



New Homeowner:

Welcome to the Forest Trails subdivision. During the development of the subdivision, a Homeowners Association was mandated by the developer, the residents and the Charter Township of Canton due to the existence of the common properties. Each home is assessed an annual fee of approximately \$30 to \$50 to pay the taxes and insurance of the common properties and provide subdivision snow plowing, development and maintenance of the common properties and other activities. Enclosed are the by-laws and a map of the subdivision.

The Association holds regular meetings throughout the year. A newsletter will announce the time and place of the next meeting. We welcome your attendance at these meetings to discuss your concerns. The quality of the subdivision is dependent on your creativity and effort. If you have any questions, feel free to contact any of the voluntary Board Members listed below

Sincerely,
F.T.H.A

Dear Homeowner:

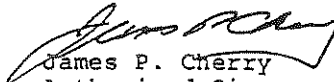
Welcome to Forest Trails!

Your Homeowner's Document Package, including the General Information Letter, together with (i) the Declaration of Covenants, Conditions and Restrictions for Forest Trails Subdivision; (ii) the Articles of Incorporation of Forest Trails Homeowners Association; and (iii) the By-laws of Forest Trails Homeowners Association, is attached.

Further details will be furnished you shortly regarding closing of the purchase of your new home.

Very truly yours,

THE TRUSTEES OF BARNES MORTGAGE
INVESTMENT TRUST


James P. Cherry
Authorized Signer

Receipt of attached documents acknowledged:

By: _____

New Home Address: _____

Date: _____

Return signed copy to Barnes Mortgage Investment Trust;
retain one copy for your files.

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THE TRUSTEES OF BARNES MORTGAGE INVESTMENT TRUST
100 Federal Street
Boston, Massachusetts 02110

Dear Homeowner:

Forest Trails is a Planned Unit Development community located in Canton Township, Michigan. The plans for Forest Trails anticipate that it may consist of up to 216 homes, interspersed with two private park areas. In order to provide for a cohesive community, and to permit proper care and maintenance of the park areas located within Forest Trails, the Developer has established the Forest Trails Homeowners Association, a non-profit corporation, and have subjected Forest Trails to a Declaration of Covenants, Conditions and Restrictions. It is the purpose of this letter to set forth briefly the structure, purposes and duties of the Homeowners Association, and to explain the assessment procedure by which the Association will finance the care and maintenance of the parks and other common areas. Copies of the Association's articles and by-laws, as well as the Declaration of Covenants, Conditions and Restrictions (hereinafter the "Forest Trails Restrictions") are attached, and should be reviewed for further details.

Organization, Structure and Membership

The Developer has formed the Forest Trails Homeowners Association as a non-profit, non-stock membership corporation. The initial Board of Directors of the Association consists of James P. Cherry, Kenneth A. Neal and Claudette J. Webb.

Although its purposes as stated in the Articles of Incorporation are broader, the Association was formed essentially to promote, provide for and administer the care, maintenance and upkeep of the common areas within Forest Trails, as defined in the Forest Trails Restrictions. At present, the common areas consist solely of Penney Park and Tillotson Park, although as explained below, the members of the Association may add to the common area.

As an owner of a home in Forest Trails, you are automatically a member of the Association. Membership is established by acquiring title to a lot or lots within Forest Trails, and is appurtenant to such ownership. Therefore, when you sell your home, the membership passes to the new owner. The Developer, as owner of lots within Forest Trails, is also a member of the Association.

Voting Rights

Each member of the Association, including the Developer, is entitled to one vote for each lot owned by such member. If more than one person owns an interest in a given lot, they are all considered to be members, but only one vote may be cast for such lot.

Each member is required to file a written notice with the Association designating his individual representative who will vote at meetings and who will receive all notices and other communications from the Association.

Assessments

In order to permit the Association to carry out its duties and purposes, it is empowered by the Forest Trails Restrictions, as well as by its articles and by-laws, to levy assessments against each lot in Forest Trails. You should anticipate that such assessments will be levied, as they will constitute the sole source for funds necessary to properly care for and maintain the common areas.

Assessments may be of two types, annual and special. Annual assessments will be fixed by the Board of Directors at least 30 days in advance of each annual period, which periods will commence when the common areas are conveyed by the Developer to the Association. You will be given notice of the amount of the assessment prior to each annual period. Assessments may be collected monthly. Generally the amount of the assessments will be that determined by the Board of Directors to be necessary to cover taxes and insurance on the common areas, normal repair and replacement, and labor, equipment, materials, management and supervision for and in connection therewith.

Should the need arise for capital improvements on or to the common areas, the Association is empowered to levy special assessments to cover the costs relating thereto. A special assessment may not be levied unless it is approved by a two-thirds (2/3) vote at a special members' meeting called for the purpose of taking such action.

The Developer will bear the initial cost of development of the common areas. Lots owned by the Developer will be exempt from 75% of the annual assessment, but this exemption will cease upon sale of the lot by the Developer to a new homeowner.

Assessment Lien

The parks exist for your benefit, and it is to every homeowner's advantage that they be properly cared for and maintained. In order to insure that sufficient funds are available to the Association at all times to carry out its duties and purposes, all annual and special assessments constitute a lien on the respective lots to which they apply. You will be notified in advance by the Association of the amount and due dates of the assessments on your lot. Any assessment not paid within 30 days after it falls due is subject to interest from the due date until paid at the rate of 6% per annum.

