unpaid assessments against the Site together with interest, costs and attorneys' fees incurred in connection with the collection thereof.

Section 12. **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 13. **Construction Liens**. A construction 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.

ARTICLE III

JUDICIAL ACTIONS AND CLAIMS

Actions on behalf of and against the Site Owners shall be brought in the name of the Association. Subject to the express limitations on actions in these Bylaws and in the Association's Articles of Incorporation, the Association may assert, defend or settle claims on behalf of all Site Owners in connection with the Common Elements of the Condominium. As provided in the Articles of Incorporation of the Association, the commencement of any civil action (other than one to enforce these Bylaws or collect delinquent assessments) shall require the approval of a majority in number and in value of the Site Owners, and shall be governed by the requirements of this Article III. The requirements of this Article III will ensure that the Site Owners are fully informed regarding the prospects and likely costs of any civil action the Association proposes to engage in, as well as the ongoing status of any civil actions actually filed by the Association. These requirements are imposed in order to reduce both the cost of litigation and the risk of improvident litigation, and in order to avoid the waste of the Association's assets in litigation where reasonable and prudent alternatives to the litigation exist. Each Site Owner shall have standing to sue to enforce the requirements of this Article III. The following procedures and requirements apply to the Association's commencement of any civil action other than an action to enforce these Bylaws or to collect delinquent assessments:

Section 1. **Board of Directors' Recommendation to Site Owners.** The Association's Board of Directors shall be responsible in the first instance for recommending to the Site Owners that a civil action be filed, and supervising and directing any civil actions that are filed.

Section 2. **Litigation Evaluation Meeting.** Before an attorney is engaged for purposes of filing a civil action on behalf of the Association, the Board of Directors shall call a special meeting of the Site Owners ("litigation evaluation meeting") for the express purpose of evaluating the merits of the proposed civil action. The written notice to the Site Owners of the date, time and place of the litigation evaluation meeting shall be sent to all Site Owners not less than twenty (20) days before the date of the meeting and shall include the following information copied onto 8-1/2" x 11" paper:

(a) A certified resolution of the Board of Directors setting forth in detail the concerns of the Board of Directors giving rise to the need to file a civil action and further certifying that:

(1) it is in the best interests of the Association to file a lawsuit;

(2) that at least one member of the Board of Directors has personally made a good faith effort to negotiate a settlement with the putative defendant(s) on behalf of the Association, without success;

(3) litigation is the only prudent, feasible and reasonable alternative; and

(4) the Board of Directors' proposed attorney for the civil action is of the written opinion that litigation is the Association's most reasonable and prudent alternative.

(b) A written summary of the relevant experience of the attorney ("litigation attorney") the Board of Directors recommends be retained to represent the Association in the proposed civil action, including the following information:

(1) the number of years the litigation attorney has practiced law; and

(2) the name and address of every condominium and homeowner association for which the attorney has filed a civil action in any court, together with the case number, county and court in which each civil action was filed.

(c) The litigation attorney's written estimate of the amount of the Association's likely recovery in the proposed lawsuit, net of legal fees, court costs, expert witness fees and all other expenses expected to be incurred in the litigation.

(d) The litigation attorney's written estimate of the cost of the civil action through a trial on the merits of the case ("total estimated cost"). The total estimated cost of the civil action shall include the litigation attorney's expected fees, court costs, expert witness fees, and all other expenses expected to be incurred in the civil action.

(e) The litigation attorney's proposed written fee agreement.

(f) The amount to be specially assessed against each Site in the Condominium to fund the estimated cost of the civil action both in total and on a monthly per Site basis, as required by Section 6 of this Article III.

Section 3. **Independent Expert Opinion.** If the lawsuit relates to the condition of any of the Common Elements of the Condominium, the Board of Directors shall obtain a written independent expert opinion as to reasonable and practical alternative approaches to repairing the problems with the Common Elements, which shall set forth the estimated costs and expected viability of each alternative. In obtaining the independent expert opinion required by the preceding sentence, the Board of Directors shall conduct its own investigation as to the qualifications of any expert and shall not retain any expert recommended by the litigation attorney or any other attorney with whom the Board of Directors consults. The purpose of the independent expert opinion is to avoid any potential confusion regarding the condition of the Common Elements that might be created by a report prepared as an instrument of advocacy for use in a civil action. The independent expert opinion will ensure that the Site Owners have a realistic appraisal of the condition of the Common Elements, the likely cost of repairs to or replacement of the same, and the reasonable and prudent repair and replacement alternatives. The independent expert opinion shall be sent to all Site Owners with the written notice of the litigation evaluation meeting.

Section 4. **Fee Agreement with Litigation Attorney.** The Association shall have a written fee agreement with the litigation attorney, and any other attorney retained to handle the proposed civil action. The Association shall not enter into any fee agreement that is a combination of the retained attorney's hourly rate and a contingent fee arrangement unless the existence of the agreement is disclosed to the Site Owners in the text of the Association's written notice to the Site Owners of the litigation evaluation meeting.

Section 5. **Site Owner Vote Required.** At the litigation evaluation meeting the Site Owners shall vote on whether to authorize the Board of Directors to proceed with the proposed civil action and whether the matter should be handled by the litigation attorney. The commencement of any civil action by the Association (other than a suit to enforce these Bylaws or collect delinquent assessments) shall require the approval of a majority in number and in value of the Site Owners. Any proxies to be voted at the litigation evaluation meeting must be signed at least seven (7) days prior to the litigation evaluation meeting.

Section 6. **Litigation Special Assessment.** All legal fees incurred in pursuit of any civil action that is subject to Section 1 through 10 of this Article III shall be paid by special assessment of the Site Owners ("litigation special assessment"). The litigation special assessment shall be approved at the litigation evaluation meeting (or at any subsequent duly called and noticed meeting) by a majority in number and in value of all Site Owners in the amount of the estimated total cost of the civil action. If the litigation attorney proposed by the Board of Directors is not retained, the litigation special assessment shall be in an amount equal to the estimated total cost of the civil action, as estimated by the attorney actually retained by the Association. The litigation special assessment shall be apportioned to the Site Owners in accordance with their respective percentage of value interests in the Condominium and shall be collected from the Site Owners on a monthly basis. The total amount of the litigation special assessment shall be collected monthly over a period not to exceed twenty-four (24) months.

