



Dear Purchaser:

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

PURCHASER INFORMATION BOOKLET  
FOR  
BRIARWOOD VILLAGE SOUTH

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## ARTICLE I

### DEFINITIONS

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

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

B. Association. "Association" shall mean The Orchard at Novi Homeowners Association, a Michigan nonprofit corporation in which all Site Owners shall be members, which shall also be the association of owners that administers the affairs of the Condominium.

C. Condominium. "Condominium" shall mean the real property described in Exhibit "A" attached hereto and made a part hereof.

D. Developer. "Developer" shall mean Holtzman & Silverman Homes Limited Partnership, a Michigan limited partnership, or any successor or assign of Holtzman & Silverman Homes Limited Partnership in and to those Sites which have not been conveyed to individual Site Owners for the purpose of constructing a residence thereon, provided however, that such successor or assign shall only be deemed to be the Developer hereunder if Holtzman & Silverman Homes Limited Partnership specifically designates, in writing, that such successor or assign is to be the Developer hereunder and such designation is recorded in the Office of the Register of Deeds, Oakland County, Michigan.

E. Master Deed. "Master Deed" shall mean the Master Deed and exhibits thereto to be recorded in Oakland County Records establishing the property described on Exhibit A as a condominium pursuant to the Michigan Condominium Act.

F. Member. "Member" shall mean all Site Owners who are members of the Association as provided herein and in the Master Deed.

G. Residence. "Residence" shall mean a single family residential dwelling with attached garage constructed within a Site in the Condominium.

H. Site. "Site" shall mean any Site in the Condominium, as such Sites are defined in the Master Deed and set forth in the Condominium Subdivision Plan attached as Exhibit B to the Master Deed.



I. Site Owner. "Site Owner" shall mean the holder of record title to a Site, as further defined in the Master Deed.

J. Structure. "Structure" shall mean any residence, building, driveway, parking area, structure, garage, shed, outbuilding, fence, wall, gazebo, deck, hedge, in ground swimming pool, or any other improvement of a permanent or substantial nature constructed within a Site in the Condominium.

## ARTICLE II

### PROPERTY SUBJECT TO THIS DECLARATION

The real property which is subject to and shall be held, transferred, sold, conveyed and occupied pursuant to this Declaration is more particularly described in Exhibit A attached hereto and made a part hereof by this reference.

## ARTICLE III

### ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Every Site Owner shall be a Member of the Association. Membership in the Association shall be appurtenant to and may not be separated from ownership of any Site which is subject to assessment hereunder. The rights and privileges of membership shall be as provided herein and in the Master Deed establishing the Condominium. The Bylaws of the Association will be recorded as Exhibit A to the Master Deed.

## ARTICLE IV

### APPROVAL OF STRUCTURES

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

1. A topographic survey of the Site prepared and certified by a licensed engineer or architect showing existing and proposed grades, the location of all trees in excess of 3 inches in diameter, and the proposed location of each structure located or to be located upon the Site;

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

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

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

B. A Site Owner shall submit two copies of the aforescribed documents to the Architectural Control Committee, and the Architectural Control Committee shall retain one copy of each document for its records.

C. The Developer intends and desires that all Structures within the Condominium be architecturally harmonious and architecturally pleasing and that the design and location of such structures take into account the preservation of trees and the natural environment of the Condominium. In order to insure that such goals are accomplished, the Architectural Control Committee shall, in its sole discretion, have the right to approve or disapprove the appearance, construction, materials, proposed location, design, specifications or any other attribute of any Structure.

D. A Site Owner may only construct, install or place upon a Site those Structures which have been approved in writing by the Architectural Control Committee in the manner set forth herein. Before construction of any residence or making any exterior improvement, change, or elevation change upon any Site, an Owner shall receive the written approval of the Architectural Control Committee. No application for a building permit or application for any other governmental approval or construction shall be filed until written approval of the Committee is received. The Architectural Control Committee shall approve in advance the licensed residential builder engaged by the Owner to construct a residence and any other improvements in his Site. The Architectural Control Committee may require that such builder or Owner furnish to the Association adequate security, in the Architectural Control Committee's sole discretion, to protect the Association against costs and expenses which it might incur in connection with the

failure to complete construction in a timely and diligent manner in accordance with the approved plans and specifications for the residence and other improvements.