If and so long as a member remains in default in the payment of assessments on his lot, he will not be entitled to use any of the common areas and will not be permitted to vote at any Association meeting. The Association may collect the payments in default either by taking action against the member personally or by foreclosing the lien on his lot, in the same manner as a mortgage foreclosure. The Forest Trails Restrictions provide that the Association must give a defaulting member 10 days notice, as provided therein, prior to taking any action to collect the overdue assessment.

Although the lien created by the assessments is made subordinate to any first mortgage on a given lot, the existence of a lien for unpaid assessments would constitute a cloud on the title to your lot and could hinder the sale of your home.

The Common Areas

As discussed above, the Association was formed essentially to provide for and finance the care and maintenance of the "common areas" within Forest Trails, as defined in the Forest Trails Restrictions. Initially, the common areas consist solely of Penney Park, a private park located between Forest Trails Drive and Leslie Lane, and Tillotson Park, a private park located centrally within the subdivision. The members of the Association, by a two-thirds (2/3) vote, may enlarge the definition of common areas to include additional properties within the subdivision.

The Association will own the common areas for the use and benefit of the homeowners. Subject to the withdrawal of the privileges for non-payment of assessments, you will have the right to use and enjoy the common areas, and may delegate your rights to the members of your family. If the Association should decide to place any recreational facilities on the common areas, it may charge reasonable admission and other fees for the use of such facilities.

Exterior Maintenance

If any homeowner fails to properly maintain and repair the exterior of his home and any other improvements on his lot, the Association, upon approval of the Board of Directors, may enter onto his lot and repair, maintain or restore the lot and the exterior of the home and improvements. The cost of any such exterior maintenance will be levied against and become part of the assessment to which such lot is subject.

The foregoing is a summary of certain aspects of Forest Trails, and many of the details about this development necessarily have been omitted from this summary. We urge you to review the entire contents of this booklet for more detailed information regarding all matters referred to in this letter as well as other matters not covered above.

Very truly yours,

THE TRUSTEES OF BARNES MORTGAGE
INVESTMENT TRUST

By:


James P. Cherry
Authorized Signer

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOREST TRAILS SUBDIVISION

THIS DECLARATION, made on the date hereinafter set forth by THE TRUSTEES OF BARNES MORTGAGE INVESTMENT TRUST, A Massachusetts Business Trust, 100 Federal Street, Boston, Massachusetts 02110 ("Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the Township of Canton, County of Wayne, State of Michigan, which is more particularly described as:

That part of the northwest 1/4 of Section 3, town 2 south, range 8 east, Canton Township, Wayne County, Michigan, described as: Beginning at a point on the east and west 1/4 line of said Section, located north 89 degrees 19 minutes 18 seconds west 776.66 feet from the center post of Section 3 and continuing along the east and west 1/4 line of said Section north 89 degrees 19 minutes 18 seconds west 1185.47 feet; thence north 00 degrees 05 minutes 56 seconds west 2083.64 feet; thence south 89 degrees 11 minutes 33 seconds east 1220.39 feet; thence south 49 degrees 36 minutes 02 seconds east 185.54 feet; thence south 89 degrees 11 minutes 33 seconds east 605 feet to a point on the north and south 1/4 line of Section 3; thence along said north and south 1/4 line south 00 degrees 01 minutes 35 seconds west 611.90 feet; thence north 89 degrees 11 minutes 33 seconds west 1321.64 feet; thence south 00 degrees 02 minutes 37 seconds east 661.15 feet; thence south 89 degrees 19 minutes 18 seconds east 1228.12 feet to a point on the centerline of a proposed right-of-way; thence along the centerline of the proposed right-of-way 910.08 feet along the arc of a 1527.89 foot radius circular curve concave southwesterly through a central angle of 34 degrees 07 minutes 41 seconds the long chord of which bears south 43 degrees 47 minutes 44 seconds west 896.69 feet and thence south 60 degrees 51 minutes 34 seconds west, 72.90 feet to the point of beginning. Except part conveyed to Wayne County Road Commission by deed in liber 19087, page 419, Register No. F 998252, and subject to the rights of the public in Sheldon Road. Constituting the proposed Forest Trails Subdivision.

WHEREAS, Declarant desires to create thereon, together with such additions as may hereafter be made thereto, a residential community with permanent parks, open spaces, and common facilities for the benefit of such residential community; and

WHEREAS, Declarant desires to provide for the preservation of the value of and amenities in such residential community and for the preservation and permanent maintenance of the parks, open spaces, and common facilities therein; and

WHEREAS, Declarant desires to subject the real property described above to the covenants, restrictions, easements, charges and liens hereinafter set forth, each of which is for the benefit of and shall run with and bind the said real property and each owner thereof; and

WHEREAS, Declarant deems it desirable for the benefit of such residential community to create an agency to which shall be delegated and assigned the powers of maintaining and administering the parks, open spaces and common facilities; administering and enforcing the covenants, restrictions, easements, charges and liens set forth in this Declaration; and of collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Declarant has caused, or will cause, to be incorporated under the laws of the State of Michigan, a nonprofit corporation for the purpose of exercising the powers and functions aforesaid;

NOW, THEREFORE, Declarant hereby declares that all the property described above, commonly known as the FOREST TRAILS SUBDIVISION, shall be held, sold, and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described property or in any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

SECTION 1. The following words when used in this Declaration, or in any Supplemental Declaration, shall have the following meanings:

(a) "DECLARANT" shall mean and include BARNES MORTGAGE INVESTMENT TRUST, a Massachusetts Business Trust, or its successors and assigns, if such successors or assigns should acquire more than one unbuilt Lot, or one or more undeveloped parcels of land, for the purpose of development.

