

BY-LAWS
of
HERITAGE HILLS ESTATES SUBDIVISION ASSOCIATION

A Michigan Nonprofit Association
January 27, 2005

ARTICLE I

IDENTIFICATION

Section 1. Name.

The name of the corporation is Heritage Hills Estates Subdivision Association, Inc.

Section 2. Registered Office and Resident Agent.

The corporation shall have and continually maintain in Oakland County, State of Michigan, a registered office and a resident agent. The cooperation may change its registered office and its resident agent by resolution duly adopted by the Board of Directors. Until further Amendment, the registered office shall be at Schmidt & Isgrigg, 2745 Pontiac Lake Road, Waterford, Michigan 48328.

Section 3. Seal.

The corporation may conduct its affairs without the use of a corporate seal.

Section 4. Fiscal Year.

The corporation shall conduct its financial affairs on a calendar year beginning the first day of January of each year and ending on the thirty-first day of December following.

ARTICLE II

CORPORATE PURPOSES

Section 1. Specific Purpose.

The purpose of this corporation shall be as stated in the Articles of Incorporation, to wit:

to control, develop, maintain and improve all common areas, cul-de-sacs, and entranceways; to aid and represent each Member of the subdivision in dealing with any person, company or governmental agency whose action or inaction is reasonable deemed to adversely affect the best interest of the Members of the subdivision; to represent one or more or all of the Members of the subdivision at any time when such representation is reasonably required to carry out any properly established subdivision purpose and to do and carry out such other and further actions and functions as may be reasonably considered as being in the best interests of the Members of the subdivision.

Section 2.

In furtherance of the purposes set forth in Article II, Section 1, the corporation may and shall do any and all acts not inconsistent therewith, including but not by way of limitation:

- a. maintaining the common areas, entranceways and cul-de-sacs, including contracting for services necessary to maintain said areas in a neat, physically attractive and functional condition;
- b. contract for other necessary services, such as snow removal, electric light service for streets and entryways, planting trees and shrubbery and caring for same, for weed control, cutting and spraying, etc.;
- c. enforce Building and Use Restrictions;
- d. represent the Members before any government body or agency, or in dealing with persons or companies for the benefit of the membership;
- e. promote social activities and harmonious interaction among the Members;
- f. do any and all other acts which may be necessary or incidental to any of the above;
- g. obtain and maintain such liability insurance as is necessary to protect the interests of the Association and its' Board Members;
- h. to operate under and comply with a certain agreement for maintenance of water retention basin by and between the developer and the Township of White Lake as evidenced in an Agreement dated February 4, 1989, and recorded on August 4, 1989, in Liber 11008, Page 804, Oakland County Records or as amended.
- i. publish and distribute a periodic newsletter and directory of Members to keep Members informed of items of mutual concern and interest;
- j. at such time as the Grantor under the Building & Use Restrictions shall assign the duties of Plan Approval as provided in paragraph 5 of said Building & Use Restrictions the Association shall accept the duties thereof and operate thereafter as the Architectural Control Committee by the establishment of the Board of Directors of said Architectural Control Committee as hereinafter provided under Article VI.

ARTICLE III

MEMBERSHIP

Section 1. Non-Stock Corporation.

This corporation is organized on a non-stock basis. Membership of the corporation is and shall be limited to the number and qualifications of Members as is hereinafter fixed by these by-laws.

Section 2. Membership.

Every person who shall, either jointly or severally, own any platted lot within the HERITAGE HILLS ESTATES SUBDIVISION automatically and mandatory becomes a Member of said Association immediately upon acquisition of such interest and shall thereafter remain subject to the provisions of the by-laws governing the Association from time to time, and subject, further, to the provisions as hereinafter or heretofore set forth.

Section 3.

a. Certificate of Membership.

Membership may be evidenced by a certificate prepared in a form approved by the Board of Directors.

b. Lost, Stolen or Destroyed Certificates.

The Association may issue a new Membership certificate in the place of any certificate previously issued if the Member named in the certificate (a) makes proof in affidavit form that it has been lost, destroyed or stolen; (b) requests the issuance of a new certificate; (c) pays a fee of \$50.00 to have a new certificate issued; and (d) satisfies any other reasonable requirements imposed by the Association.

Section 4. Annual Meetings.

The purpose of the annual meeting of Members is to elect Directors and to transact such other matters as may properly come before the Members. The annual meeting of the Members of the Association shall be held at the times and places designated by the Board of Directors or the President of the Association. The annual meeting of Members for any year shall be held no later than thirteen (13) months after the last annual meeting of Members. However, failure to hold an annual meeting timely shall in no way affect the terms of Officers or Directors of the Association or the validity of actions of the Association.

Section 5. Special Meetings.

Special meetings of Members may be called by the President or by a majority of the Board of Directors, then in office, or by Members owning one-third (1/3) or more of the outstanding votes of the Association. The purpose of each special meeting shall be stated in the notice and may only include purposes, which are lawful and proper for Members to consider.

Section 6. Place of Meeting.

The Board of Directors may designate any place, within the State of Michigan, as the place of meeting for any meeting of Members. If no designation is made, then the place of meeting shall be the principal office of the Association in the State of Michigan.

Section 7. Notice of Meeting.

Written or printed notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered personally or by mail not less than ten (10) days nor more than sixty (60) days before the date of the meeting. Notice shall be given by or at the direction of the President or the Secretary or the persons calling the meeting to each Member of record entitled to vote at the meeting. If mailed, such notice shall be deemed to have been delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Association with postage thereon prepaid.

Section 8. Waiver of Notice.

