

BY-LAWS
OF
OAK RIVER SUBDIVISION ASSOCIATION

ARTICLE I
NAME AND LOCATION

The name of this corporation is Oak River Subdivision Association, hereinafter referred to as the "Association". The principal office of the Association shall be located at 2900 West Maple Road, Troy, Michigan 48084, but meetings of members and directors may be held at such places within the State of Michigan as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to Oak River Subdivision Association, a Michigan Non-Profit Corporation, its successors and assigns.

Section 2. The "Subdivision" shall mean and refer to that certain real property described as:

Lots 1 through 87 inclusive of Oak River Subdivision No. 1, of part of the Northeast 1/4 of Section 18, T. 2 N., R. 11 E., City of Troy, Oakland County, Michigan, according to the plat thereof as recorded in Liber 171, pages 5 through 8 of Plats, Oakland County Records.

Section 3. "Common Area" shall mean those areas of land within the Subdivision (including the improvements thereto) now or hereafter owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot within the Subdivision is described as follows:

"Oak River Park", of Oak River Subdivision No. 1, according to the plat thereof as recorded in Liber 171, pages 5 through 8 of Plats, Oakland County Records and containing 5.469 acres of land, more or less.

Section 4. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is a part of the Subdivision and any future subdivisions hereafter annexed, or the land contract purchasers thereof, but excluding those having such interest merely as security for the performance of an obligation.

Section 5. "Lot" shall mean and refer to any numbered lot shown upon the recorded plat of the Subdivision and any future subdivisions hereafter annexed.

Section 6. "Declaration" shall mean and refer to the Declaration of Restrictions applicable to the plat of the Subdivision recorded in the Office of the Oakland County Register of Deeds, State of Michigan.

Section 7. "Member" shall mean and refer to those persons entitled to membership in this Association, as provided in the Declaration.

Section 8. "Declarant" shall mean and refer to the Developer, who has executed and caused to be recorded the Declaration, said developer being Biltmore Properties Company, a Michigan Co-Partnership, its successors and assigns.

ARTICLE III PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment.

The right and easement of enjoyment of each Owner in and to the Common Area shall be subject to the following prior rights of the Association:

a. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

b. The right of the Association to suspend the voting rights and right to use the Common Area by an Owner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

c. The right of the Association to grant easements, dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication, grant or transfer shall be effective unless an instrument agreeing to such dedication, grant or transfer signed by two-thirds (2/3rds) of the members has been recorded.

d. The right of the Association to levy assessments, as set forth in Article V, below.

Section 2. Delegation of Use.

Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or purchasers who reside on his lot.

Section 3. Reservation of Easements.

Declarant reserves the right, without the consent of the Association or any of its members, to increase or reduce the size of the Common Area or to grant easements

through it for the purpose of causing the installation of any utility lines, television cable, drainage facilities or any other improvements which would serve the residents of the Pubdivision.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a lot shall be a mandatory member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a lot.

Section 2. All members shall be entitled to one vote for each lot owned. When more than one person holds an interest in a lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves shall determine, but in no event shall more than one vote be cast with respect to any one lot.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of a lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual general assessments or charges, and (2) special assessments for capital improvements. Such assessments shall be established and collected as hereinafter provided. The general and special assessments, together with interest thereon, collection costs, including reasonable attorney's fees, shall be a charge on the lot and shall be a continuing lien upon the lot against which each such assessment is made. Each such assessment, together with interest thereon, costs of collection thereof, including reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such lot at the time the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. The obligation of Declarant and each builder who has purchased one or more lots for construction of residences thereon for sale to Owners is separately set forth in Section 6 of this Article.

Section 2. Purpose of Assessments.

The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in The Subdivision and future subdivisions hereafter annexed, and in particular for the improvement and maintenance of the Common Area now or hereafter owned by the Association, and facilities thereon, the storm water retention areas and other property under the control of the Association,

including all subdivision entrances; for planting and maintenance of trees, shrubs and grass; for construction, operation and maintenance of recreational facilities; for caring for vacant lots; for providing community services; and for the protection of the Owners.

Section 3. Maximum Annual Assessment.

Until January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment shall be Twenty-Four Dollars (\$24.00) per lot.

a. From and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment may be increased each year not more than five percent (5%) above the maximum assessment for the previous year without a vote of the members.

b. From and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment may be increased above five (5%) percent by a vote of two-thirds (2/3) of the members who are voting in person or by proxy, at a meeting duly called for that purpose.

Section 4. Special Assessments for Capital Improvements.