(b) "ASSOCIATION" shall mean and refer to the proposed nonprofit corporation, to be known as FOREST TRAILS HOMEOWNERS ASSOCIATION, its successors and assigns.

(c) "PROPERTIES" shall mean and refer to that certain real property hereinbefore described, and here more particularly described as the proposed FOREST TRAILS SUBDIVISION, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

(d) "COMMON AREA" shall mean all real property 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 is described as follows:

"Penney Park" and Tillotson Park", as shown on the proposed plat of Forest Trails Subdivision, and more particularly described as:

"Penny Park" -

Commencing at a point on the North and South 1/4 line of Section 3, T.2 S., R. 8 E., Canton Township, Wayne County, Michigan said point being located S. 00° 01' 35" W. 1119.00 feet from the North 1/4 corner of said Section and running thence N. 89° 11' 33" W. 788.17 feet; thence N. 00° 48' 27" E. 67.16 feet; thence N. 16° 56' 00" W. 60.00 feet to the Point of Beginning; thence N. 73° 04' E. 120 feet; thence N. 16° 56' W. 29.34 feet; thence S. 75° 56' W. 120 feet; thence N. 23° 53' 05" W. 40.51 feet; thence N. 42° 14' 28" W. 40.46 feet; thence N. 61° 01' 31" W. 40.46 feet; thence N. 80° 40' 32" W. 44.54 feet; thence N. 89° 11' 33" W. 430 feet; thence S. 00° 48' 27" W. 25.00 feet; thence S. 00° 22' 41" W. 61.87 feet; thence S. 25° 33' 27" E. 31.83 feet; thence S. 45° 53' W. 120 feet; thence 102.96 feet along the arc of a 170 foot radius circular curve concave Northeasterly through a central angle of 34° 42' 10", the long chord of which bears S. 61° 28' 05" E. 101.40 feet; thence N. 11° 10' 50" E. 120 feet; thence S. 88° 23' 58" E. 59.18 feet; thence S. 89° 11' 33" E. 420 feet; and thence N. 85° 18' 50" E. 44.92 feet to the Point of Beginning. Containing 1.845 acres of land, more or less.

"Tillotson Park" -

[Parcel No. 1]

Commencing at a point on the North and South 1/4 line of Section 3, T. 2 S., R. 8 E., Canton Township, Wayne County, Michigan said point being located S. 00° 01' 35" W. 1299.00 feet from the North 1/4 corner of said Section and running thence N. 89° 11' 33" W. 1321.64 feet to the Point of Beginning; thence N. 86° 15' 55" W. 19.96 feet; thence N. 20° 11' 42" W. 43.69 feet; thence N. 07° 00' E. 80 feet; thence 21.43 feet along the arc of a 230 foot radius circular curve concave Northeasterly through a central angle of 5° 20' 20", the long chord of which bears N. 80° 19' 54" W. 21.42 feet; thence S. 12° 20' 20" W. 80 feet; thence S. 40° 18' 58" W. 42.25 feet; thence N. 69° 55' 30" W. 74.23 feet; thence N. 54° 27' 09" W. 94.23 feet; thence N. 38° 58' 51" W.

94.23 feet; thence N. 23°30'35" W. 94.21 feet;
thence S. 74°13'40" W. 10.21 feet; thence S. 00°
05'56" E. 131.80 feet; thence S. 89°54'04" W.
120 feet; thence S. 00°05'56" E. 102.50 feet;
thence N. 89°54'04" E. 120 feet; thence S. 00°
05'56" E. 1001.63 feet; thence S. 11°29'14" E.
25.64 feet; thence S. 39°08'53" E. 36.38 feet;
thence S. 71°41'25" E. 36.38 feet; thence S. 89°
15'11" E. 18.34 feet; thence S. 89°19'18" E. 50.24
feet; thence S. 00°40'42" W. 120 feet; thence S.
89° 19'18" E. 110 feet; thence N. 00° 40'42" E.
120 feet; thence S. 89°19'18" E. 190 feet; thence N.
88°26'36" E. 47.75 feet; thence N. 67°30' E. 35.89
feet; thence N. 44°30' E. 35.89 feet; thence S.
57°00' E. 120 feet; thence 20.00 feet along the arc
of a 210 foot radius circular curve concave
Northwesterly through a central angle of 5°27'24",
the long chord of which bears N. 30°16'18" E. 19.99
feet; thence N. 57°00' W. 120 feet; thence N. 00°
40'42" E. 31.53 feet; thence N. 89°19'18" W. 156.21
feet; thence S. 88°35'26" W. 65.04 feet; thence S.
74°54'20" W. 92.92 feet; thence N. 58°23' W.
132.67 feet; thence N. 15°08' W. 132.67 feet; thence
N. 28°07' E. 132.67 feet; thence N. 70°34'37" E.
127.43 feet; thence S. 66°30'18" E. 76.77 feet;
and thence N. 00°02'37" W. 661.15 feet to the
Point of Beginning. Containing 8.339 acres of
land more or less.