A written waiver of notice signed by a Member, whether before or after a meeting, shall be equivalent to the giving of such notice. Attendance of a Member at a meeting shall constitute a waiver of notice of such meeting, except when the Member attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Section 9. Action without Meeting.

Any action of the Members may be taken without a meeting, without prior notice and without a vote, if a

consent in writing setting forth the action so taken is signed by a majority of Members of the Association. Within ten (10) days after obtaining such authorization by written consent, notice must be given to those Members who have not consented in writing. The notice shall fairly summarize the material feature of the authorized action. Any certificate to be filed as a result of the Members' action under this section shall state that written consent was given in accordance with the applicable laws in the State of Michigan.

Section 10. Voting Record.

If the Association has six (6) or more Voting Members of record, the Officers having charge of the membership records of the Association shall make, at least three (3) days before each meeting of Members, a complete list of the Members entitled to Vote at such meeting or any adjournment thereof. The list shall be kept on file at the registered office of the Association or at the principal place of business of the Association and any Member shall be entitled to inspect the list at any time during usual business hours. The list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member at any time during the meeting. If the requirements of this section have not been substantially complied with, then upon demand of any Member in person or by proxy, the meeting shall be adjourned until the requirements are complied with. If no such demand is made, failure to comply with the requirements of this section shall not affect the validity of any action taken at such meeting.

Section 11. Member Quorum and Voting.

Unless otherwise required in the Articles of Incorporation, a number equaling twenty (20) percent of the Members appearing in person or by proxy shall constitute a quorum at a meeting of Members. When a specified item of business is required to be voted on by a class of Members, unless otherwise required in the Articles of Incorporation, a majority of the Members of such class shall constitute a quorum for the transaction of such items of business by that class. If a quorum is present, unless otherwise provided by law or in the Articles of Incorporation, the affirmative vote of a majority of the Members at the meeting entitled to vote on the subject matter shall be the act of the Members. After a quorum has been established at a Members' meeting, the subsequent withdrawal of Members, so as to reduce the number of Members entitled to vote at the meeting below the number required for a quorum, shall not affect the validity of any action taken at the meeting or any adjournment thereof. If a quorum is not present when a meeting starts, then a majority of the Members at the meeting may adjourn the meeting from time to time without further notice until a quorum is present.

Section 12. Votes.

Each Voting Member shall be entitled to one vote on each matter submitted to the Members; provided however, that there shall only be one vote per lot. If a lot is owned by two or more Voting Members, then the Owners of that lot shall designate in writing one Owner as its proxy to cast its vote and represent the lot. If a lot is owned by a corporation, trust, or other non-natural person who is a Voting Member, then it shall designate in writing a natural person as its proxy to cast its vote and represent the lot.

Section 13. Proxies.

Every Member entitled to vote at a meeting of Members or to express consent or descent without a meeting may authorize another person or persons to act for him by proxy. Every proxy shall be in writing and shall be signed by the Member or his otherwise duly authorized attorney-in-fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Member executing it, except as otherwise provided by law.

ARTICLE IV
BOARD OF DIRECTORS

Section 1. General Powers.

Subject to the limitations of the Articles of Incorporation, these by-laws, and the State of Michigan Business Corporation Act concerning corporate action that must be authorized or approved by the Members of the Association, all corporate powers shall be exercised by or under the authority of the Board of Directors, and the management and affairs of the Association shall be controlled by the Board of Directors.

Section 2. Number, Qualification, Election and Tenure.

- a. The number of Directors shall be three (3).
- b. The number of Directors shall be the number of Directors elected from time to time in accordance with these by-laws, as stated above. Directors must be Members of this association or residents of Heritage Hills Estates Subdivision. Directors shall be elected by the Voting Members at the annual meeting of Members and shall serve until the next succeeding annual meeting and until their successors have been elected and qualified.

Section 3. Annual Meetings.

The Board of Directors shall hold its annual meeting at the same place as and immediately following each annual meeting of Members for the purpose of the election of Officers and the transaction of such other business as may come before the meeting. If a majority of the Directors are present at the annual meeting of Members, no prior notice of the annual meeting of the Board of Directors shall be required. However, another place and time for such meeting may be fixed by written consent of all of the Directors.

Section 4. Regular Meetings.

Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall be determined from time to time by the Board of Directors.

Section 5 Special Meetings.

Special meetings of the Board of Directors may be called by the Chairman of the Board (if there is one), the President or any Director. The person or persons authorized to call special meetings of the Board of Directors may fix a reasonable time and place for holding them.

Section 6. Telephone Meetings.

Directors may participate in meetings of the Board of Directors by means of a conference telephone or similar communications equipment by which all persons participating can hear each other at the same time, and participation by such means shall constitute presence in person at such a meeting.

Section 7. Action Without Meeting.

Any action of the Board of Directors may be taken without a meeting if a consent in writing setting forth the action so taken signed by all of the Directors is filed in the minutes of the Board of Directors. Such consent shall have the same effect as a unanimous vote.

Section 8. Notice and Waiver.

Notice of any special meeting shall be given at least three (3) days prior thereto by written notice delivered personally, by mail or by telegram to each Director at his address. If mailed, such notice shall

be deemed to be delivered when deposited in the United States Mail with postage prepaid. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of any meeting, either before, at, or after such meeting by signing a waiver of notice. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting and a waiver of any and all objections to the place of such meeting or the manner in which it has been called or convened, except when a Director states at the beginning of the meeting any objection to the transaction of business because the meeting is not lawfully called or convened.

Section 9. Quorum and Voting.

A majority of Directors in office shall constitute a quorum for the transaction of business. The vote of a majority of Director present at a meeting at which a quorum is present shall constitute the action of the Board of Directors. If less than a quorum is present, then a majority of those Directors present may adjourn the meeting from time to time without notice until a quorum is present.