Section 7. **Attorney's Written Report.** During the course of any civil action authorized by the Site Owners pursuant to this Article III, the retained attorney shall submit a written report ("attorney's written report") to the Board of Directors every thirty (30) days setting forth:

(a) The attorney's fees, the fees of any experts retained by the attorney, and all other costs of the litigation during the thirty (30) day period immediately preceding the date of the attorney's written report ("reporting period").

(b) All actions taken in the civil action during the reporting period, together with copies of all pleadings, court papers and correspondence filed with the court or sent to opposing counsel during the reporting period.

(c) A detailed description of all discussions with opposing counsel during the reporting period, written and oral, including, but not limited to, settlement discussions.

(d) The costs incurred in the civil action through the date of the written report, as compared to the attorney's estimated total cost of the civil action.

(e) Whether the originally estimated total cost of the civil action remains accurate.

Section 8. **Monthly Board Meetings.** The Board of Directors shall meet monthly during the course of any civil action to discuss and review:

(a) the status of the litigation;

(b) the status of settlement efforts, if any; and

(c) the attorney's written report.

Section 9. **Changes in the Litigation Special Assessment.** If, at any time during the course of a civil action, the Board of Directors determines that the originally estimated total cost of the civil action or any revision thereof is inaccurate, the Board of Directors shall immediately prepare a revised estimate of the total cost of the civil action. If the revised estimate exceeds the litigation special assessment previously approved by the Site Owners, the Board of Directors shall call a special meeting of the Site Owners to review the status of the litigation, and to allow the Site Owners to vote on whether to continue the civil action and increase the litigation special assessment. The meeting shall have the same quorum and voting requirements as a litigation evaluation meeting.

Section 10. **Disclosure of Litigation Expenses.** The attorneys' fees, court costs, expert witness fees and all other expenses of any civil action filed by the Association ("litigation expenses") shall be fully disclosed to Site Owners in the Association's annual budget. The litigation expenses for each civil action filed by the Association shall be listed as a separate line item captioned "litigation expenses" in the Association's annual budget.

ARTICLE IV

INSURANCE

Section 1. **Extent of Coverage.** The Association shall, to the extent appropriate given the nature of the Common Elements of the Condominium, carry fire and extended coverage, vandalism and malicious mischief and liability insurance, and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements and such other insurance as the Board of Directors deems advisable. All such insurance shall be carried and administered in accordance with the following provisions:

(a) **Responsibilities of Association.** All such insurance shall be purchased by the Association for the benefit of the Association, and the 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 Owners.

(b) **Insurance of the Common Elements.** All Common Elements of the Condominium shall be insured against fire and other perils covered by a standard extended coverage endorsement, if appropriate, in an amount equal to the appropriate percentage of maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association.

(c) **Premium Expenses.** All premiums on 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 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 and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Condominium unless all of the institutional holders of first mortgages on Sites in the Condominium have given their prior written approval.

Section 2. **Authority of Association to Settle Insurance Claims.** Each Owner, by ownership of a Site in the Condominium, shall be deemed to appoint the Association as the Owner's 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 Common Elements, with such insurer as may, from time to time, be designated to provide such insurance for the Condominium. 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 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 Owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

Section 3. **Responsibilities of Owners.** Each Owner shall be obligated and responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to the Site owned together with the Residence and all other improvements therein, for the Owner's personal property located therein or thereon or elsewhere on the Condominium. All such insurance shall be carried by each Owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs. Each Owner also shall be obligated to obtain insurance coverage for personal liability for occurrences within the Site owned the and improvements located therein. Each Owner shall deliver certificates of insurance to the Association from time to time to evidence the continued existence of all insurance required to be maintained by the Owner hereunder. In the event of the failure of an Owner to obtain such insurance or to provide evidence thereof to the Association, the Association may obtain such insurance on behalf of such Owner and the premiums therefor shall constitute a lien against the Owner's Site which may be collected from the Owner in the same manner that Association assessments may be collected in accordance with Article II hereof. Each Owner shall be obligated to obtain any other personal insurance coverage that the Owner wishes to carry. The Association shall under no circumstances have any obligation to obtain any of the insurance coverage described in this Section 3 or any liability to any person for failure to do so.

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

ARTICLE V

RECONSTRUCTION OR REPAIR

Section 1. **Responsibility for Reconstruction or Repair.** If any part of the Condominium is damaged, the determination of whether or not it shall be reconstructed or repaired, and the responsibility therefor, shall be as follows:

(a) **Common Elements.** If the damaged property is a Common Element, the damaged property shall be rebuilt or repaired unless by a determination to the contrary is made by all Owners and first mortgagees of Sites in the Condominium.

(b) **Site or Improvements Therein.** If the damaged property is a Site or any improvements therein, the Owner of such Site alone shall rebuild or repair the damaged property, subject to the direction and determination of any mortgagee of such Site and the rights of any other person or entity having an interest in such property, and the Owner shall be solely responsible for such any reconstruction or repair. The Owner shall remove all debris and restore the Owner's Site and the improvements therein to a clean and sightly condition satisfactory to the Association as soon as reasonably possible following the occurrence of the damage.

Section 2. **Repair in Accordance with Master Deed.** Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the original plans and specifications for any damaged improvements located within the Site unless the Owners unanimously decide otherwise.

Section 3. **Association Responsibility for Repair and Reconstruction.** Immediately after a casualty causing damage to property for which the Association has the responsibility of repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place 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 Owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation. Assessments pursuant to this Article V, Section 3 may be made by the Association without a vote of the Owners.

Section 4. **Timely Reconstruction and Repair.** Subject to Section 1(a) of this Article V, if damage to the Common Elements adversely affects the appearance of the Condominium, the Association shall proceed with replacement of the damaged property without delay.