[Parcel No. 2]

Also

Commencing at a point on the North and South 1/4
line of Section 3, T. 2 S., R. 8 E., Canton Town-
ship, Wayne County, Michigan said point being
located S. 00°01'35" W. 1299.00 feet from the North
1/4 corner of said Section and running thence N.
89°11'33" W. 1321.64 feet; thence N. 89°21'45" W.
523.47 feet to the Point of Beginning; thence S.
89°54'04" W. 120 feet; thence N. 00°05'56" W.
121.68 feet; thence N. 89°54'04" E. 120 feet; and
thence S. 00°05'56" E. 121.68 feet to the Point
of Beginning. Containing 0.335 acres of land,
more or less.

Also

[Parcel No. 3]

Beginning at a point on the East and West 1/4 line
of Section 3, T. 2 S., R. 8 E., Canton Township,
Wayne County, Michigan said point being located
N. 89°19'18" W. 1418.76 feet from the center post
of Section 3 and running thence N. 89°19'18" W.
123.37 feet along the aforementioned East and West
1/4 line; thence N. 00°40'42" E. 120 feet; thence
S. 89°19'18" E. 123.37 feet; and thence S. 00°40'
42" W. 120 feet to the Point of Beginning. Containing
0.340 acres of land, more or less.

(e) "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 properties, including contract sellers.

(f) "LOT" shall mean and refer to any Lot or proposed Lot shown on a plat or proposed plat by the developer of the properties which is subject to these restrictions, with the exception of the Common Area.

(g) "MEMBER" shall mean and refer to those Owners who are members of the Association, as hereinafter set forth.

(h) "FHA" shall mean and refer to the Federal Housing Administration, United States Department of Housing and Urban Development.

ARTICLE II

PROPERTY RIGHTS

SECTION 1. OWNERS EASEMENTS OF ENJOYMENT.

Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to, and shall pass with, the title to every Lot, subject to the following provisions:

(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 of the recreational facilities 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 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 or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the Members agreeing to such dedication or transfer has been recorded.

SECTION 2. DELEGATION OF USE.

Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

SECTION 1. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

SECTION 2. Voting by members of the Association shall be in accordance with the following provisions:

(a) Members shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as the Owners thereof may determine, but in no event shall more than one vote be cast with respect to any Lot.

(b) No Owner shall be entitled to vote at any meeting of the Association until he has presented evidence satisfactory to the Board of Directors of the Association of Ownership of a Lot in the Project.

(c) 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 designated, the legal description of the property owned by the Owner and the name and address of each person, firm, corporation, partnership, association, trust or other legal entity who is an Owner thereof. 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 provided herein. Unless waived by the Board of Directors or the presiding officer at any meeting of the Association, the vote of each Owner may only be cast by the individual designated by such Owner in a notice as herein required or by proxy given by such individual representative.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

SECTION 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS.

The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any 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 assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

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 Properties and for the improvement and maintenance of the Common Area, and of the homes situated upon the Properties, including but not limited to the payment of taxes and insurance on the Common Area, the repair and replacement thereof, for additions thereto and improvements thereof, and for the cost of labor, equipment, materials, management and supervision for and in connection with the Common Area and the Association.

SECTION 3. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS.

In addition to the annual assessments authorized above, the Association may levy, 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 a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of 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.

SECTION 4. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTION 3.

Written notice of any meeting called for the purpose of taking any action authorized under Section 3 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 percent (60%) of all the votes of the Members 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 of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

SECTION 5. UNIFORM RATE OF ASSESSMENT.

Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

SECTION 6. 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 Common Area. 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.

SECTION 7. 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 six (6%) 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 property. Each Owner, and every other person who from time to time has any interest in the Properties, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien 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 Properties, shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Lot with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by Michigan law. Each Owner of a Lot acknowledges that at the time of acquiring title to such Lot, he had notice of the provisions of this section and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Lot. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by ordinary mail addressed to the representative designated in the written notice required by Article III 2(c) hereof to be filed with the Association or, if no such representative has been designated, to the record Owner of such Lot at the street address thereof,

of a written notice that one or more installments of the annual assessment levied against the pertinent lot is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the authority for the lien, (iii) the amount outstanding, and (iv) the legal description of the subject Lot. Such affidavit shall be recorded in the Office of the Wayne County Register of Deeds prior to the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as it elects. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the addressee designated above for the notice of default, by ordinary mail, and shall inform such person that he may request a judicial hearing by bringing suit against the Association. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Owner in default and shall be secured by the lien on his Lot. In the event of default by any Owner in the payment of any installment of the annual assessment levied against his Lot, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any 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 utilize any portion of the Common Area and shall not be entitled to vote at any meeting of the Association so long as such default continues. 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 8. 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 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 thereafter becoming due or from the lien thereof.

SECTION 9. EXEMPT PROPERTY.