Section 10 Vacancies.

Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors even though it is less than a quorum of the Board of Directors, unless otherwise provided by law or the Articles of Incorporation. A Director elected to fill a vacancy shall hold office only until the next election of Directors by the Members. Any directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting of Members called for that purpose.

Section 11. Removal.

At any meeting of Members called expressly for that purpose, any Director or Directors may be removed from office, with or without cause, by majority vote of the Voting Members present at the meeting. New Directors may be elected by the Members for the unexpired terms of Directors removed from office at the same meetings at which such removals are voted. If the Members fail to elect persons to fill the unexpired terms of removed Directors, and if the Members did not intend to decrease the number of Directors to serve on the Board, then the vacancies unfilled shall be filled in accordance with provisions in these By-laws for vacancies. The members shall not have the right to remove Directors appointed by White Lake Heritage Hills, a Michigan Co-Partnership, as provided herein before in Article IV Section 2.

Section 12. Presumption of Assent.

A Director of the Association who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless he voted against such action or abstains from voting because of an asserted conflict of interest.

Section 13. Salaries.

No salary shall be paid to any Director.

ARTICLE V

OFFICERS

Section 1. Officers.

The officers of this Association shall be that of a President, Vice President, Secretary and Treasurer,

each of whom shall be elected by the Board of Directors. A Chairman of the Board, additional Vice Presidents, and such other Officers and assistant Officers as may be deemed appropriate, may be elected by the Board of Directors from time to time. Any two or more offices may be held by the same person. A failure to elect a President, Vice President, Secretary or Treasurer shall not affect the existence of the Association. The Officers duties shall be in accordance with the delegation of same as set forth below.

Section 2. Election and Term of Office.

The Officers of the Association shall be elected annually by the Board of Directors at its meeting after each annual meeting of Members. If the election of Officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each Officer shall hold office until his successor shall have been duly elected, or until his death, or until he shall resign or shall have been removed in the manner hereinafter provided.

Section 3. Removal.

Any Officer may be removed from office at any time, with or without cause, on the affirmative vote of a majority of the Board of Directors whenever, in its judgment, the best interests of the Association will be served thereby. Removal shall be without prejudice to any contract rights of the person so removed, but election of an officer shall not of itself create contract rights.

Section 4 Vacancies.

Vacancies in offices, however occasioned, may be filled at any time by election by the Board of Directors for the unexpired terms of such offices.

Section 5 Officers.

- a. Chairman of the Board or the President if there is no Chairman of the Board, shall be the Chief Executive Officer of the corporation and shall preside at all meetings of the membership and all meetings of the Board of Directors and shall have general and active management of the business of the corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. He shall have the power and authority to execute on behalf of the corporation all instruments requiring such execution except to the extent that signing and execution shall be expressly delegated by the Board of Directors to such other Officer or agent of the corporation.
- b. Vice-President. The Vice-President shall act under the direction of the President, and in the absence or disability of the President, shall perform the duties and exercise the powers of the President. He shall also perform such other duties and such other powers as the Board of Directors may from time to time prescribe. In the event there shall be more than one Vice-President, the Board of Directors will designate the order of seniority of the Vice-President and in such case the duties and powers of the President shall descend to the Vice-presidents in such specified order of seniority.
- c. The Secretary. The Secretary shall act under the direction of the President and subject to such direction. He shall attend all meetings of the membership and all meetings of the Board of Directors and record all proceedings thereof and shall perform like duties for any meeting involving the membership or the Officers or the Board of Directors when requested. He shall give or cause to be given notice of all meetings where these by-laws require notice and shall perform such other duties as may be prescribed by the President and the Board of Directors.
- d. Assistant Secretaries. The Assistant Secretaries, if any there be, shall perform the

duties and exercise the powers of the Secretary in the absence or disability of the Secretary and shall perform such other duties and have such other powers as the President or the Board of Directors may from time to time prescribe.

- e. The Treasurer. The Treasurer shall act under the direction of the President, and subject to such direction and shall have the custody of all corporate funds and securities and shall keep or cause to be kept, full and accurate accounts of receipts and disbursements in the books of account of the corporation. He shall deposit all moneys and valuable effects of the corporation in the name and to the credit of the corporation in such depository as may be designated for such purpose by the Board of Directors. He shall disburse the funds of the corporation as may be ordered by the President or the Board of Directors and shall render to the President and to the Board of Directors and to the membership, when requested or required, an account of all his transactions as Treasurer and the financial condition of the corporation.
- f. Assistant Treasurer. The Assistant Treasurer, if any there be, shall perform the duties and exercise the powers of the Treasurer in the absence or disability of the Treasurer and shall perform such other duties and have such other powers as the President or Board of Directors may from time to time prescribe.
- g. Delegation of Duties. In case of the absence of any Officer of the corporation, or for any other reason that the Board may deem sufficient, the Board may delegate for the time being the powers or duties, or any of them of such Officer to any other Officer, or to any Director, provided a majority of the entire Board concurs therein.

Section 6. Salaries. No salary shall be paid to the Officers or the Board Members for their services.

Section 7. Delegation of Duties.

In the absence or disability of any Officer of the Association or for any other reason deemed sufficient by the Board of Directors, the Board may delegate his powers or duties to any other Officer or to any other Director.

ARTICLE VI **EXECUTIVE AND OTHER COMMITTEES**

Section 1. Creation of Committees.

The Board of Directors may, by resolution passed by a majority of the whole Board, designate an Executive Committee and one or more other committees.

Section 2. Executive Committee.

The Executive Committee (if there is one) shall consult with and advise the Officers of the Association in the management of its affairs and shall have and may exercise, to the extent provided in the resolution of the Board of Directors as can be lawfully delegated by the Board.