Section 5. **Eminent Domain.** The following provisions shall control upon any taking by eminent domain:

(a) The provisions of Section 133 of the Condominium Act of Michigan shall apply.

(b) In the event the Condominium continues after a taking by eminent domain, the remaining portion of the Condominium shall be re-surveyed and the Master Deed amended accordingly by the Association.

(c) In the event any Site 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 Sites in the Condominium.

Section 6. **Notices to Certain Mortgagees.** In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC"), or in the event any mortgage is held by or insured by the United States Department of Housing and Urban Development ("HUD"), the Association shall give FHLMC and HUD 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, or any loss to or taking of any Site, or part thereof, if the loss or taking exceeds $10,000 in amount.

Section 7. **Priority of Mortgagees in Proceeds.** Nothing contained in the Condominium Documents shall be construed to give an Owner or any other party priority over any rights of first mortgagees of Condominium Sites pursuant to their mortgages in the case of a distribution to Condominium Site owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Sites and/or Common Elements.

ARTICLE VI

RESTRICTIONS

Section 1. **Uses Permitted.** No Site shall be used for other than residential purposes and construction of Residences or other Structures therein in conformance with the Master Deed and these Bylaws. No Owner shall carry on any commercial activities anywhere on the premises of the Condominium. Notwithstanding the foregoing, Developer may conduct any of the activities expressly described in the Master Deed or its exhibits.

Section 2. **Age Restriction.** At all times, specifically excluding the initial stages of the development of the Condominium until such time when 25% of the total number of Sites in the that may be created in the Condominium are occupied, at least 80% of the total number of Sites that may be created in the Condominium shall be occupied by at least one Active Senior, and all Permanent Occupants must be at least 18 years of age or older.

(a) **Sale by Site Owner.** No Site Owner may rent or sell a Site unless at least one person who will occupy the Site an Active Senior. The Master Association shall have the right to require prior age verification from all perspective occupants.

(b) **Sale by Developer.** Notwithstanding anything to the contrary contained herein, the Developer shall have the right, but not the obligation, to sell Sites in which there will be no

occupants who are Active Seniors, provided that such sales do not conflict with any federal, state or local law.

(c) **Visitation by Minors**. The Master Association shall have the right to promulgate, from time to time, reasonable rules and regulations governing the visitation and temporary residence of, or use of Common Elements by, persons under 18 years of age.

Section 3. **Architectural Control**. Except as otherwise expressly provided herein, the Architectural Control Committee established by the Master Declaration shall have exclusive jurisdiction over the rights of approval of Structures and enforcement of the architectural and building and use restrictions set forth in the Master Declaration. A Site Owner may only construct, install or place on a Site those Structures that have been approved in writing by the Architectural Control Committee in the manner set forth in the Master Declaration. Developer may construct or authorize any improvements on a Site that Developer in its sole discretion elects to make without the necessity of prior consent from the Architectural Control Committee, Master Association or any other person or entity, subject only to the express limitations in the Condominium Documents and the Master Declaration. The terms, provisions, restrictions and conditions of the Master Declaration are incorporated into these Bylaws by this reference.

Section 4. **Building Restrictions**. Except as otherwise expressly provided herein, no Structure may be constructed, installed, or placed on a Site except for one detached Residence which shall be approved by the Architectural Control Committee established by the Master Declaration.

Section 5. **Activities**. No noxious or offensive activity shall be performed upon any Site, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the other Sites or Site owners. There shall not be maintained any animals or device or thing of any sort whose normal activities or existence is in any way noxious, noisy, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the reasonable enjoyment of other Sites in the Condominium. The Board of Directors of the Association shall be the final arbiter of whether a particular animal, device, or thing is in violation of the foregoing restrictions. No Owner shall do or permit anything to be done or keep or permit to be kept in the Owner's Site, Residence 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 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, which increased cost may be assessed to and collected from the Owner in the manner provided in Article II hereof.

Section 6. **Aesthetics**. The Common Elements shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in the Master Deed or in duly adopted rules and regulations of the Association. All rubbish, trash, garbage and other waste shall be regularly removed from each Site and shall not be allowed to accumulate therein. Trash receptacles shall at all times be maintained inside each individual garage and shall not be permitted to remain elsewhere except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. It shall be the responsibility of each Site Owner to prevent the development of any unclean, unsightly or unkempt conditions of buildings or ground on the Owner's Site which shall tend to substantially decrease the beauty of the Condominium as a whole or any specific area thereof. The yard

area within each Site and surrounding each Residence shall not be used in any way for the drying, shaking, or airing of clothing or other fabrics. Except by the Developer so long as Developer owns and offers for sale at least one (1) Site in the Condominium, no building materials, landscaping materials or firewood shall be stockpiled on any Site.

Section 7. **Animals or Pets.** No animals or fowl (except household pets) shall be kept or maintained on any Site. Only two household pets may be kept on a Site at any time. Any pets kept in the Condominium shall have such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions. No savage or dangerous animal shall be kept. No animal may be permitted to run loose upon the Common Elements, and any animal shall at all times be attended by a responsible person while on the Common Elements. Any person who causes or permits an animal to be brought or kept on the Condominium property shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the Condominium property.

Section 8. **Vehicles, Motorcycles and Snowmobiles.** No trailers, boats, aircraft, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers, jet skis, jet ski trailers or other recreational vehicles, or any other vehicles, other than passenger cars, passenger vans, pick-up trucks and so-called sport utility vehicles shall be parked or maintained on any Site unless in a suitable private attached garage. Motorcycles are allowed on the roads in the Condominium, but motorcycles and all other motorized off-road vehicles are prohibited in all other General Common Element areas. Snowmobiles are prohibited in all General Common Element areas in the Condominium. No vehicle that is used to promote a commercial enterprise, or used in connection with such an enterprise, shall be parked in the Condominium, or on any Site, unless parked in a garage as provided above, except while making deliveries or pickups in the normal course of business. As used herein, vehicles that promote a commercial enterprise or which are used in connection with such an enterprise are deemed to include, but are not limited to, vehicles with commercial plates or any kind of signage (whether permanent or temporary) on the vehicle that promotes a commercial enterprise.