E. The Architectural Control Committee shall have 30 days after the receipt of all required plans and specifications to issue a written approval or denial. If the Architectural Control Committee fails to issue a written approval or denial of the plans and specifications within the 30 day period, then written approval will not be required and the plans and specifications submitted shall be deemed to comply with this Article and the Declaration.

## ARTICLE V

### BUILDING RESTRICTIONS

A. The restrictions, conditions, and requirements set forth herein shall apply to each and every Site. No Structure shall be constructed, installed, or placed on any Site in violation of the following restrictions, conditions, and requirements, unless approved in writing by the Architectural Control Committee in accordance with Article VI hereof.

B. Except as otherwise permitted herein, no Structure may be constructed, installed, or placed upon a Site except for one detached residence which shall not exceed two and one-half stories in height, which residence shall include an attached two-car garage and appropriate driveway and parking areas.

C. All residences built in the Condominium shall contain the minimum square footage required at the time of construction by the City of Novi. In addition to the foregoing, each residence shall contain, at a minimum, the following "livable floor areas":

1. A one story residence shall have a minimum livable floor area of 1200 square feet.

2. A one and one-half story residence shall have a minimum livable floor area of 600 square feet on the first floor and a total livable floor area of 1200 square feet.

3. A two story residence shall have a minimum livable floor area of 600 square feet on the first level and a total minimum livable floor area of 1200 square feet.

4. A tri-level residence (one in which two stories are adjacent to each other) shall have a minimum livable floor area on the main floor of the residence of 600 square feet and a total minimum livable floor area of 1200 square feet.

As used herein, "livable floor area" shall be calculated by measuring from internal wall to internal wall, and shall exclude garages, patios, decks, open porches, terraces, basements, storage sheds and like areas even if attached to the residence. Livable floor area shall include, however, enclosed porches if the roof of the porch forms an integral part of the residence.

D. The minimum width of a residence, including attached garage, shall be 41 feet; provided, however, if the grade, soil or other physical conditions pertaining to the Site render such width impractical or undesirable in the Architectural Control Committee's sole judgment, the Architectural Control Committee may (but shall not be obligated to) permit the construction of a residence having a width of less than 39 feet.

E. No Structure shall be placed, erected, installed or located on any Site nearer to the front, side or rear lot line than is permitted by the ordinances of the City of Novi in effect at the time of installation of such Structure.

F. All roofs on residences shall have a minimum pitch of 5/12.

G. The exterior of all residences and other Structures must be completed as soon as practical after construction commences, except where such completion is impossible or would result in great hardship to the owner or builder due to strikes, fires, national emergency or natural calamities.

H. All driveways shall be paved with concrete and shall be completed prior to occupancy, if weather permits.

I. All garages shall be attached to the residence. The Architectural Control Committee shall have the sole and conclusive authority to determine whether a proposed garage design is attached to the residence.

J. Trees measuring six inches or more in diameter at ground level may not be removed without the written approval of the Architectural Control Committee. Prior to commencement of construction, each Site Owner shall submit to the Architectural Control Committee a plan for the preservation of trees in connection with the construction process. The Site Owner shall not commence construction unless such plan is approved by the

Architectural Control Committee. It shall be the responsibility of each Site Owner to maintain and preserve all large trees within the Site, which responsibility includes welling trees, if necessary. All Site Owners shall comply with the City of Novi's woodlands ordinance, as the same may be amended from time to time, in connection with any proposed tree removal.

K. All landscaping shall be completed within 90 days of occupancy, weather permitting.

L. All outside equipment, including air conditioning compressors and pads, shall be placed and located within five feet of the rear of the residence unless otherwise approved in writing by the Architectural Control Committee.

M. All public utilities such as water main, sanitary sewers, storm sewers, gas mains, electric and telephone local distribution lines, cable television lines, and all connections to same, either private or otherwise, shall be installed underground. However, above-ground transformers, pedestals and other above-ground electric and telephone utility installations and distribution systems and surface and off-site drainage channels and facilities, as well as street lighting stanchions, shall be permitted.