Section 3. Other Committees.

Such other committees shall have such functions and may exercise such power of the Board of Directors as can be lawfully delegated and to the extent provided in the resolution or resolutions creating such committee or committees.

Section 4. Meetings.

Regular meetings of the Executive committee and other committees may be held without notice at such time and at such place as shall from time to time be determined by the Executive Committee or such other committees, and special meetings of the Executive Committee or such other committees may be called by any Member thereof upon two (2) days notice to the other Members of such committee or on such shorter notice as may be agreed to in writing by each of the other Members of such committee, given either personally or in the manner provided in these by-laws pertaining to notice for Directors ' meetings.

Section 5. Vacancies.

Vacancies on the Executive Committee or on other committees shall be filled by the Board of Directors then in office at any regular or special meeting of the Board of Directors.

Section 6. Quorum.

At all meetings of the Executive Committee or other committees, a majority of the committee's Members then in office shall constitute a quorum for the transaction of business.

Section 7. Manner of Acting.

The acts of a majority of the Members of the Executive Committee or ;other committees present at any meeting at which there is a quorum shall be the act of such committee.

Section 8. Minutes.

The Executive Committee (if there is one) and the other committees shall keep regular minutes of their proceedings and report the same to the Board of Directors when required.

ARTICLE VII
BOOKS, RECORDS AND REPORTS

Section 1 Report to Members.

The Association shall send an annual report to the Members of the Association not later than four months after the close of each fiscal year of the Association. Such report shall include a balance sheet as of the close of the fiscal year of the Association and a revenue and disbursement statement for the year ending on such closing date. Such financial statements shall be prepared from and in accordance with the books of the Association.

Section 2. Inspection of Corporate Records.

Any person who is a Voting Member of the Association shall have the right, for any proper purpose and at any reasonable time, on written demand stating the purpose thereof, to examine and make copies from the relevant books and records of accounts, minutes, and records of the Association, Upon the written request of any Voting Member, the Association shall mail to such Member a copy of the most recent balance sheet and revenue and disbursement statement. If such request is received by the Association

before such financial statements are available for its last fiscal year, the Association shall mail such financial statements for its last fiscal year, the Association shall mail such financial statements as soon as they become available. In any event, the financial statements must be mailed within four months after the close of the last fiscal year.

ARTICLE VIII

ASSESSMENTS

Section 1. Annual Maintenance Fund.

Each lot except those owned by White Lake Heritage Hills, a Michigan Co-Partnership, shall be assessed annual dues of Seventy five and no/100ths (\$75.00) dollars which shall be due and payable by the Member owning said lot commencing January 1, 1991. Adjustments in the charges may be made from year to year by the Board of Directors as the needs of the subdivision property in their judgment may require, but in no event shall such charge be raised over twenty (20%) percent per year per lot except by the approval of the Owners of seventy five (75%) percent of the lots in the subdivision which approval shall make any and all such additional assessments binding upon all of the Owners of all lots in said subdivision. However, those original owners who have purchased the lots for the sole purpose of building homes for sale to homeowners shall not be assessed annual dues until construction of a home has commenced on the lot.

Section 2. Special Assessments.

The corporation, through the affirmative vote of two-thirds of the Members, may fix and levy special assessments upon the Members as and if the same is required from time to time.

Section 3. Equality of Assessments.

Any and all assessments, which any Member shall be required to pay, shall be assessed against each voting Member in an equal sum of money and not otherwise.

Section 4. Limitations.

For the purpose of assessments only, all persons holding joint ownership of a single lot within the several subdivisions shall be considered as a single Member.

Section 5. Enforcement.

All annual and special assessments shall be and become a lien and an encumbrance upon the lot of each Member as of the due date of such assessment and shall remain such until paid.

- a. Any Member who shall be twenty-one (21) or more days in default in the payment of any annual or special assessment shall automatically lose all voting rights at any meeting of this association and shall not hold any office in this association until such time as all assessments are paid current.
- b. The association shall have the power and right in its own name, to take and prosecute all actions which the Board of Directors may deem necessary or appropriate for the collection of unpaid assessments and may take such other and

further action as it may deem proper and appropriate to enforce the payment as assessments.

- c. A charge of \$100.00 will be charge to any member that the association has to issue a “Discharge of Lien” document. This charge is in addition to any and all other costs incurred by the member for the issuance of the lien.

If the member pays the cost of the lien and the Discharge of Lien with a check, the Association will not process the Discharged of Lien until the check clears the bank or financial institution. The member must give the association at least two (20) business days notice to get the Discharge of Lien completed. Only a member of the Board of Directors for the Association is authorized to issue a Discharged of Lien.

- d. If a member of the Association writes a check to the Association anit is returned to the Association by the Association’s bank for any reason, a charge of \$50.00 will be charged to that member.

Section 6. New Members - First Year Assessments.

Upon becoming a new Member subject to Section 4 of this Article, such new Member shall pay dues for the current year within thirty (30) days of becoming a Member, based upon the following schedule:

January through June	100% of the Assessment
July through September	40% of the Assessment
October through December	25% of the Assessment

Section 7. Termination During Year.

No rebate for current dues shall be made by the Association to any Member whose membership terminates during the year.

Section 8. Use of Dues and Assessments by Association.

The moneys derived from annual dues and assessments shall be used, in accordance with the specific purposes of the Association as set forth in Article II, Section 1, for the expenses of operating the Association and for such other expenses and costs reasonably necessary or incidental to the purposes herein expressed.

The use of annual assessment moneys shall be subject to the control of the Board of Directors.

Moneys derived from special assessments shall be subject to the control of the Board of Directors and shall be limited to the specific purpose for which this special assessment was made.