Section 9. **Signs, Advertising and Mailboxes.** No commercial signs, including "for rent", "for sale" and other similar signs, shall be erected or maintained on any Site except with the written permission of the Board of Directors or except as may be required by legal proceedings. If such permission is granted, the Board of Directors reserves the right to restrict size, color and content of such signs. All mailboxes, delivery receptacles and the like shall be of a standard color, size and style determined by the Board of Directors and shall be erected only in areas designated by the Board of Directors.

Section 10. **Rules and Regulations.** Reasonable regulations consistent with all laws and the Condominium Documents concerning the use of the Common Elements or the rights and responsibilities of the Owners and the Association with respect to the Condominium or the manner of operation of the Association and of the Condominium 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 Owners or posted on a General Common Element. Any such regulation or amendment may be revoked at any time by the affirmative vote of a majority of the Owners.

Section 11. **Landscaping; Organic Fertilizer.** No Owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Elements unless approved by the Board of Directors in writing or unless permitted by the Master Deed or the regulations of the Association. Owners shall only use organic fertilizers in landscaping and maintaining Sites. Non-organic fertilizers may not be used anywhere in the Condominium.

Section 12. **Television Antenna and Similar Devices.** No outside television antenna or other antenna, or aerial, saucer, dish, receiving device, signal capture and distribution device or similar device shall be placed, constructed, altered or maintained on any Site or Residence, unless: (a) the device is a so called "mini dish" (not to exceed 18 inches in diameter) located in a location that is fully screened from view and approved by the Board of Directors; or (b) the Board of Directors determines in its sole discretion that the absence of an outside antenna causes substantial hardship with respect to a particular Site. The provisions of this Paragraph shall not apply to those devices covered by 47 C.F.R. § 1.4000, promulgated pursuant to the Telecommunications Act of 1996, Pub. L. No. 104. 110, § 207 Stat. 56 (1996), as amended.

Section 13. **Outbuildings and Other Structures.** No Structure of a temporary character shall be placed upon any Site at any time. No temporary occupancy shall be permitted in an unfinished Residence. The use of a trailer for materials and supplies to be used by a building in the construction of a Residence and which shall be removed from the premises upon enclosure of the Residence, may be allowed with the written consent of the Board of Directors which shall have the sole discretion to approve or disapprove same. No old or used buildings of any kind shall be brought on any Site or in the Condominium. No accessory buildings shall be permitted on any Site. No mobile home, trailer, house or camping trailer, tent, shack, tool storage shed, barn, tree house, or other similar outbuilding or Structure shall be placed on any Site at any time, either temporarily or permanently. Plans for a swimming or bath house must be specifically approved by the Developer as provided in Section 3 of this Article VI.

Section 14. **Decks.** Decks built on any Site shall not encroach into the rear yard setback area applicable to the Site, as such setback area is established by the City. All proposed decks shall be approved by the Developer as provided in Section 3 of this Article VI to ensure, among other things, that no such rear yard encroachments occur.

Section 15. **Sidewalks.** Each Site in the Property shall at the time of construction of a Dwelling thereon also have constructed and installed thereon a 4" thick concrete sidewalk, 5'0" in width, located 1'0" from the property line of the Site and running within the public right-of-way parallel to the adjoining street at the front of the Site and at the side of the Site in the case of corner Sites. Each sidewalk shall tie in with the sidewalk existing or to be built on the adjacent Site(s), and in the case of corner Sites the sidewalk shall be constructed to meet each of the intersecting streets. Notwithstanding anything to the contrary, all sidewalks shall be constructed and installed in accordance with the requirements of the City. If a Site Owner fails to install, maintain, and/or replace sidewalks as needed within thirty (30) days after written request to do so by the Association, the Association may, but shall not be obligated to, perform the installation and maintenance and/or replacement and assess the Site Owner with the cost. Such a special assessment shall be a lien against the Site Owner's Site as provided in Article VI of the Declaration. In order to provide for flexibility in maintaining, repairing and replacing the sidewalks in the Property, the Association. acting through its Board of Directors and after

the affirmative vote of more than two-thirds (2/3) of the Site Owners, may accept responsibility to maintain, repair and/or replace sidewalks in the Property. Nothing herein contained, however, shall compel the Association to undertake such responsibility. Any such responsibilities undertaken by the Association shall be charged to the Site Owners on a reasonably uniform basis as determined by the Board of Directors and collected in accordance with the assessment procedures established under Article VI of the Declaration.

Section 16. **Owner Maintenance.** Each Owner shall maintain the Site owned, the Residence constructed therein and any Limited Common Elements appurtenant thereto for which the Owner has maintenance responsibility in a safe, clean and sanitary condition. All vacant and unimproved Sites must remain free of debris, litter, and trash and be cleaned up regularly. All grass and weeds on any vacant and unimproved Site must be mowed at least once monthly or more often if required by the Developer. Each 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 utilities located in or on any Site which are appurtenant to or which may affect any other Site. Each 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 the Owner or the Owner's 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 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 Owner in the manner provided in Article II hereof.

Section 17. **Reserved Rights of Developer.**

(a) **Prior Approval by Developer.** Until certificates of occupancy are issued for Residences in 100% of the Sites in the Condominium, no Residences, buildings, landscaping, paving, fences, walls, retaining walls, drives, decks, walks or other Structures or improvements shall be commenced, erected, maintained, nor shall any addition to, or change or alteration to any Structure be made (including in color or design), except interior alterations of Residences, until plans and specifications are approved by the Developer.

(b) **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 of the Developer with respect to unoccupied Sites owned by the Developer, or of the Association in furtherance of its powers and purposes. Notwithstanding anything to the contrary elsewhere herein contained, until all residential building sites in the entire property covered by the Master Declaration are sold, and title transferred to occupants of Residences on all such sites, Developer shall have the right to maintain a sales office, a business office, a construction office, storage facilities, model units with fluorescent lighting or spotlighting which are open to the public for inspection seven (7) days per week for such hours as the Developer deems appropriate or necessary, storage areas and reasonable parking incident to the foregoing and such access to, from and over the Condominium as may be reasonable to enable development and sale of the entire Condominium by the Developer.