## ARTICLE VI

### ARCHITECTURAL CONTROL COMMITTEE

Except as otherwise expressly provided herein, the Architectural Control Committee shall have exclusive jurisdiction over the rights of approval and enforcement set forth in this Declaration. The Developer shall have the exclusive right to appoint and remove all members of the Architectural Control Committee in its sole discretion until such time as certificates of occupancy have been issued for residences on 100% of the Sites in the Condominium. There shall be no surrender of this right prior to the issuance of certificates of occupancy of residences in 100% of the Sites in the Condominium, except in a written instrument in recordable form executed by Developer and specifically assigning to the Association the power to appoint and remove the members of the Architectural Control Committee. From and after the date of such assignment or later expiration of Developer's exclusive power of appointment and removal, the Architectural Control Committee shall be appointed by the Board of Directors of the Association, and Developer shall have no further responsibilities with respect to any matters of approval or enforcement set forth herein. The Architectural Control Committee shall consist of at least one but no more than three persons. Neither Developer nor any member of the Architectural

Control Committee shall be compensated from assessments collected from the members of the Association for the time expended in architectural control activities.

## ARTICLE VII

### EXCULPATION FROM LIABILITY

A. As provided in Article IV hereof, the primary purpose for providing for architectural control is to ensure the proper and harmonious development of the Condominium in order to maximize the aesthetic beauty of the Condominium and its blending with the surrounding area. To this end, the Architectural Control Committee shall be deemed to have broad discretion in terms of determining what residences, fences, walls, hedges or other Structures will enhance the aesthetic beauty and desirability of the Condominium, or otherwise further or be consistent with the purpose for any restriction. In no event shall the Developer, the Association or the Architectural Control Committee have any liability whatsoever to anyone for their approval or disapproval of plans, drawings, specifications, elevations or the residences, fences, walls, hedges or other Structures subject hereto, whether such alleged liability is based on negligence, tort, express or implied contract, fiduciary duty or otherwise. In no event shall the Developer, the Association or the Architectural Control Committee have any liability to anyone including, but not limited to, Site Owners, for approval of plans, specifications, structures or the like which are not in conformity with the provisions of this Declaration, or for disapproving plans, specifications, structures or the like which may be in conformity with the provisions hereof.

B. In no event shall any party have the right to impose liability on, or otherwise contest judicially, the Developer, the Association or the Architectural Control Committee for any decision of the Developer, the Association or the Architectural Control Committee (or alleged failure of the Developer, the Association or the Architectural Control Committee to make a decision) relative to the approval or disapproval of a Structure or any aspect or other matter as to which Developer, acting through the Architectural Control Committee or otherwise, reserves the right to approve or waive under this Declaration. The approval of the Developer (or the Architectural Control Committee, as the case may be) of a Structure or other matter shall not be construed as a representation or warranty that the Structure or matter is in conformity with the ordinances or other requirements of the City of Novi or any other governmental authority. Any

obligation or duty to ascertain any such nonconformities, or to advise the Site Owner or any other person of the same (even if known), is hereby disclaimed.

## ARTICLE VIII

### OPERATION AND ENFORCEMENT

A. The provisions hereof shall run with and bind the Sites in the Condominium for a period of 20 years from the date hereof, after which time they shall be extended automatically for successive periods of 10 years unless 75% of the Site Owners in the Condominium vote to limit or remove the restrictions set forth herein.

B. In addition to any other remedy provided for herein or under applicable law, the Developer, the Association, or the Site Owners of 10 Sites in the Condominium shall have the right at any time or times during the term of this Declaration to proceed at law or in equity against any person violating or attempting to violate any provision contained herein, to prevent or abate such violations, to compel compliance with the terms hereof, to enter upon any land within the Condominium and correct any condition in and remove any building, improvement or other structure erected, installed or maintained in violation of the terms hereof at the violating Site Owner's expense, and to recover damages or other compensation for any violation. Any such entry shall not constitute a trespass. The Developer or any other party having a right to enforce the terms of this Declaration may recover against a Site Owner violating the provisions of this Declaration all reasonable costs incurred in enforcing such provisions in any of the foregoing ways, including the cost of removing offending Structures and actual attorneys' fees and other litigation costs.

C. The failure to enforce any provision contained herein in any particular instance shall not be deemed a waiver of the right to do so as to any continuing, subsequent or other violation.

## ARTICLE IX

### AMENDMENT

A. This Declaration may be amended after the conveyance by deed of the first Site in the Condominium during the first 20 year period specified in Article VIII only by an instrument

executed by not less than 90% of the Site Owners and thereafter by an instrument signed by not less than 75% of the Site Owners. Notwithstanding the previous sentence, until such time as Developer conveys title to 75% of the Sites to persons for the purpose of constructing residences thereon and certificates of occupancy are issued for residences in 75% of the Sites, Developer reserves the right to amend this Declaration unilaterally by executing a written instrument and recording same with the Office of the Register of Deeds, Oakland County, Michigan. Developer's prior written consent shall be required for any amendment to this Declaration until such time as certificates of occupancy have been issued for residences on 100% of the Sites in the Condominium.