The following shall be exempt from any and all assessments, charges, liens and special assessments imposed hereunder:

- (a) The Common Area; and

(b) All Lots owned by Declarant shall be exempt from seventy-five (75%) percent of the annual assessment, but upon conveyance of such Lot by Declarant to an Owner the exemption for such Lot shall cease and such Lot shall then be liable for the prorated balance of that year's established annual assessment, except, however, Lots owned by Declarant shall not be exempt from assessments by the Township of Canton under Section 2 of this Article.

(c) The initial cost of development of the Common Area shall be borne by Declarant.

SECTION 10. EXTERIOR MAINTENANCE.

In the event an owner of any Lot in the Properties shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said parcel and to repair, maintain, and restore the Lot and the exterior of the buildings and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

ARTICLE V

RESTRICTIONS UPON USE AND OCCUPANCY

SECTION 1.

All numbered Lots within the Properties shall be designated as "single-family detached" Lots and shall be used only for residential purposes. No building shall be erected, altered, placed or permitted to remain on any said Lot other than (1) detached single-family dwelling not to exceed two (2) stories in height and a private attached garage for at least two (2) but not more than three (3) cars for the sole use of the Owner or occupant of said Lot upon which such single-family dwelling and attached garage shall have been erected; and subject, further, to the additional Covenants and Restrictions hereinafter set forth and imposed upon and against said Lots.

SECTION 2.

All buildings erected on any Lot shall conform in all respects with all applicable Canton Township zoning requirements and building codes.

SECTION 3. Easements for the construction, installation and maintenance of public utilities, and for surface drainage facilities, and for sanitary sewer, storm sewer and water main facilities, are reserved as shown on the recorded plat and/or as may otherwise appear of record, and as set forth herein. In addition, easements are hereby specifically reserved to Declarant and its assigns, in, through and across a strip of land six (6) feet in width along all rear Lot lines and in, through and across a strip of land three (3) feet in width along all side Lots or site lines for the installation, where necessary, and maintenance of telephone and electric lines and conduits, sanitary and storm sewers, water mains, gas lines, and for surface drainage purposes, and for the use of any public utility service deemed necessary or advisable by the Declarant. The use of such easements, or parts hereof, may be assigned by Declarant at any time, to any person, firm, corporation, governmental agency or municipal authority or department furnishing one or more of the foregoing services and/or facilities, and any such easement herein reserved may be relinquished and waived, in whole or in part, by Declarant by the filing for record of an appropriate instrument or relinquishment. Within all of the foregoing easements, no structure, planting, or other materials 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 and telephone local distribution systems, or which may change, obstruct or retard the flow or direction of water in and through drainage channels in the easements, nor shall any change, which may obstruct or retard the flow of surface water be detrimental to the property of others, be made by the occupant in the finished grade of any Lot once established by the builder upon completion of construction of the house thereon. The easement area of each Lot and all improvements in it shall be maintained in a presentable condition continuously by the Owner of the Lot, except for those utilities for which a public authority or utility company is responsible, and the Owner of the Lot shall be liable for damage to service facilities and utilities thereon, including damage to electric, gas and telephone distribution lines and facilities therein.

ARTICLE VI

GENERAL PROVISIONS

SECTION 1. ENFORCEMENT.

The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by an Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

SECTION 2. SEVERABILITY.

Invalidation of any one 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.

SECTION 3. AMENDMENT.

The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety (90%) percent of the Lot owners, and thereafter by an instrument signed by not less than seventy-five (75%) percent of the Lot owners. Any amendment must be recorded.

SECTION 4. ANNEXATION.

Additional residential property and Common Area may be annexed to the properties with the consent of two-thirds (2/3) of the Members.

SECTION 5. NOTICES.

Any notice required to be sent to any Member or 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 Member, or representative thereof designated pursuant to Article III §2 c hereof, according to the records of the Association at the time of such mailing.

SECTION 6. FHA/VA APPROVAL.

As long as Declarant owns any Lots within the Properties, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

SECTION 7. THE DECLARANT.

The name Barnes Mortgage Investment Trust is the designation of the Trust for the time being under a Declaration of Trust dated October 26, 1972, as amended. The obligations of Barnes Mortgage Investment Trust entered into in the name or on behalf thereof by any of the trustees, officers or agents of the Trust are made not individually but in such capacity and are not binding upon any of the trustees, shareholders or officers of the Trust personally, but bind only the property of the Trust.

IN WITNESS WHEREOF, the Undersigned, being the Declarant herein, has hereto set its hand and seal this _____ day of _____, 19_____.

WITNESSES:

THE TRUSTEES OF BARNES MORTGAGE
INVESTMENT TRUST, a Massachusetts
Business Trust

By: _____
James T. Barnes, Sr.
Chairman

STATE OF)
)SS
COUNTY OF)

The foregoing instrument was acknowledged before me
this ____ day of _____, 1977, by JAMES T. BARNES, SR.,
Chairman of BARNES MORTGAGE INVESTMENT TRUST, a Massachusetts
business trust, on behalf of the Trust.