(c) **Enforcement of Bylaws.** The Condominium 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 Owners and all persons having interests 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 the 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 required 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 prior to the First Annual Meeting, which right of enforcement shall include without limitation an action to restrain the Association or any Owner from any activity prohibited by these Bylaws.

(d) **Site Maintenance.** Developer reserves for itself and for the Association and their respective agents the right to enter upon any Site for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds or other unsightly growth, which in the opinion of Developer detracts from the overall beauty, setting and safety of the Condominium. Such entrance for the purpose of mowing, cutting, clearing or pruning shall not be deemed a trespass. Developer and the Association and their respective agents may likewise enter upon such land to remove any trash which has collected on such Site without such entrance and removal being deemed a trespass. The provisions of this paragraph shall not be construed as an obligation on the part of Developer or the Association to mow, clear, cut, or prune any Site nor to provide garbage or trash removal services.

(e) **Parking Facilities.** Developer reserves for itself and its employees, agents, associates and invitees the non-exclusive right to use the parking areas in the Condominium for parking.

Section 18. **Drainage and Grading Plan for Condominium and Surface Water Drainage.** The grade of any Site in the Condominium may not be changed from the Drainage and Grading Plan prepared by Seiber Keast & Associates, Inc. (which Drainage and Grading Plan may be subsequently amended from time to time as conditions require), without the written consent of the Board of Directors and any governmental authority having jurisdiction. It shall be the responsibility of each Owner to maintain the surface drainage grades of the Owner's Site as established by the Developer. Each Owner covenants not to change the surface grade of the Owner's Site in a manner which will materially increase or decrease the storm water flowing onto or off of the Owner's Site and will not block, pond or obstruct surface water. The Board of Directors of the Association shall enforce this covenant and may enter upon any of the Sites in the Condominium to correct any violation of this covenant and shall charge the costs of the correction to the Owner and such costs shall be a lien upon the Site.

Section 19. **Alterations and Modifications of the Common Elements.** No Owner shall make changes in any of the Common Elements, limited or general, without the express written approval of the Board of Directors of the Association. The Board of Directors of the Association may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium as provided herein and in any rules and regulations of the Association or the Master Association.

Section 20. **Common Elements.** The Common Elements shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No Owner may leave personal property of any description (including by way of example and not limitation bicycles, vehicles, chairs and benches) unattended on or about the Common Elements. Use of all

Common Elements may be limited to such times and in such manner as the Board of Directors shall determine by duly adopted regulations.

Section 21. **Leasing and Rental.** Owners, including Developer, may rent any number of Sites at any time for any term of occupancy not less than twelve (12) months subject to the following:

(a) **Disclosure of Lease Terms to Association.** An Owner, including the Developer, desiring to rent or lease a Site shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a potential lessee and, at the same time, shall supply the Association with a copy of the exact lease form for its review for compliance with the Condominium Documents. If Developer desires to rent Sites before the Transitional Control Date, it shall notify either the Advisory Committee or each Owner in writing.

(b) **Compliance with Condominium Documents.** Tenants and non-owner occupants shall comply with all of the conditions of the Condominium Documents and all leases and rental agreements shall so state.

(c) **Procedures in the Event of Non-Compliance with Condominium Documents.** If the Association determines that the tenant or non-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:

(i) The Association shall notify the Owner by certified mail advising of the alleged violation by the tenant.

(ii) The Owner shall have 30 days (or such additional time as may be granted by the Association if the Owner is diligently proceeding to cure) after receipt of such notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.

(iii) If after 30 days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Owners on behalf of the Association, if it is under the control of the Developer, an action for eviction against the tenant or non-owner occupant and simultaneously for money damages in the same action against the Owner and tenant or non-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and the Owner liable for any damages to the Common Elements caused by the Owner or tenant in connection with the Site or Condominium.

(d) **Notice to Owner's Tenant Permitted Where Owner in Arrears to the Association for Assessments.** When an Owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying the Residence within the Owner's Site under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not constitute a breach of the rental agreement or lease by the tenant.

Section 22. **Non-Disturbance of Wetlands.** The lands in the Condominium include wetland areas that are protected by the Goemaere-Anderson Wetland Protection Act, Public Act No. 203 of 1979 and the City of Auburn Hills wetlands ordinance. Activities affecting the wetland areas designated on the Condominium Plan may only be undertaken after a permit has been obtained from both the Michigan Department of Natural Resources and the City of Auburn Hills. Restricted activities include any disturbance of a wetland by depositing material in the wetland, dredging or removing material from the wetland, draining water from the wetland and constructing, operating or maintaining any use or development in the wetland. In order to assure that no inadvertent violations of the Goemaere-Anderson Wetland Protection Act or the City of Auburn Hills wetlands ordinance occur, no development of any kind is permitted in any designated wetland area.

SECTION 23 - 5TH ADMENDMENT - FINES -

ARTICLE VII

MORTGAGES

Section 1. **Notice to Association.** Any Owner who mortgages its Site 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 Sites". The Association may, at the written request of a mortgagee of any such Site, report any unpaid assessments due from the Owner of such Site. The Association shall give to the holder of any first mortgage covering any Site in the Condominium written notification of any default in the performance of the obligations of the Owner of such Site 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 Site 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 VIII

VOTING

Section 1. **Vote.** Except as limited in these Bylaws, each Owner shall be entitled to one vote for each Condominium Site owned when voting by number and one vote, the value of which shall equal the Percentage of Value percentage allocated to the Sites owned by such Owner as set forth in the Master Deed, when voting by value. Voting shall be by value unless otherwise expressly required by the Condominium Documents or by law. In the case of any Site owned jointly by more than one Owner, the voting right appurtenant to that Site may be exercised jointly as a single vote or may be split if all the joint Owners of the Site so agree in writing.