B. At such time as Developer has conveyed title (by delivery of a deed) to all of the Sites in the Condominium, and residences have been built on all Sites and certificates of occupancy issued therefor, Developer's consent shall not be required to any proposed amendment to the Declaration.

#### ARTICLE X

##### SEVERABILITY

The invalidity or unenforceability of any provision hereof shall not affect the validity or enforceability of any other provision hereof.

IN WITNESS WHEREOF, Developer has duly executed this Declaration to be executed on the day and year first above written.

WITNESS:

HOLTZMAN & SILVERMAN HOMES  
LIMITED PARTNERSHIP, a  
Michigan limited partnership

By: DIVERSIFIED ASSET CORP. II,  
a Michigan corporation  
its general partner

/s/Anna Marie Kish  
\*Anna Marid Kish

/s/Patricia A. Wright  
\*Patricia A. Wright

By: /s/Gilbert "Buss" Silverman  
Gilbert "Buss" Silverman

Its: President

[JURAT ON PAGE 11]



## BRIARWOOD VILLAGE SOUTH

### EXHIBIT A

### BYLAWS

### ARTICLE I

### ASSOCIATION OF OWNERS

Briarwood Village South, a single family residential condominium located in the City of Novi, Oakland County, Michigan, shall be administered by an Association of Owners which shall be a nonprofit corporation, herein referred to as the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and required by Section 3(8) of the Act and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Owner shall be entitled to membership and no other person or entity shall be entitled to membership. The share of an Owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to the Owner's Site. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium available at reasonable hours to Owners, prospective purchasers and prospective mortgagees of Sites in the Condominium. The Association, all Owners in the Condominium and all persons using or entering upon or acquiring any interest in any Site therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents. All terms used herein shall have the same meaning as set forth in the Master Deed to which these Bylaws are attached as an Exhibit or as set forth in the Act.

### ARTICLE II

### ASSESSMENTS

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

Section 1. Taxes Assessed on Personal Property Owned or Possessed in Common. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Owners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 2. Receipts and Expenditures Affecting Administration. Expenditures affecting administration of the Condominium shall include all costs incurred in satisfaction of any liability arising within, caused by or connected with the Common Elements or the administration of the Condominium. Receipts affecting administration of the Condominium shall include all sums received by the Association as proceeds of, or pursuant to, a policy of insurance securing the interests of the Owners against liabilities or losses arising within, caused by or connected with the Common Elements or the administration of the Condominium.

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

(a) The Annual Budget and Regular Annual Assessments. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Owner and the assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Owner shall not affect or in any way diminish the liability of any Owner for any existing or future assessments. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular annual payments as set forth in Section 5 below rather than by special assessments. At a minimum, the reserve fund shall be equal to 10% of the Association's current annual budget (excluding that portion of the budget allocated to the reserve fund itself) on a non-cumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate, the Association should carefully analyze the Condominium to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. The Board of Directors shall annually consider the needs of the Condominium to determine if a greater amount should be set aside in reserve or if additional reserve funds should be

established for any other purposes. The regular annual Association assessments provided in this Article II, Section 3(a) shall be levied in the sole discretion of the Board of Directors.

(b) Special Assessments. Special assessments, in addition to those required in subparagraph (a) above, may be made by the Board of Directors from time to time and approved by the Owners as hereinafter provided to meet other appropriate requirements of the Association. Special assessments referred to in this subparagraph (b) shall be levied only with the prior approval of more than 60% of all Owners in number and in value. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof.

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

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

following extinguishment of all rights of the land contract purchaser in the Site. Payments on account of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorneys' fees; second, to any interest and other charges for late payment on such assessments; and third, to installments in default in order of their due dates. An Owner selling a Site shall not be entitled to any refund whatsoever from the Association with respect to any reserve, account or other asset of the Association.

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

Section 7. Enforcement.