Section 9. Budget.

The Board of Directors must submit an annual budget to the membership for their approval at the annual membership meeting.

All paragraphs of this section are subject to Article II, Section 1.

ARTICLE IX

NONPROFIT OPERATION

The Association will not have or issue shares of stock. No dividends will be paid. No part of the income or assets of the Association will be distributed to its Members, Directors or Officers without full consideration. The Association may contract in due course with its Members, Directors and Officers without violating this provision.

ARTICLE X

INDEMNIFICATION

The corporation shall indemnify any person, to the fullest extent permitted by Michigan law, against all judgments, payments in settlement, fines and other reasonable cost and expenses (including attorney fees) incurred by such person in connection with the defense of any action, suit, or proceeding, which is brought or threatened in which such person is a party or is otherwise involved because he or she was or is a Director or Officer of the corporation or any affiliate. This right of indemnification shall continue as to a person who ceases to be a Director or Officer, and shall inure to the benefit of the heirs, personal representatives, and administrators of that person.

A Director of the corporation shall not be personally liable to the corporation or its shareholders for monetary damages for a breach of fiduciary duty as a Director, except for liability:

1. For any breach of the Director's duty of loyalty to the corporation or its shareholders;
2. For acts or omissions not in good faith or that involve intentional misconduct or knowing violation of law;
3. For a violation of Section 551(1) of the Michigan Business Corporation Act;
4. For any transaction from which the Director derived an improper personal benefit; and
5. For any acts or omissions occurring before the date this Article is filed by the Michigan Department of Commerce.

If, after the adoption of this Article by the shareholders of the corporation, the Michigan Business Corporation Act is hereafter amended to further eliminate or limit the liability of a Director, then a Director of the corporation (in addition to the circumstances in which a Director is not personally liable as set forth in the preceding paragraph) shall not be liable to the corporation or its shareholders to the fullest extent permitted by the Michigan Business Corporation Act, as so amended.

Any repeal or modification of this Article by the shareholders of the corporation shall not adversely affect any right or protection of a Director of the corporation existing at the time of such repeal or modification.

ARTICLE XI

GUIDELINES

Section 1. Fence Guidelines.

All fences must be approved by the Architectural Oversight Committee. This Committee will follow the "Fencing Guidelines", dated November 22, 1999, in approving or denying all requests for fences. All homeowners are required to sign: 1) the "Fencing Contract", dated November 22, 1999; 2) the "Fencing Guidelines" and 3) a copy of their fencing plan before beginning any construction.

Section 2. Pool Guidelines.

All pools must be approved by the Architectural Oversight Committee. This Committee will follow the "Pool Guidelines" dated 2001, in approving or denying all requests for pools. All homeowners are required to sign and date a copy of their pool plan. The pool plan must be signed by the Architectural Oversight Committee as "Approved" and dated before beginning any construction.

Section 3. Sign.

Amended December 11, 2018 to include the use of signs for Association events.

Other than signs used for promotional purposes during development and construction, and temporary signs posted by the Association for the purpose of informing members about upcoming HHHOA meetings and events, no sign shall be displayed to the public view on any lot except one sign not more than six (6) square feet used to advertise property for sale or rent and such signs shall be maintained in good condition and shall be promptly removed upon termination of use.

ARTICLE XI

AMENDMENTS

These by-laws may be altered, amended or replaced and new by-laws may be adopted by the Board of Directors; provided that any by-laws or amendments thereto as adopted by the Board of Directors may be altered, amended or repealed by vote of the Members, or a new by-laws in lieu thereof may be adopted by the Members, PROVIDED, HOWEVER, that these by-laws cannot be amended by the Members to change the right of White Lake Heritage Hills to appoint the members of the Board of Directors until ninety (90%) percent of the lots in the subdivision are sold, or any other provisions of these by-laws affecting White Lake Heritage Hills. No by-laws which has been altered, amended, repealed or adopted by such a vote of the Members may be altered, amended or repealed by a vote of the Board of Directors for a period of two (2) years after the action of the Members.

B U I L D I N G A N D U S E R E S T R I C T I O N
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HERITAGE HILLS ESTATES SUBDIVISION

HERITAGE HILLS ESTATES. A subdivision of part of the S.W. 1/4 of Section 25 and part of the N.W. 1/4 of Section 36 White Lake Township, T.3 N.;

R. 8 E., Oakland County, Michigan

Described as beginning at the S 1/4 corner of said Section 25 thence S 00 deg. 03 ' 44", E 805 .00 feet thence N 62 deg. 40 ' 55", W 455 .08 feet;
thence S 56 deg. 01 ' 45° W 280.00 feet thence N 87 deg. 27 ' 55" W 462.35 feet ; thence S 00 deg. . 01' 36" E 95 .52 feet thence on a curve to the right (Radius • 260 .01 feet , long chord bears S 26 deg. 33 ' 35" W 232 .73 feet) a distance of 241.30 feet thence S 53 deg. 08 ' 46" W 102.65 feet to the centerline of Union Lake Road thence N 43 deg. 16 ' 29" W 71 .15 feet along said center line thence N 00 deg. 01 ' 36" W 1061.95 feet to the S.E. corner of the S.W. 1/4 of the S.W. 1/4 of said Section 25 thence N 00 deg. 23 ' 34" W 1949.99 feet thence N 00 deg. 23 ' 18" W 320.32 feet to the S.W. corner of Sierra Heights No. 2 Subdivision as recorded in Liber 204 on Pages 31-35 of Oakland County Records thence N 89 deg. 47 ' 26" E 1333.67 feet along the south line of said Sierra Heights No. 2 and the south line of Colony Heights No. 3 subdivision as recorded in Liber 141 on Pages 4 and 5, Oakland County Records -thence S 00 deg. 08 ' 59" E 2286.89 feet to the point of beginning .