Section 2. **Eligibility to Vote.** No Owner, other than the Developer, shall be entitled to vote at any meeting of the Association until the Owner has presented evidence of ownership of a Site in the Condominium to the Association. Except as provided in Article XI, Section 2 of these Bylaws, no 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 Owner may be cast only by the individual representative designated by such Owner in the notice required in Section 3 of this Article VIII or by a proxy given by such individual representative.

Section 3. **Designation of Voting Representative.** Each Owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Owner. Such notice shall state the name and address of the individual representative designated, the number or numbers of the Condominium Site or Sites owned by the Owner, and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the Owner. Such notice shall be signed and dated by the Owner. The individual representative designated may be changed by the Owner at any time by filing a new notice in the manner herein provided. At any meeting the filing of such written notice as a prerequisite to voting may be waived by the chairman of the meeting.

Section 4. **Annual Meeting.** There shall be an annual meeting of the Owners commencing with the First Annual Meeting held as provided in Article IX, Section 2 hereof. Other meetings shall be held as provided for in Article IX hereof. Notice of the time, place and subject matter of all meetings shall be given by mailing the same to each individual representative designated by the respective Owners.

Section 5. **Quorum.** The presence in person or by proxy of more than one-half (1/2) in value of the Owners 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 such 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 6. **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 7. **Majority.** Unless otherwise required by law or by the Condominium Documents, any action which could be authorized at a meeting of the members shall be authorized by an affirmative vote of more than fifty (50%) percent in value. The foregoing statement and any other provision of the Master Deed or these Bylaws requiring the approval of a majority (or other stated percentage) of the members shall be construed to mean, unless otherwise specifically stated, a majority (or other stated percentage) in value of the votes cast by those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the Owners duly called and held.

ARTICLE IX

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 Owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Roberts Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Condominium Documents 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 the Developer. The First Annual Meeting may be called at any time in the Developer's discretion after the first conveyance of legal or equitable title of a Site in the Condominium to a non-developer Owner. As provided in Article XI, Section 2 hereof, the First Annual Meeting shall be held on or before one hundred twenty (120) days after the conveyance of legal or equitable title to non-developer Owners of seventy-five (75%) percent in number of the Sites that may be created in the Condominium or fifty-four (54) months after the first conveyance of legal or equitable title to a non-developer Owner of a Site in the Condominium, whichever first occurs. The Developer may call meetings 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 ten (10) days' written notice thereof shall be given to each Owner.

Section 3. **Annual Meetings.** Annual meetings of members of the Association shall be held on the third Tuesday of March each succeeding year (commencing the third Tuesday of March of the calendar year following the year in which the First Annual Meeting is held) at such time and place as shall be determined by the Board of Directors. The Board of Directors, with sixty (60) days notice to the members, may designate a different date for the annual meeting of the members. At such meetings there shall be elected by ballot of the Owners a Board of Directors in accordance with the requirements of these Bylaws. The Owners may also transact at annual meetings such other business of the Association as may properly come before them.

Section 4. **Special Meetings.** It shall be the duty of the President to call a special meeting of the Owners as directed by resolution of the Board of Directors or upon a petition signed by one-third (1/3) of the Owners presented to the Secretary of the Association, but only after the First Annual Meeting has been held. 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 the time and place where it is to be held, upon each Owner of record, at least ten (10) days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Owner at the address shown in the notice required by Article VIII, Section 3 of these Bylaws to be filed with the Association 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 Owners cannot be held because a quorum is not in attendance, the Owners who are present may adjourn the meeting to a time not less than ten (10) days from the time the original meeting was called, and notice of the meeting shall be provided as set forth in Section 5 of this Article IX.

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) determination of whether quorum is present; (c) proof of notice of meeting or waiver of notice; (d) reading of minutes of preceding meeting; (e) reports of officers; (f) reports of committees; (g) appointment of inspectors of election (at annual meetings or special meetings held for the purpose of electing Directors or officers): (h) election of Directors (at annual meeting or special meetings held for such purpose); (i) unfinished business; and (j) new business. Meetings of members shall be chaired by the most senior officer of the Association present at such meeting. 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 of this Article IX 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 votes or total percentage of approvals which equals or exceeds the number of votes or percentage of approvals 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. **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 X

ADVISORY COMMITTEE

An advisory committee of non-developer Owners shall be established either one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Owners of one-third (1/3) of the Sites that may be created, or one year after the initial conveyance of legal or equitable title to a non-developer Owner of a Site in the Condominium, whichever occurs first. The advisory committee shall meet with the Board of Directors for the purpose of facilitating communication and aiding the

transition of control to the association of Owners. The advisory committee shall cease to exist when a majority of the Board of Directors of the Association is elected by the non-developer Owners.

ARTICLE XI

BOARD OF DIRECTORS

Section 1. **Number and Qualification of Directors.** The Board of Directors shall consist of five 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. After the First Annual Meeting, the number of directors may be increased or decreased by action of the Board of Directors, provided that the Board of Directors shall be comprised of at least five members.

Section 2. **Election of Directors.**

(a) **First Board of Directors.** The 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 Owners to the Board. Elections for non-developer Owner directors shall be held as provided in subsections (b) and (c) below.

(b) **Appointment of Non-developer Owners to Board Prior to First Annual Meeting.** Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Owners of twenty-five (25%) percent of the Sites that may be created, at least one director and not less than twenty-five (25%) percent of the Board of Directors shall be elected by non-developer Owners. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Owners of fifty (50%) percent of the Sites that may be created, not less than thirty-three and one-third (33 1/3%) percent of the Board of Directors shall be elected by non-developer Owners. When the required percentage of conveyances has been reached, the Developer shall notify the non-developer Owners and request that they hold a meeting and elect the required director. Upon certification by the 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 the director is removed pursuant to Section 7 of this Article XI or the director resigns or becomes incapacitated.