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

(b) Foreclosure Proceedings. Each Owner, and every other person who from time to time has any interest in the Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the statutory lien that secures payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Owner and every other person who from time to time has any interest in the Condominium shall be deemed to have authorized and empowered the Association to sell or cause to be sold the

Site with respect to which the assessment(s) is or are delinquent to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by Michigan law. The Association, acting on behalf of all Owners, may bid at the foreclosure sale, and acquire, hold, lease, mortgage, or convey the Site sold.

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

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

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

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

(d) Expenses of Collection. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, plus any late charges, shall be chargeable to the Owner in default and shall be secured by the lien on the Site.

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

Section 9. Developer's Responsibility for Assessments. Notwithstanding any other provisions of the Condominium Documents to the contrary, the Developer shall not pay regular annual Association assessments for Sites which are owned by the Developer so long as the Sites are vacant and unoccupied, but the Developer shall at all times pay all expenses of maintaining the Sites that it owns, including the improvements located therein. Developer shall in no event be liable for any assessment levied in whole or in part to purchase any Site from the Developer or to finance any litigation or other claims against the Developer, any cost of investigating and preparing such litigation or claim or any similar or related costs.

Section 10. Unpaid Assessments Due on Site Sale; Statement of Unpaid Assessments. Upon the sale or conveyance of a Condominium Site, all unpaid assessments against the Condominium Site shall be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except (a) amounts due the State of Michigan or any subdivision thereof for taxes or special assessments due and unpaid on the Site and (b) payments due under first mortgages having priority thereto. A purchaser of a Condominium Site is entitled to a written statement from the Association setting forth the amount of unpaid assessments outstanding against the Site and the purchaser is not liable for any unpaid assessment in excess of the amount set forth in such written statement, nor shall the Site be subject to any lien for any amounts in excess of the amount set forth in the written statement. Any purchaser or grantee who fails to request a written statement from the Association as provided herein at least five days before the sale, or to pay unpaid assessments against the Site at the closing of the Site purchase if such a statement was requested, shall be liable for any unpaid assessments against the Site together with interest, costs and attorneys' fees incurred in connection with the collection thereof.

Section 11. Property Taxes and Special Assessments. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

Section 12. Construction Liens. A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

### ARTICLE III

#### JUDICIAL ACTIONS AND CLAIMS

Actions on behalf of and against the Owners shall be brought in the name of the Association. The Association may assert, defend or settle claims on behalf of all Owners in connection with the Common Elements of the Condominium. The commencement of any such civil action (other than one to enforce or collect delinquent assessments) shall require the approval of a majority in value of the Owners.

### ARTICLE IV

#### INSURANCE

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

(a) Responsibilities of Association. All such insurance shall be purchased by the Association for the benefit of the Association, and the Owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Owners.

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

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

(d) Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association and the Owners and their

mortgagees, as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Condominium unless all of the institutional holders of first mortgages on Sites in the Condominium have given their prior written approval.

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

Section 3. Responsibilities of Owners. Each Owner shall be obligated and responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to the Site owned together with the residence and all other improvements therein, for the Owner's personal property located therein or thereon or elsewhere on the Condominium. All such insurance shall be carried by each Owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs. Each Owner also shall be obligated to obtain insurance coverage for personal liability for occurrences within the Site owned and the improvements located therein. Each Owner shall deliver certificates of insurance to the Association from time to time to evidence the continued existence of all insurance required to be maintained by the Owner hereunder. In the event of the failure of an Owner to obtain such insurance or to provide evidence thereof to the Association, the Association may obtain such insurance on behalf of such Owner and the premiums therefor shall constitute a lien against the Owner's Site which may be collected from the Owner in the same manner that Association



assessments may be collected in accordance with Article II hereof. Each Owner shall be obligated to obtain any other personal insurance coverage that the Owner wishes to carry. The Association shall under no circumstances have any obligation to obtain any of the insurance coverage described in this Section 3 or any liability to any person for failure to do so.

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

## ARTICLE V

### RECONSTRUCTION OR REPAIR

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

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

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

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

Section 3. Association Responsibility for Repair and Reconstruction. Immediately after a casualty causing damage to

property for which the Association has the responsibility of repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessments shall be made against all Owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation. Assessments pursuant to this Article V, Section 3 may be made by the Association without a vote of the Owners.

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

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

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

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

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

Section 6. Notices to Certain Mortgagees. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC"), or in the event any mortgage is held by or insured by the United States Department of Housing and Urban Development ("HUD"), the Association shall give FHLMC and HUD written notice at such address as it may from time to time direct of any loss to or taking of the Common

Elements of the Condominium, or any loss to or taking of any Site, or part thereof, if the loss or taking exceeds \$10,000 in amount.