Containing 93.172 acres more or less,

This plat contains 160 lots numbered 1-160 both inclusive

The plat hereof having heretofore been recorded in 207, Page Liber

(s) 23, 24, 25 & 26 , Oakland County Records; and

—

WHEREAS it is the intent and purpose of White Lake Heritage Hills and all other parties of interest to subject the above described lots to certain uniform building and use restrictions and certain other conditions, obligations, reservations, rights , powers and charges as are hereinafter set forth .

NOW ,THEREFORE: It is declared that to the end that the above described lots may develop into a fine residential community, the following restrictions shall constitute the general plan for the improvement and development of said subdivision and same shall become, be and remain binding on all of said lots and upon all Present and future owners and occupants of said lots and their respective heirs, successors, administrators, personal representatives and assigns .

1. **LAND USE.** All numbered lots in the subdivision shall be known, described and used as residential lots. No permanent structure

Maintained or permitted to remain on any lot except when same shall be a single family dwelling and a private garage for not less than two (2) nor more than three (3) automobiles, which said garage shall conform to the architectural design of the residence and attached thereto with a concrete drive to service the size garage to be constructed (minimum of 2 car widths) and such other buildings and auxiliary structures as may be consistent with or incidental to the specific use of the lots as herein established. No structure of a temporary character, no trailer, basement, tent, shack, garage, barn or similar building shall be used as a residence either temporarily or permanently. No temporary building shall be permitted to remain on any lot except insofar as same may be necessary or incidental to the promotion and sale of the several lots or necessary or incidental to the construction of a permitted structure.

2. **LOT SIZE.** No lot shall be reduced in size. Lots may be enlarged by consolidation of adjoining lots providing consolidated lots are under single ownership. In the event lots are consolidated, the consolidated lot shall be used for a single family residential dwelling and all of the restrictions herein contained shall apply to consolidated lots as if same had not been consolidated.

3. **SET-BACK RESTRICTIONS.** No portion of any residential building shall be located less than 35 feet back from the front lot line of any lot nor less than 35 feet forward from the rear lot line of any lot unless such rear lot line shall abut an out lot. The total of the two(2) side yard set-backs shall be at least 30 feet and no one side shall be less than 15 feet from the adjacent side lot line. Notwithstanding the foregoing and in the event of any dispute or ambiguity, set-back restrictions shall be determined by the applicable zoning ordinance of the Township of White Lake in effect at the time the building permit for the structure is applied for. The within set-back restrictions also may be modified, as to any given lot or lots, through official action taken by the White Lake Township Board of Zoning Appeals.

4. **MINIMUM TOTAL FLOOR AREA.** No single story home shall have a total floor area of less than 1600 square feet. No two story home shall have a total floor area of less than 2,000 square feet and shall have a minimum of

1,050 square feet on the first or main floor. Any home which shall be architecturally classified as a "Multi level" home (other than a two story home) shall have no single (1) floor as herein described, with an area of less than 500 square feet, provided, however, that Multi level homes shall have no less than 2,000 total square feet. The term "floor area" as herein used shall mean that area finished and intended for full year usage and shall not include open or screened porches, patios, breezeways or garages. In all other instances the final interpretation of the term "floor area" shall in the event of a dispute, be vested solely and irrevocably in the Grantor or its duly authorized representative.

5. **PLAN APPROVAL**. No lot may be graded or cleared nor any construction of any kind whatsoever commenced nor any building or other structure of any kind erected on any lot nor shall any addition, alternation, or change be made affecting any exterior portion of any existing building or structure until the same is approved in writing by the Grantor or its duly authorized agent. Such approval may be obtained only by prior submission, in duplicate, of 1) the proposed grading plan, including the surface drainage plan , 2) complete building plans and specifications, and 3) the proposed elevation .

Within fifteen (15) days from and after receipt of all of the foregoing documentation, the Grantor will, in writing, approve or disapprove the submission in full or in part. In the event of a dispute, the determination of the Grantor in approving or rejecting all or any part of the submitted material shall be absolute and final.

6 . Any or all of the rights , powers and obligations, title , easements and estates reserved or given in this agreement may be assigned to a corporation or association to be known as "Heritage Hills Estates Subdivision Association" and referred to hereinafter as the Association. Such Association, if a Corporation, shall be organized as a non-profit corporation for a perpetual term under the laws of the State of Michigan Such Association shall be incorporated prior to the sale of any of the lots in "Heritage Hills Estates Subdivision". but in any event , within ninety (90) days following the recording of the final plat of "Heritage Hills Estates Subdivision". The By-Laws of the Association shall provide for a Board of Directors of not less than three (3) members nor more than eight (8) members , provided that such Board of Directors may be appointed by the signatories until such time as ninety (90%) percent of the residential lots in said "Heritage Hills Estates Subdivision" shall have been sold. Thereafter the Board of Directors shall be elected by the lot owners.

The Association shall agree to assume all the rights, powers, duties and obligations set forth herein and carry out and perform the same, and assignment or transfer of such rights , powers , duties and obligations shall be made by appropriate instrument in writing , which the assignee or transferee shall join for the purpose of evidencing its consent to acceptance thereof . and such assignee or transferee shall thereupon have such rights, powers, duties and obligations and be subject to the obligations and duties herein described . Such corporation or association , when formed , may , by a majority vote , combine with any other corporation or association of owners of lots in any other adjacent subdivision, and the resultant corporation. or association shall have all of the rights, powers, duties and obligations hereby given to the corporation or association first described in this paragraph.