In addition to the annual assessments authorized above, the Association may levy against each Owner, in any assessment year, a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any improvement upon the Common Area and other areas under the control of the Association, including subdivision entrances, retention ponds, fixtures and personal property, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of members who are voting in person or by proxy at a meeting duly called for that purpose.

Section 5. Notice and Quorum for Actions Authorized Under Section 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 of this Article shall be sent to all members not less than 15 days nor more than 30 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty (60%) percent of the votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Rate of Assessment.

Both the general and the special assessments shall be set by the Board or Directors at a uniform rate for the Owners of all lots and may be collected on a monthly or an annual

basis. However, notwithstanding anything to the contrary contained herein or elsewhere in this Declaration, no assessment levied against the Declarant, or any builder who has purchased one or more lots for the purpose of constructing a residence on each lot for sale to an owner, shall exceed the sum of fifty cents (.50¢) per month for each full month each lot is owned or purchased on a land contract.

Section 7. Date of Commencement of Annual Assessments: Due Dates.

The annual assessments provided for herein shall commence as to all lots on the first day of the month following the conveyance of the first lot to an Owner. A conveyance to a builder who has purchased a lot for the purpose of constructing a residence thereon for sale to an Owner shall not be deemed to be a conveyance to an Owner. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association.

Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of seven (7%) percent per annum. The Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the lot. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his lot.

Section 9. Exempt Property.

All Common Area and all other property exempt from taxation by state or local governments and dedicated for public use shall be exempt from assessment, charge and lien created herein.

Section 10. Subordination of the Lien to Mortgages.

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien but not the obligation for payment of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall

relieve such lot from liability for any assessments becoming due after such sale or from the lien thereof.

Section 11. Failure to Maintain Storm Water Retention Basin.

In the event the Association shall at any time fail to maintain the storm water retention basin area, in reasonable order and condition, the City of Troy may serve written notice upon the Association or upon the Owners setting forth the manner in which the Association has failed to maintain the storm water retention area in a reasonable condition and said notice shall include a demand that deficiencies of maintenance be cured within ten (10) days thereof. If the deficiencies set forth in the notice, or in any modifications thereof, shall not be cured within said ten (10) days or any extension thereof, the City, in order to prevent the storm water retention basin from becoming a public nuisance, may enter upon said Common Area and maintain the retention basin until the Association is able to do so. Said maintenance by the City shall not constitute a taking of the retention area nor vest in the public any right to use the same. If the City shall reasonably determine that the Association is ready and able to maintain the storm water retention basin in a reasonable condition, the City shall cease to maintain it. The reasonable cost of such maintenance by the City shall be charged to the Association and, if not paid, assessed equally against each lot in Oak River Subdivision No. 1 and additional subdivisions, and shall become a lien on each lot, added to the tax rolls, and collected and enforced in a like manner as general City taxes are collected and enforced. In addition, the City shall be, at its option, subrogated to the Association's rights of collection from its members to the extent of that cost, if the City shall, by an official resolution, give thirty (30) days written notice to each association member of the City's decision to be so subrogated. However, should an emergency threatening the public health, safety and/or general welfare of the public be determined by the City to exist, the City shall have the right to take immediate corrective action.

ARTICLE VI

MEETINGS OF MEMBERS

Section 1. Annual Meetings.

The first annual meeting of the members shall be held on October 15, 1980, and each subsequent regular annual meeting of the members shall be held on the third Wednesday of October of each year thereafter. If the day for the annual meeting of the members is a legal holiday, the meeting will be held on the first day following which is not a legal holiday.

Section 2. Special Meetings.

Special meetings of the members may be called at any time by the president or by vote of the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes.

Section 3. Notice of Meetings.

Written notice of each meeting of the members shall be given by or at the direction of the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting, to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Each member shall register his address with the secretary and notices of meetings shall be mailed to him at such address. Such notice shall specify the place, day and hour of the meeting and in the case of a special meeting, the purpose of the meeting. If the business of any meeting shall involve any change in the basis or maximum amount of the annual assessment set forth in Article V of the Declaration, or any special assessments therein authorized, notice of such meeting shall be given or sent as therein provided.

Section 4. Quorum.

The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies.

At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

ARTICLE VII

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number.

The affairs of this Association shall be managed by a Board of nine (9) Directors who need not be members of the Association. Such Board of Directors may be appointed by the Declarant until the first annual meeting after forty (40%) percent of the residential lots in

the Subdivision have been sold to Owners. Thereafter the Board of Directors shall be elected by the Owners.

Section 2. Term of Office.

The first Board of Directors shall be appointed for staggered terms, three to serve for a term of one year, three to serve for a term of two years and three to serve for a term of three years; and at each annual meeting thereafter, the three Directors whose term of office has expired will be replaced either by appointment of the Declarant or vote of the members, as the case may be, to serve for a term of three years.