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

## ARTICLE VI

### RESTRICTIONS

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

Section 2. Alterations and Modifications of the Common Elements. No Owner shall make changes in any of the Common Elements, limited or general, without the express written approval of the Architectural Control Committee. The Architectural Control Committee may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium as provided herein and in the Declaration of Covenants, Conditions and Restrictions.

Section 3. Activities. No noxious or offensive activity shall be performed upon any Site, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the other Sites or Site owners. There shall not be maintained any animals or device or thing of any sort whose normal activities or existence is in any way noxious, noisy, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the reasonable enjoyment of other Sites in the Condominium. The Board of Directors of the Association shall be the final arbiter of whether a particular animal, device, or thing is in violation of the foregoing restrictions. No Owner shall do or permit anything to be done or keep or permit to be kept in the Owner's Site, residence or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association,

and each Owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved, which increased cost may be assessed to and collected from the Owner in the manner provided in Article II hereof.

Section 4. Animals or Pets. No animals or fowl (except household pets) shall be kept or maintained on any Site. Any pets kept in the Condominium shall have such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions. No savage or dangerous animal shall be kept. No animal may be permitted to run loose upon the Common Elements, and any animal shall at all times be attended by a responsible person while on the Common Elements. Any person who causes or permits an animal to be brought or kept on the Condominium property shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the Condominium property.

Section 5. Aesthetics. The Common Elements shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in the Master Deed or in duly adopted rules and regulations of the Association. All rubbish, trash, garbage and other waste shall be regularly removed from each Site and shall not be allowed to accumulate therein. Trash receptacles shall at all times be maintained inside each individual garage and shall not be permitted to remain elsewhere except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. It shall be the responsibility of each Site Owner to prevent the development of any unclean, unsightly or unkempt conditions of buildings or ground on the Owner's Site which shall tend to substantially decrease the beauty of the Condominium as a whole or any specific area thereof. No lawn ornaments, sculptures or statues shall be placed or permitted to remain on any Site without the prior written permission of the Architectural Control Committee. No unsightly condition shall be maintained upon any court yard, deck, patio or porch and only furniture and equipment consistent with ordinary court yard, deck, patio or porch use shall be permitted to remain there during seasons when the same are reasonably in use and no furniture or equipment of any kind shall be stored on decks, patios or porches during seasons when the same are not reasonably in use. The yard area within each Site and surrounding each residence shall not be used in any way for the drying, shaking, or airing of clothing or other fabrics. In general, no activity shall be carried on nor condition maintained by a Owner, either in a Site or upon the Common Elements, which is detrimental to the appearance of the Condominium.

Section 6. Common Elements. The Common Elements shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No Owner may leave personal property of any description (including by way of example and not limitation bicycles, vehicles, chairs and benches) unattended on or about the Common Elements. Use of all Common Elements may be limited to such times and in such manner as the Board of Directors shall determine by duly adopted regulations.

Section 7. Vehicles. No trailers, boats, aircraft, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers, jet skis, jet ski trailers or other recreational vehicles, or any other vehicles, other than passenger cars, passenger vans, pick-up trucks and so-called "Blazer"-type vehicles shall be parked or maintained on any Site unless in a suitable private attached garage which is built in accordance with the restrictions set forth in the Declaration of Covenants, Conditions and Restrictions.

Section 8. Weapons. No Owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his or her family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows, sling shots, or other similar weapons, projectiles or devices anywhere on or about the Condominium.

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

Section 10. Rules and Regulations. Reasonable regulations consistent with all laws, the Condominium Documents and the Declaration of Covenants, Conditions and Restrictions concerning the use of the Common Elements or the rights and responsibilities of the Owners and the Association with respect to the Condominium or the manner of operation of the Association and of the Condominium may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors (or its successors) prior to the Transitional Control Date. Copies of all such

rules, regulations and amendments thereto shall be furnished to all Owners or posted on a General Common Element. Any such regulation or amendment may be revoked at any time by the affirmative vote of a majority of the Owners.

Section 11. Landscaping. No Owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Elements unless approved by the Board of Directors in writing or unless permitted by the Master Deed or the regulations of the Association.