The Association shall be subject to and comply with , the terms of a certain agreement heretofore entered into by and between Grantor , as Developer, and the Township of White Lake , a Municipal corporation , of the State of Michigan on the 14th day of February, 1989 , entitled "Agreement for Maintenance of "Water Retention Basin" , which agreement was heretofore recorded on August 4, 1989, in Liber

11008, page 804 in County Records, such recording constituting notice thereof to all purchasers.

The Association shall provide a policy of Liability Insurance coverage for an amount of One Million (\$1,000,000 .00) Dollars or more, and said policy shall name the White Lake Heritage Hills, a Michigan Co-Partnership, as an additional named insured.

7. MAINTENANCE FUNDS. All lots in this subdivision unless owned by the Grantor, shall be subject to an annual maintenance charge in an amount of not less than Twenty Five and no/100ths (\$25 .00) Dollars and not more than Seventy Five a

no/100ths (\$ 75.00)Dollars, the exact amount and method of payment to be determined by Grantor, or its successor or assigns, and continuing thereafter for the purpose of creating a fund to be used for the following purposes.

(a) For planting trees and shrubbery and caring for same.

(b) For weed control, cutting, spraying, etc.

(c) For constructing, purchasing or
maintaining any community service.

(d) For any other purpose necessary or advisable in the opinion of the Grantor, or its successors or assigns, for keeping the property of
the subdivision in good
order.

(e) For expenses necessary or incident to the examination of
plans as herein provided.

(f) For the enforcement of the building restrictions, conditions, obligations, reservations, rights, power and/or charges contained herein.

(g) For the property maintenance, care and beautification of the water retention basin in such subdivision all of which shall be in accordance with the "Agreement for Maintenance of Water Retention Basin", hereinbefore identified. A separate designation of funds may be stated for this purpose and will be payable to Grantor until such time as the responsibility therefor has been other designated. The payments herein provided and as from time charged shall be binding commitments relative to each and every landowner in Heritage Hill Estates Subdivision and as to any amount unpaid within a period designated for said payment, such amount shall become a lien on the properties of the delinquent party recordable as such and such liens shall have the rights and limitations as provided by the laws of the State of Michigan relative to enforcement of lien rights. Payments to the maintenance fund and other funds as hereinbefore provided, shall be made to Grantor, or its successors or assigns, according to the intentions above specifically designated, in the amounts from time to time determined within such time as may be designated by said organizations.

(h) Payments to the maintenance fund shall be made to the Heritage Hills Estates Subdivision Association at such time as the authority and responsibility is bestowed in said Association.

(i) Adjustments in the charges may be made from year to year by the responsible organization to whom said rights have been assigned by the Grantor, as the needs of the property in their judgment may require, but in no event shall such charge be raised over ten (10%) percent per year per lot except by the approval and written consent of the owners of seventy-five (75%) percent of the lots in the subdivision, which approval and written consent shall make any and all such additional assessments binding upon all of the owners of all lots in said subdivision.

(j). It is expressly agreed that the maintenance fund charges referred to herein, which will be liens if not paid, include any expenses incurred in removing or completing any building in accordance with the preceding paragraphs and apply to vacant or improved property. Any such lien shall be enforceable by the Grantor, the Association or their successors or assigns and if not so enforced may be enforced by

the Township of White Lake, or its successors . The provisions relative to the maintenance fund in so far as they relate to the annual charge and obligations of the lot owner to make payment therefor shall at all times be subordinate to any mortgage that might be placed upon the property owned by any property owner in the subdivision .

(k) It is expressly agreed that by the acceptance of title of any of the lots from the owner (mortgagee excepted as long as he is not the owner) from the time of acquiring title thereto shall be held to have covenanted and agreed to pay the Grantor, or those to whom said rights have been assigned by the Grantor , all charges provided for herein which were then due and unpaid to the times of his acquiring the title and all charges thereafter coming due during the ownership of the property . A certificate in writing signed by the Grantor , or the successors or assigns , shall be given upon demand to the owner liable for said charges . This certificate shall set forth the status of such charges and shall be binding upon the said parties.

8 . BASEMENTS .All single or two story dwellings erected in the subdivision shall be erected on a basement which meets the state, county, city and municipal requirements. All Multi level homes need not be erected on a basement, but would require a subterranean floor (one level below or partially below grade level) .

9 . LANDSCAPING. Every dwelling is required to complete their landscaping by seeding or sodding an established lawn and other vegetation within six (6) months after the date of occupancy . Each owner is left to their own design for landscaping, but, the landscaping design must be in keeping with the aesthetic appearance of the subdivision as a whole .

10. TRASH REMOVAL . There shall be only one company servicing the removal of trash / rubbish within the subdivision. The company shall be designated each year by the Association and each occupied lot shall pay the established charge under the contract . In the alternative, the Township of White Lake may establish a special assessment tax district for the purpose of providing trash / rubbish removal. The charge assessed per lot by the Township shall, when not paid become a lien on the property. PROVIDED , HOWEVER , that the Association can, if allowed by law , retain or regain the right to establish the contract for the removal of trash / rubbish provided it shall be done by only one company.

11. SEWAGE. All dwellings shall be served by a sewage disposal system.
During the initial development of the subdivision, private
septic tanks and
drainfields constructed in compliance with the regulations of the Oakland
County Health Department and with applicable
Michigan Department of Public Health
Regulations may be installed. All toilet facilities must be located
inside a
dwelling.