Notary Public, _____
County, _____
My Commission Expires: _____

DRAFTED BY:

James C. Adams, Esq.
Dykema, Gossett, Spencer, Goodnow & Trigg
2700 City National Bank Building
Detroit, Michigan 48226
(313) 963-6040

WHEN RECORDED, PLEASE RETURN TO DRAFTER

NON-PROFIT
ARTICLES OF INCORPORATION
OF
FOREST TRAILS HOMEOWNERS ASSOCIATION

These Articles of Incorporation are signed and acknowledged by the Incorporators for the purpose of forming a non-profit corporation under the provisions of Act No. 327 of the Public Acts of 1931, as amended, and Act No. 284 of the Public Acts of 1972, as amended, as follows:

ARTICLE I

Name

The name of the corporation is FOREST TRAILS HOMEOWNERS ASSOCIATION.

ARTICLE II

Purposes

The purposes for which the Association is formed are as follows:

- a. To encourage and to promote the highest standards of management and maintenance for the residential lots and Common Area located within the property described below and any property added thereto by the Declaration of Restrictions (defined in the Association Bylaws) and to assist the members of the Association in maintaining such property as a residential development of the highest quality:

That part of the northwest 1/4 of Section 3, town 2 south, range 8 east, Canton Township, Wayne County, Michigan, described as: Beginning at a point on the east and west 1/4 line of said Section, located north 89 degrees 19 minutes 18 seconds west 776.66 feet from the center post of Section 3 and continuing along the east and west 1/4 line of said Section north 89 degrees 19 minutes 18 seconds west 1185.47 feet; thence north 00 degrees 05 minutes 56 seconds west 2083.64 feet; thence south 89 degrees 11 minutes 33 seconds east 1220.39 feet; thence south 49 degrees 36 minutes 02 seconds east 185.54 feet; thence south 89 degrees 11 minutes 33 seconds east 605 feet to a point on the north and south 1/4 line of Section 3; thence along said north and south 1/4 line south 00 degrees 01 minutes 35 seconds west 611.90 feet; thence north 89 degrees 11 minutes 33 seconds west 1321.64 feet; thence south 00 degrees 02 minutes 37 seconds east 661.15 feet; thence south 89 degrees 19 minutes 18 seconds east 1228.12 feet to a point on the centerline of a proposed right-of-way; thence along the centerline of the proposed right-of-way 910.08 feet along the arc of a 1527.89 foot radius circular curve concave southwesterly through a central angle of 34 degrees 07 minutes 41 seconds the long chord of which bears south 43 degrees 47 minutes 44 seconds west 896.69 feet and thence south 60 degrees 51 minutes 34 seconds west, 72.90 feet to the point of beginning. Except part conveyed to Wayne County Road Commission by deed in liber 19087, page 419, Register No. F 998252, and subject to the rights of the public in Sheldon Road. Constituting the proposed Forest Trails Subdivision.

All of the above described property, and any property added thereto, is referred to as "Forest Trails";

- b. To provide information, guidance and services to all members of the Association;
- c. To represent all members of the Association on matters of mutual interest before all governmental and administrative bodies, boards and agencies;
- d. To arrange and to contract for maintenance, landscaping, security and other management services on behalf of all members of the Association to the extent that such members may from time to time consent to such a delegation of authority;

- e. To provide coordination and assistance to all governmental authorities having jurisdiction over fire protection, police protection and other governmental activities with respect to all property within Forest Trails;
- f. To receive any gift, bequest, or devise of any property, real or personal, for any purposes within any of the purposes set forth herein;
- g. To fix, establish, levy and collect from the Association's members dues, fees, charges and assessments and to enforce the lien to secure the payment thereof which is provided in the Declaration of Restrictions applicable to the land described in Article II(a) above;
- h. In general, to do all acts necessary to perform, enforce and administer any duties, powers and rights conferred upon the Association by the Declaration of Restrictions, or by the members of the Association acting in accordance therewith, and to enforce the terms of the Declaration of Restrictions.

ARTICLE III

Registered Office

Location of the first registered office is: 300 First National Building
Wayne County, Detroit, Michigan 48226.

Post office address of the first registered office is: 300 First Nat'l
Building Detroit, Michigan 48226.

ARTICLE IV

Resident Agent

The name of the first resident agent is James P. Cherry.

ARTICLE V

Assets and Financing

The Association is organized as a non-profit corporation upon a non-stock basis.

a. The amount of assets which the Association possesses is:

Real Property: None
Personal Property: None

b. The terms of the general plan of financing of the Association are as follows:

Assessment of Members

ARTICLE VI

Incorporators

The names and places of business of each of the Incorporators are as follows:

James P. Cherry, 300 First National Building, Detroit, MI. 48226
Kenneth A. Neal, 300 First National Building, Detroit, MI. 48226
Claudette J. Webb, 300 First National Building, Detroit, MI. 48226

ARTICLE VII

First Board of Directors

The names and addresses of the first Board of Directors are as follows:

James P. Cherry, 300 First Nat'l. Bldg., Detroit, MI. 48226
Kenneth A. Neal, 300 First Nat'l. Bldg., Detroit, MI. 48226
Claudette J. Webb, 300 First Nat'l. Bldg., Detroit, MI. 48226

ARTICLE VIII

Duration

The term of the Association's existence is perpetual.