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

(i) Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Owners of seventy-five (75%) percent of the Sites that may be created, and before conveyance of ninety (90%) percent of such Sites, the First Annual Meeting shall be called and the non-developer Owners shall elect all directors on the Board of Directors, except that the Developer shall have the right to designate at least one director as long as the Developer owns and offers for sale at least ten (10%) percent of the Sites in the Condominium or as long as ten (10%) percent of the Sites remain that may be created.

(ii) Notwithstanding the formula provided in subsection (i). 54 months after the first conveyance of legal or equitable title to a non-developer Owner of a Site in the Condominium, if title to at least seventy-five (75%) percent of the Sites that may be created has not been conveyed to non-developer Owners, the First Annual Meeting shall be called and the non-developer Owners shall have the right to elect as provided in the Condominium Documents. a number of members of the Board of Directors equal to the percentage of Sites they hold, and the Developer has the right to elect, as provided in the Condominium Documents. a number of members of the board equal to the percentage of Sites which are owned by the Developer and for which all assessments 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 as determined in the Condominium Documents.

(iii) If the calculation of the percentage of members of the Board of Directors that the non-developer Owners have the right to elect under this Section 2, or if the product of the number of members of the Board of Directors multiplied by the percentage of Sites held by the non-developer Owners under this Section 2 results in a right of non-developer 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 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 one director as provided in subsection (i) of this Section 2(c).

(iv) At the First Annual Meeting one-half (1/2) of the directors (rounded up if fractional) shall be elected for a term of two years and the remaining directors shall be elected for a term of one year. At such meeting, all nominees shall stand for election as one slate and the number of persons equal to one-half of the number of directors (rounded up if fractional) who receive the highest number of votes shall be elected for terms of two years and the number of persons equal to the remaining directors to be elected who receive the next highest number of votes shall be elected for terms of one year. After the First Annual Meeting, the term of office (except for directors elected at the First Annual Meeting for one year terms) of each director shall be two years. The directors shall hold office until their successors have been elected and hold their first meeting.

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

(vi) As used in this section, the term "Sites that may be created" means the maximum number of Sites which may be included in the Condominium in accordance with any limitation stated in the Master Deed or imposed by law.

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 necessary thereto subject always to the Condominium Documents and applicable laws.

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 and the Common Elements thereof.

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

(f) To own, maintain, improve, operate and manage, and to buy, sell, convey, assign, mortgage or lease (as Landlord or Tenant) any real or personal property (including any Site in the Condominium and easements, rights-of-way and licenses) 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 Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association.

(h) To make rules and regulations in accordance with Article VI, Section 11 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, in which the maximum term is greater than 3 years or which is not terminable by the

Association upon ninety (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 members of the Association. Vacancies among non-developer Owner elected directors which occur prior to the Transitional Control Date may be filled only through election by non-developer 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 fifty (50%) percent in number and in value of all of the 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 quorum set forth in Article VIII, Section 5. Any director whose removal has been proposed by the 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 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 ten (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 ten (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 three 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 is less than a quorum present, the majority of those present may adjourn the meeting to a subsequent time upon twenty-four (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 transacted 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**. All of the actions (including, without limitation, the adoption of these Bylaws and any Rules and Regulations for the Association, and any undertaking or contracts entered into with others on behalf of the Association) of the first Board of Directors of the Association named in its Articles of Incorporation or any successors thereto appointed before the First Annual Meeting of Owners shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the Owners.

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 premiums on such bonds shall be expenses of administration.

ARTICLE XII

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, and shall preside at all meetings of the Association and of the Board of Directors. The President 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 in the President's discretion as may be deemed 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 the President's 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 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 and shall have charge of the corporate seal and of such books and papers as the Board of Directors may direct; and shall, in general, perform all duties incident to the office of the Secretary.

(d) **Treasurer**. The Treasurer shall have responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, and in such 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 the officer's 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 XIII

SEAL

The Board of Directors may adopt a seal on behalf of the Association which shall have inscribed thereon the name of the Association, the words "corporate seal", and "Michigan".

ARTICLE XIV

FINANCE

Section 1. **Records**. The Association shall keep detailed books of account showing all expenditures and receipts of administration, and 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 Owners. Such accounts and all other Association records shall be open for inspection by the Owners and their mortgagees during reasonable working hours. The Association shall prepare and

distribute to each 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 Site in the Condominium shall be entitled to receive a copy of such annual audited financial statement within ninety (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 Board. The commencement date of the fiscal year shall be subject to change by the Board 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 Board 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 XV

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Every director and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, incurred by or imposed upon the director or officer in connection with any proceeding to which the director or officer may be a party, or may become involved, by reason of the director or officer being or having been a director or officer of the Association, whether or not 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 such director's duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten (10) days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all 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 XVI

AMENDMENTS

These Bylaws may be amended by the Association or by the Developer in the manner provided in the Master Deed. Any amendment to these Bylaws shall become effective upon recordation in the office of the register of deeds in the county in which the Condominium is located. A copy of each amendment to these Bylaws shall be made available to every member of the Association after adoption: provided however, that any amendment adopted in accordance with this Article shall be binding upon all persons who have an interest in the Condominium irrespective of whether such persons actually receive a copy of the amendment. These Bylaws may not be amended in any manner to eliminate or conflict with any mandatory provision of the Act or any applicable law or any provision of the Master Deed; nor may they be amended to materially reduce or eliminate the rights of any first mortgagees without the consent of the mortgagees affected.

ARTICLE XVII

COMPLIANCE

The Association and all present or future Owners, tenants, future tenants, or any other persons acquiring an interest in or using the Condominium in any manner are subject to and shall comply with the Act, as amended, and the mere acquisition, occupancy or rental of any Site or an interest therein or the utilization of or entry upon the Condominium 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 XVIII

REMEDIES

Section 1. **Default by an Owner**. Any default by an Owner shall entitle the Association or another Owner or Owners to the following relief:

(a) **Legal Action**. Failure to comply with any of the terms or provisions of the Condominium Documents or the regulations of the Association shall be grounds for relief, which may include without limitation an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Owner or Owners.