Section 3. Removal.

Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association.

Section 4. Vacancies.

Vacancies in the Board of Directors caused by death, resignation or removal of a director shall be filled by appointment by and upon the vote of a majority of the remaining directors, and each such director so appointed shall serve for the unexpired term of his predecessor.

Section 5. Compensation.

No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed in the amount of his actual expenses incurred in the performance of his duties in behalf of the Association.

Section 6. Action Taken Without a Meeting.

The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VIII

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination.

Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting

and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election.

Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to cast under the provisions of Article IV. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE IX
MEETINGS OF DIRECTORS

Section 1. Regular Meetings.

Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings.

Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum.

A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE X
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers.

The Board of Directors shall have power to:

- a. Adopt and publish rules and regulations governing the use of the Common Area and facilities and the personal conduct of the members and their guests thereon and to establish penalties for the infraction thereof;
- b. Suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of

any assessment levied by the Association. Such rights may also be suspended after notice and hearing for a period not to exceed thirty (30) days for infraction of the published rules and regulations;

c. Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

d. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

e. Employ a manager, an independent contractor, professional maintenance contractors or such other employees as they deem necessary and to prescribe their duties.

Section 2. Duties.

It shall be the duty of the Board of Directors to:

a. Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the members.

b. Supervise all officers, agents and employees of this Association, to see that their duties are properly performed;

c. As more fully provided in the Declaration, to:

(1) Fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period; and

(2) Send wirtten notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

d. Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

e. Procure and maintain adequate liability and hazard insurance on property owned by the Association;

f. Cause the Common Area to be improved, maintained and preserved as is more fully defined in the Declaration;

g. Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

h. To exercise for the Association all powers, duties and authority vested in or delegated to the Association.

ARTICLE XI OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers.

The officers of this Association shall be a president, any number of vice-presidents, who shall at all times be members of the Board of Directors, a secretary and a treasurer and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers.

The officers shall be elected to office annually by the Board of Directors by majority vote of the directors.

Section 3. Term.

The officers shall each hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments.

The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal.

Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies.

A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices

The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties.

The duties of the officers are as follows:

President

a. The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

b. The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

c. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses and shall perform such other duties as required by the Board.

Treasurer

d. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors, provided however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a certified public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures for presentation to the members at its regular annual meeting and deliver a copy of each to the members.

ARTICLE XII

COMMITTEES

The Association may appoint a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE XIII
BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XIV
PROXIES

Section 1. At all meetings of members, each member may vote in person or by proxy.

Section 2. All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond a period of eleven (11) months and every proxy shall automatically expire and be of no further effect upon sale by the member of his lot.

ARTICLE XV
CORPORATE SEAL

No seal shall be required to be adopted as the corporate seal of this Association for the regular conduct of its business. In the event a seal should be required for any transaction, then any blank corporate seal may be utilized as the seal for this Association.

ARTICLE XVI
AMENDMENTS


Section 1. These By-Laws may be amended at a regular or special meeting of the members by a vote of two-thirds (2/3rds) of the members present either in person or by proxy, provided that any matter stated herein to be or which is in fact governed by the Declaration of Restrictions applicable to the Subdivision and recorded, may not be amended except as provided in such Declaration of Restrictions.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration of Restrictions applicable to the Subdivision and these By-Laws, the Declaration of Restrictions shall control.

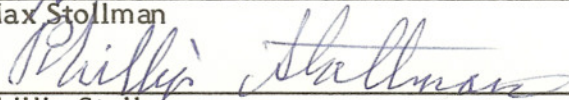
ARTICLE XVII
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we being all of the directors of the Oak River Subdivision Association have hereunto set our hands this 15th day of October, 1980.



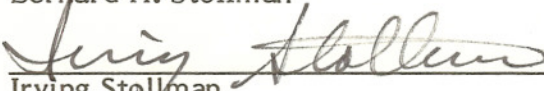
Max Stollman



Phillip Stollman




Bernard H. Stollman



Irving Stollman




Lorraine Rice



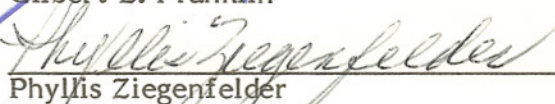
Abraham Ran



Carol Nelden



Gilbert L. Franklin



Phyllis Ziegenfelder

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of Oak River Subdivision Association; and that the above is a true copy of the By-Laws of this Association adopted by the Association on the above date.



Bernard H. Stollman, Secretary