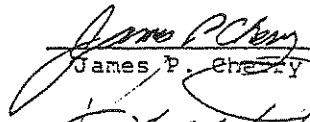
ARTICLE IX

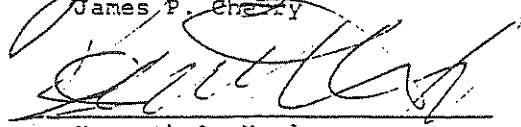
Membership and Voting

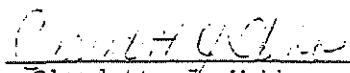
The qualifications of members, the manner of their admission to the Association, the termination of membership, and voting by such members shall be as follows:

- (a) Each owner (including Barnes Mortgage Investment Trust, a Massachusetts Business Trust, its successors and assigns) of an Lot (defined in the Declaration of Restrictions) within the land described in Article II(a) above, and any land added thereto from time to time pursuant to the Declaration of Restrictions, shall be a member of the Association, and no other person or entity shall be entitled to membership.
- (b) Membership in the Association shall be established by acquisition of fee simple title to a Lot within the land described in Article II(a) above and by recording with the Wayne County Register of Deeds a deed or other instrument establishing a change of record title to such lot and the furnishing of evidence of same satisfactory to the Association. Upon furnishing such evidence to the Association, the new owner shall thereby become a member of the Association, and the membership of the prior owner shall thereby be terminated.
- (c) The share of a member in the funds and assets of the Association cannot be assigned, pledged, encumbered or transferred in any manner except as an appurtenance to his lot.
- (d) Voting by members shall be in accordance with the provisions of the Declaration of Restrictions applicable to the land described in Article II(a) above.

We, the Incorporators, sign our names this 11th day of July, 1977.


James P. Chesky


Kenneth A. Neal


Claudette J. Webb

BYLAWS OF
FOREST TRAILS HOMEOWNERS ASSOCIATION

ARTICLE I

Definitions

Section 1. "Association" shall mean the Forest Trails Homeowners Association, a Michigan non-profit corporation.

Section 2. "Forest Trails" shall mean the real property described in Article II of the Articles of Incorporation of the Association, and any land added thereto in accordance with the Declaration of Restrictions.

Section 3. "Lot" or "lots" shall mean any of the numbered lots located within Forest Trails, as established by and shown on the plat of Forest Trails Subdivision, to be recorded with the Wayne County Register of Deeds. If any land is added to such real property in accordance with the Declaration of Restrictions, then the term shall also mean the numbered lots established by any plat or plats recorded in connection with such addition. A lot shall not include the Common Area, as defined in the Declaration of Restrictions.

Section 4. The "Declaration of Restrictions" shall mean the Declaration of Covenants, Conditions and Restrictions for Forest Trails, as recorded in Liber ____, Pages ____ through ____, Wayne County Records.

ARTICLE II

Purposes

The purposes of the Association are set forth in the Articles of Incorporation of the Association.

ARTICLE III

Membership and Voting Rights of Members

Section 1. The qualifications of members, manner of admission to the Association and termination of membership are set forth in the Articles of Incorporation of the Association and in the Declaration of Restrictions.

Section 2. The voting rights of members of the Association are set forth in the Declaration of Restrictions.

ARTICLE IV

Meetings of Members

Section 1. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place

convenient to the members as may be designated by the Board of Directors. Voting shall be as provided in the Declaration of Restrictions. Meetings of the Association shall be conducted in accordance with Sturgis' Code of Parliamentary Procedure, Roberts Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Articles of Incorporation, the Bylaws of the Association, the Declaration of Restrictions or the law of the State of Michigan.

Section 2. The first annual meeting of the members of the Association may be convened only by Barnes Mortgage Investment Trust, a Massachusetts Business Trust, its successors and assigns (the "Developer") and may be called in the Developer's discretion at any time after fifty (50%) percent of all residential dwellings located on the land included in Forest Trails have been sold and the purchasers thereof qualified as members of the Association. In no event, however, shall said first annual meeting be held later than one hundred twenty (120) days after eighty (80%) percent of all residential dwellings located on the land included in Forest Trails have been sold and the purchasers thereof qualified as members of the Association or December 31, 19___, whichever first occurs. The Developer may call meetings of members of the Association for informative or other appropriate purposes prior to the first annual meetings 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 fifteen (15) days' written notice thereof shall be given to each owner or representative thereof designated in accordance with the Declaration of Restrictions. Thereafter, an annual meeting shall be held each year on the third Tuesday of March.

Section 3. It shall be the duty of the President to call a special meeting of the members as directed by resolution of the Board of Directors or upon a petition signed by one-third (1/3) of the members presented to the Secretary of the Association. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. 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 member of record, at least seven (7) days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each member at the address shown in the notice required to be filed with the Association by the Declaration of Restrictions 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 5. If any meeting of members cannot be held because a quorum is not in attendance, the members who are present may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

ARTICLE V

Board of Directors

Section 1. The affairs of the Association shall be governed by a Board of Directors all of whom must be members of the Association except for the first Board of Directors designated in the Articles of Incorporation of the Association. Directors shall serve without compensation.

Section 2. The first Board of Directors designated in the Articles of Incorporation shall be composed of 3 persons and such first Board of Directors shall manage the affairs of the Association until a successor Board of Directors is elected at the First Meeting of Members of the Association convened at the time required by these Bylaws. ~~At such First Meeting of Members of the Association, the Board of Directors shall be increased in size from 3 to 5 persons and then at each annual meeting of the Association held thereafter, 5 directors shall be elected.~~ The term of office of each of the directors shall be one (1) year. The directors shall hold office until their successors have been elected and hold their first meeting.