Section 12. Television Antenna and Similar Devices. No outside television antenna or other antenna, or aerial, saucer, dish or similar device shall be placed, constructed, altered or maintained on any Site, unless the Architectural Control Committee determines in its sole discretion that the absence of an outside antenna causes substantial hardship with respect to a particular Site.

Section 13. Dog Kennels and Similar Shelters. Dog kennels or runs or other enclosed shelters for permitted animals must be an integral part of the approved residence and must be approved by the Architectural Control Committee and the City of Novi relative to the location and design of fencing. Each Site Owner must keep any such kennel, shelter or run in clean and sanitary condition.

Section 14. Outbuildings and Other Structures. No structure of a temporary character shall be placed upon any Site at any time. No temporary occupancy shall be permitted in an unfinished residence. The use of a trailer for materials and supplies to be used by a building in the construction of a residence and which shall be removed from the premises upon enclosure of the residence, may be allowed with the written consent of the Architectural Control Committee which shall have the sole discretion to approve or disapprove same. No old or used buildings of any kind shall be brought on any Site or in the Condominium. No accessory buildings shall be permitted on any Site. No mobile home, trailer, house or camping trailer, tent, shack, tool storage shed, barn, tree house, or other similar outbuilding or structure shall be placed on any Site at any time, either temporarily or permanently. Plans for a swimming or bath house must be specifically approved by the Architectural Control Committee.

Section 15. Swimming Pools. No above ground swimming pools shall be erected or maintained on or in any Site.

Section 16. Fences. No fence or wall of any kind shall be erected or maintained on any Site without the express prior written consent of the Architectural Control Committee, which

shall have the sole and absolute discretion to determine the suitability of the locations, design, shape, height, size and materials for any such fence or wall. No fence other than a cedar picket fence not to exceed four feet in height shall be approved. No fence, wall or hedge shall be located nearer to any front lot line than is permitted pursuant to the City of Novi Zoning Ordinance. No fence, wall or hedge shall be maintained or erected which blocks or hinders vision at street intersections.

Section 17. Owner Maintenance. Each Owner shall maintain the Site owned, the residence constructed therein and any Limited Common Elements appurtenant thereto for which the Owner has maintenance responsibility in a safe, clean and sanitary condition. All vacant and unimproved Sites must remain free of debris, litter, and trash and be cleaned up regularly. All grass and weeds on any vacant and unimproved Site must be mowed at least once monthly or more often if required by the Developer. Where a residence is under construction within a Site, all debris, construction debris, unusable materials, litter and trash must be cleaned up and removed every Friday afternoon and more often if required by the Architectural Control Committee established by the Declaration of Covenants, Conditions and Restrictions. Each Owner shall also use due care to avoid damaging any of the Common Elements including but not limited to the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other utilities located in or on any Site which are appurtenant to or which may affect any other Site. Each Owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by the Owner or the Owner's family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association in which case there shall be no such responsibility, unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Owner shall bear the expense to the extent of the deductible amount. Any costs or damages to the Association may be assessed to and collected from the responsible Owner in the manner provided in Article II hereof.

Section 18. Reserved Rights of Developer.

(a) Prior Approval by Architectural Control Committee Controlled by Developer. No buildings, fences, walls, retaining walls, drives, walks or other Structures or improvements shall be commenced, erected, maintained, nor shall any addition to, or change or alteration to any Structure be made (including in color or design), except interior alterations of residences, until plans and specifications are approved by the Architectural Control Committee as provided in the Declaration of Covenants, Conditions and Restrictions.

(b) Developer's Rights in Furtherance of Development and Sales. None of the restrictions contained in this Article VI shall apply to the commercial activities or signs or billboards of the Developer with respect to unoccupied Sites owned by the Developer, or of the Association in furtherance of its powers and purposes. Notwithstanding anything to the contrary elsewhere herein contained, until all Sites in the entire planned Condominium are sold by Developer, Developer shall have the right to maintain a sales office, a business office, a construction office, model units, storage areas and reasonable parking incident to the foregoing and such access to, from and over the Condominium as may be reasonable to enable development and sale of the entire Condominium by the Developer.

(c) Enforcement of Bylaws. The Condominium shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private residential community for the benefit of the Owners and all persons having interests in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then the Developer, or any entity to which it may assign this right, at its option, may elect to maintain, repair and/or replace any Common Elements and/or to do any landscaping required by these Bylaws and to charge the cost thereof to the Association as an expense of administration. The Developer shall have the right to enforce these Bylaws prior to the First Annual Meeting, which right of enforcement shall include without limitation an action to restrain the Association or any Owner from any activity prohibited by these Bylaws.