(b) **Recovery of Costs**. In any proceeding arising because of an alleged default by any Owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (not limited to statutory fees) as may be determined by the court. In no event shall any Owner be entitled to recover such attorneys' fees.

Section 2. **No Waiver.** The failure of the Association or of any Owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Owner to enforce such right, provision, covenant or condition in the future.

Section 3. **Cumulative Rights, Remedies and Privileges.** All rights, remedies and privileges granted to the Association or any Owner or Owners pursuant to any terms, provisions, covenants or conditions of the Condominium Documents shall be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

Section 4. **Enforcement of Provisions of Condominium Documents.** An Owner may maintain an action against the Association and its officers and directors to compel such persons to enforce the provisions of the Condominium Documents. An Owner may maintain an action against any other Owner for injunctive relief or for damages or any combination thereof for noncompliance with the Condominium Documents or the Act.

ARTICLE XIX

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 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 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 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 XX

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 affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or covenants of such documents or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

DET_C\30876.3

REPLAT NO. 4
OAKLAND COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 1133
EXHIBIT "B" TO THE MASTER DEED OF

HERITAGE IN THE HILLS

CITY OF AUBURN HILLS, OAKLAND COUNTY, MICHIGAN

THE ASTERISK (*) AS SHOWN IN THE SHEET INDEX INDICATES AMENDED OR NEW SHEETS WHICH ARE REVISED, DATED MARCH 17, 2000. THESE SHEETS WITH THIS SUBMISSION ARE TO REPLACE OR BE SUPPLEMENTAL SHEETS TO THOSE PREVIOUSLY RECORDED.

SURVEYOR
MILLETICS AND ASSOCIATES
40000 GRAND RIVER AVENUE
NOVI, MICHIGAN 48375

ENGINEER
SEIBER, KEAST AND ASSOCIATES, INC.
40000 GRAND RIVER AVENUE
NOVI, MICHIGAN 48375

DEVELOPER:
HERITAGE OF AUBURN HILLS, L.L.C.
30840 NORTHWESTERN HIGHWAY, SUITE 270
FARMINGTON HILLS, MICHIGAN 48334

INDEX

LEGAL DESCRIPTION

(SEE SHEET 2 AND 2A FOR CONTINUATION)

A part of the Southeast 1/4 of Section 1, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan; more particularly described as commencing at the Southeast Corner of said Section 1; thence North 02°13'06" West, 60.07 feet, along the East line of said Section 1 and the Westerly line of "Thornridge Sub. No. 6" (recorded as North 01°55'38" West), as recorded in Liber 214 of Plats, on Pages 28 and 29, Oakland County Records, to the Northerly right of way of Tienken Road (60' 1/2 right of way), and the POINT OF BEGINNING;
thence North 89°25'46" West, 345.10 feet, along the Northerly right of way of said Tienken Road; thence North 00°34'14" East, 115.54 feet; thence 223.33 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 49°12'55", and a chord bearing and distance of North 76°40'08" West, 216.53 feet; thence North 52°03'41" West, 30.38 feet; thence 71.03 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 15°39'10", and a chord bearing and distance of South 52°23'27" West, 70.81 feet; thence South 60°13'02" West, 154.56 feet; thence 242.11 feet along a curve to the right, said curve having a radius of 260.00 feet, a central angle of 53°21'12", and a chord bearing and distance of South 86°53'38" West, 233.46 feet; thence North 66°25'46" West, 119.56 feet; thence South 23°34'14" West, 99.59 feet, to the Northerly right of way of said Tienken Road; thence North 89°25'46" West, 330.17 feet, along the Northerly right of way of said Tienken Road; thence 47.42 feet along a curve to the left, said curve having a radius of 286.00 feet, a central angle of 09°30'00", and a chord bearing and distance of North 04°10'46" West, 47.37 feet; thence North 08°55'46" West, 323.96 feet, to point "A"; thence North 81°04'14" East, 248.21 feet; thence North 76°31'10" East, 143.70 feet; thence North 87°54'38" East, 117.12 feet; thence South 51°19'53" East, 117.12 feet; thence South 54°15'59" West, 126.88 feet; thence 10.45 feet along a curve to the right, said curve having a radius of 60.00 feet, a central angle of 09°58'32", and a chord bearing and distance of South 30°44'45" East, 10.43 feet; thence North 64°14'31" East, 131.00 feet; thence South 07°46'11" East, 117.97 feet; thence South 08°25'51" West, 148.31 feet; thence 133.39 feet along a curve to the left, said curve having a radius of 200.00 feet, a central angle of 38°12'49", and a chord bearing and distance of North 79°19'26" East, 130.93 feet; thence North 60°13'02" East, 18.96 feet; thence North 29°46'58" West, 164.00 feet; thence North 60°13'02" East, 142.56 feet; thence North 30°36'47" East, 379.96 feet; thence North 69°27'52" East, 308.04 feet; thence 19.07 feet along a curve to the right, said curve having a radius of 60.00 feet, a central angle of 18°12'50", and a chord bearing and distance of North 44°18'19" East, 18.99 feet; thence North 36°35'16" West, 120.00 feet; thence North 53°24'44" East, 58.45 feet; thence North 89°23'20" East, 116.89 feet; thence South 54°38'04" East, 147.05 feet, to the East line of said Section 1, and the Westerly line of "Thornridge Sub. No. 3", as recorded in Liber 202 of Plats, on Pages 18, 19 and 20, Oakland County Records; thence South 02°13'06" East, 838.84 feet, along the East line of said Section 1, the Westerly line of said "Thornridge Sub. No. 3" (recorded as North 01°55'38" West), and the Westerly line of said "Thornridge Sub. No. 6" (recorded as North 01°55'38" West), to the point of beginning.
All of the above containing 16.730 Acres. All of the above being subject to all easements and restrictions of record;
(continued)

HERITAGE IN THE HILLS

PROPOSED DATED MARCH 17, 2000

TITLE PAGE
(SHEET 1 OF 3)

SEIBER, KEAST & ASSOCIATES, INC.