Section 3. Subject to the limitations of the Articles of Incorporation, Act No. 327 of Public Acts of 1931, as amended, or Act No. 284 of the Public Acts of 1972 as to action to be authorized or approved by the members, and subject to the duties of the Directors as prescribed by the Bylaws, all corporate powers shall be exercised by or under authority of, and the business and affairs of the Association shall be controlled by, the Board of Directors; without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Directors shall have the following powers:

- a. To select and remove all the other officers, agents and employees of the Association, prescribe such powers and duties for them as may not be inconsistent with law, with the Articles of Incorporation or the Bylaws, fix their compensation and require from them security for faithful service;
- b. To conduct, manage and control the affairs and business of the Association, to maintain any property of the Association in Forest Trails and to make such rules and regulations therefor, not inconsistent with law, with the Articles of Incorporation or the Bylaws, as they may deem best.
- c. To adopt, make and use a corporate seal, and to prescribe the forms of certificates of membership, and to alter the form of such seal and of such certificates from time to time, as in their judgment they may deem best, provided such seal and such certificates shall at all times comply with the provisions of law;
- d. To issue memberships to such persons or entities as shall be eligible for membership as provided in the Articles of Incorporation;
- e. To appoint committees and to delegate to such committees, subject to the control of the Board of directors, any of the powers and authority of said Board except the power to adopt, amend, or repeal the Bylaws;
- f. To levy and collect assessments as provided in the Declaration of Restrictions;

g. To contract for maintenance, landscaping, security and other management services on behalf of all of the Association members to the extent such members consent to such a delegation of authority in accordance with the Declaration of Restrictions.

h. To pay taxes and special assessments which are or would become a lien on the property of the Association, if any.

i. To contract and pay premiums for fire, casualty, liability and other insurance, including indemnity and other bonds, on said property or on the other property located within Forest Trails, all as provided in the Declaration of Restrictions, if any;

j. To delegate its powers to a professional management company;

k. To do all other such acts as may be required by or are consistent with the purposes of the Association, provided such are permitted by law, the Articles of Incorporation, and/or the Bylaws.

Section 4. Vacancies in the Board of Directors (including the First Board of Directors named in the Articles of Incorporation) 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. Each person so elected shall be a director until a successor is elected at the next annual meeting of the Association. Prior to the First Annual Meeting of Members, the Developer may remove and replace any or all of the directors from time to time at its sole discretion.

Section 5. At any regular or special meeting of the Association duly called, any one or more of the directors may be removed with or without cause by a majority of the members and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

Section 6. 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 7. 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 8. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each director, given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of one director.

Section 9. 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 10. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than quorum present, the majority of those present may adjourn the meeting from time to time. 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 11. 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, as defined in the Declaration of Restrictions.

ARTICLE VI

Officers

Section 1. The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice President, 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.

Section 2. 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. Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

Section 4. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of a corporation, including, but not limited to, the power to appoint committees from among the members of the Association from time to time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association.

Section 5. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 6. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he shall have charge of the corporate seal and of such books and papers as the Board of Directors may direct; and he shall, in general, perform all duties incident to the office of the Secretary.

Section 7. The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, and in such depositaries as may, from time to time, be designated by the Board of Directors.

Section 8. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Directors.

ARTICLE VII

Finances

Section 1. Every member shall pay an annual assessment which shall be levied by the Board of Directors which shall be used exclusively for the purposes of the Association as set forth in the Declaration of Restrictions and the Articles of Incorporation. The due date of such annual assessments shall be fixed by the Board of Directors and they shall send written notice of such assessments to each member.

Section 2. The amount of such assessments and liability therefore are set forth in the Declaration of Restrictions.

Section 3. The finances of the Association shall be handled in accordance with the Association Bylaws and Articles of Incorporation.

Section 4. The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the Directors. The commencement date of the fiscal year shall be subject to change by the Directors for accounting reasons or other good cause.

Section 5. The funds of the Association shall be deposited in such bank as may be designated by the Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time.

ARTICLE VIII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the Director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE IX

AMENDMENTS

Section 1. These Bylaws may be amended by the Association at a duly constituted meeting for such purpose, by an affirmative vote of a simple majority of the members present in person or by proxy.

Section 2. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or by one-third or more in number of the members of Association whether meeting as members or by instrument in writing signed by them.

Section 3. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of Article II of these Bylaws.

Section 4. Any amendment to these Bylaws shall become effective upon adoption of same in accordance with Section 1 of this Article IX.

Section 5. A copy of each amendment to these Bylaws shall be furnished to every member of the Association after adoption.

ARTICLE X

COMPLIANCE

Section 1. These Bylaws are set forth to comply with the requirements of Act No. 327 of the Public Acts of Michigan of 1931, as amended, Act No. 284 of the Public Acts of 1972, and with the duly recorded Declaration of Restrictions. In case any of these Bylaws conflict with the provisions of either of such statutes or with the provisions of the Declaration of Restrictions, the provisions of the statutes and the Declaration of Restrictions shall be controlling.