12, WATER. All dwellings shall be served by the community water system now installed. All charges for connecting to the system and water usage charges, as from time to time established , are to be paid by each lot owner . Further, it may be

necessary and Residents may install water softening or treatment systems if
they
shall deem it desirable, due to aesthetic quality- as demonstrated by iron
and ;
hardness parameters.
DIV

OAKLAND COUNTY HEALTH

1200N. Telegraph Road
Pontiac MI 48053

13. **FUTURE SEWAGE SYSTEMS.** At such time subsequent to the initial development, it may be necessary to construct a sewage disposal system. The construction of such public system may be financed, in whole or in part, by the creation of a special assessment district or districts which may include all original lots. The acceptance of a conveyance or the execution of a land contract by any owner or purchaser shall constitute the agreement by such owner or purchaser, his heirs, executors, administrators and assigns that such owner or purchaser will execute any petition circulated for the purpose of creating such a special assessment district. Further, each owner will pay such special assessments as may be levied against his lot by such special assessment district and shall take the necessary steps as required by the appropriate state, county and township agencies to connect, at his expense, the owner's sewage discharge facilities to such community system within ninety (90) days following the completion of said system.

14. **GRADE AND DRAINAGE PLAN.** The grade and drainage plan established and approved by the Grantor for each individual lot in the subdivision may not be altered, changed or modified in any way whatsoever without the prior written consent of the Grantor or its duly authorized representative. It is to be understood that this provision is established not only for the purpose of maintaining a physically attractive and aesthetically pleasing area but also to prevent improper or damaging flow or discharge of surface water from one area within the subdivision to another.

15. **FENCES.** No fence or wall of any kind whatsoever may be erected, built or constructed on any lot or on any lot line without the prior written approval of Grantor or its designated agent. The withholding of permission to construct fences shall be the absolute right of Grantor or its designated agent, subject only to overriding fencing requirements established by the Township of White Lake. The erection, construction or building of any wall or fence without such prior written approval shall in no circumstances be deemed a waiver or abrogation of the restrictions by this paragraph provided.

16. **SPECIAL EASEMENTS.** Private easements for public utilities (which include restrictions on the use of land) have been granted to the private and public utility companies servicing the area. Each lot in the subdivision will be conveyed subject to such restrictions, which appear as a matter of public record either on the recorded plat or as a part of recorded agreements or both.

17. **NUISANCES.** No noxious or offensive activity shall be carried on or permitted upon any lot or upon the outlot, nor shall any act be done or permitted within the subdivision which is or may be an annoyance or a nuisance to adjacent or other owners, and all owners within the subdivision shall strictly conform to any and all regulations of each and every governmental agency having jurisdiction thereover.

, 18. **SIGNS.** Other than signs used for promotional purposes during development and construction, no sign shall be displayed to the public view on any lot except one sign not more than six (6) square feet used to advertise property for sale or rent and such signs shall be maintained in good condition and shall be promptly removed upon termination of use.

19 . ANIMALS . No animals shall be kept or maintained on any lot , excepting household pets for use by the owners , his lessee or guests , and members of his family in residence . No animals shall be kept on the premises for any commercial purpose. Household pets shall have such care and tending by their owners as will prevent them from being obnoxious or offensive on account of noise , odor , or unsanitary conditions.

20. REFUSE . No lot shall be used or maintained as a collection area or dumping ground for rubbish or debris of any kind , except for such materials as are necessary for and used in the course of construction . Trash and other forms of waste shall be kept in sanitary containers and concealed from public view.

21. TRAILERS AND COMMERCIAL VEHICLES . No trailer, camper, truck or commercial vehicle shall remain parked on any street or side drive within the subdivision except when present on business, and then only for such period of time as is reasonably necessary .

22, SANITARY SEWERS .
No
permitted to remain on any lot
sewer system servicing the
lots

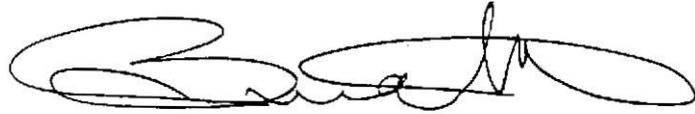
structure shall be
erected, placed or
maintained or except when
same shall be connected
to the sanitary
in the platted subdivision (if available) .

23. GENERAL CONDITIONS .

OAKLAND COUNTY
HEALTH

1200 N. Telegraph Road
Pontiac, MI 48053

instrument was signed in
·behalf of said Co-partnership by authority of its articles of agreement; and
the said partner acknowledged the said instrument to be the free act and deed of said
Co-partnership.



BRIAN H. HERSKOV'S Notary Public
OAKLAND County, Michigan

My Commission expires: 3/2/89

STATE OF MICHIGAN

) ss.

COUNTY OF OAKLAND

On this **14th** day of February, A.D., 1989, before me
appeared Leonard Shaddach, who, being by me personally sworn did say that he is a
duy of White Lake Heritage Bills, and that partner instrument was signed in
the said behalf of

said Co-partnership by authority of its articles of agreement; and the said partner acknowledged the said instrument to be the free act and deed of said co- partnership.

My Commission expires: Notary Public
County, Michigan
3/28/1989

STATE OF MICHIGAN) ss.
COUNTY OF OAKLAND)

On this 14TH day of February , A .D., 1989, before me personally appeared William M. Fahl, who, being sworn did say that he is a partner of White Lake Heritage Hills, and that the said instrument was signed in behalf of said Co-partnership by authority of its articles of agreement; and the said partner acknowledged the said instrument to be the free act and deed of said co-partnership.

Notary
Public
County,
Michigan

My Commission expires: -3/28/89

Drafted by: David J. Wood
37000 Grand River Avenue,
Suite 190 Farmington Hills,
MI 48024

WHEN RECORDED, RETURN TO: {'
David J Wood

~~37000 GRAND RIVER AVE. STE 190
FARMINGTON HILLS, MI 48024~~