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



Section 19. Grading, Soil Erosion and Woodland Plan for Briarwood Village South and Surface Water Drainage. The grade of any Site in Briarwood Village South may not be changed from the Grading, Soil Erosion and Woodland Plan prepared by Seiber, Keast & Associates, Inc., dated July 16, 1991, and approved by the City of Novi (which Grading, Soil Erosion and Woodland Plan may be subsequently amended from time to time as conditions require and as subsequently approved by the City of Novi), without the written consent of the Architectural Control Committee and any governmental authority having jurisdiction.

(a) It shall be the responsibility of each Owner to maintain the surface drainage grades of the Owner's Site as established by the Developer. Each Owner covenants not to change the surface grade of the Owner's Site in a manner which will materially increase or decrease the storm water flowing onto or off of the Owner's Site and will not block, pond or obstruct surface water. The Board of Directors of the Association shall enforce this covenant and may enter upon any of the Sites in the Condominium to correct any violation of this covenant and shall charge the costs of the correction to the Owner and such costs shall be a lien upon the Site.

(b) It shall be the responsibility of each Owner to assure that the footing drains are clear of obstructions and installed in accordance with the Storm Sewer Plan prepared by Seiber, Keast & Associates, Inc., dated September 6, 1991, as revised, and approved by the City of Novi, which Storm Sewer Plan may be subsequently amended from time to time as conditions require and subsequently approved by the City of Novi. It shall be the responsibility of each Owner to maintain the footing drains within Owner's Site. If any Owner shall fail to maintain the footing drains, the Association may enter upon the Site of such Owner and perform all necessary connections, repairs and maintenance of the footing drains. The costs for such connections, repairs and maintenance shall be charged to the Owner and shall be a lien upon the Site.

Section 20. Leasing and Rental. Owners, including Developer, may rent any number of Sites at any time for any term of occupancy not less than thirty (30) days subject to the following:

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

desires to rent Sites before the Transitional Control Date, it shall notify either the Advisory Committee or each Owner in writing.

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

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

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

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

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

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

Section 21. Declaration of Covenants, Conditions and Restrictions. The architectural and building specifications and use restriction set forth in the Declaration of Covenants, Conditions and Restrictions and this Master Deed govern the development and use of each Site in the Condominium. All improvements made within any Site, including the construction of a Residence and any other Structure, and the use and occupancy thereof, shall comply fully with the architectural and building specifications and use restrictions established by this Master Deed and the Declaration of Covenants, Conditions and Restrictions. The terms, provisions, restrictions and conditions of the Declaration of Covenants, Conditions and Restrictions are incorporated fully herein by this reference. The Developer intends by the specifications and restrictions set forth in the Declaration of Covenants, Conditions and Restrictions and this Master Deed to create and perpetuate a beautiful, serene, private residential community consistent with the highest standards. Developer has reserved the right to unilaterally amend the Declaration of Covenants, Conditions and Restrictions until such time as Developer conveys title to 75% of the Sites in the Condominium for the purpose of constructing residences thereon and certificates of occupancy are issued for 75% of the Sites in the Condominium, and any such amendment to the Declaration of Covenants, Conditions and Restrictions shall bind all persons acquiring any interest in the Condominium, including without limitation Owners and mortgagees.

Section 22. Conservancy Areas. The Condominium is part of a Residential Unit Development ("RUD") established in accordance with Section 1902 of City of Novi Zoning Ordinance No. 75-18. The RUD is commonly known as "Briarwood of Novi." The RUD is governed by the terms and conditions of an Amended Agreement for Residential Unit Development (the "RUD Agreement") entered into between the City of Novi and the Developer's predecessors in title and recorded in Liber 10143, pages 705 through 715, Oakland County Records. In pertinent part, the RUD Agreement mandates the creation and maintenance of certain "conservancy areas". Developer's predecessor in title established a mechanism for maintaining the conservancy areas by recording a Declaration of Covenants and Restrictions Relating to Maintenance of Common Areas (the "Conservancy Agreement") in Liber 10899, pages 814 through 826, Oakland County Records. The RUD Agreement and Conservancy Agreement, as the same may each be amended from time to time, are incorporated herein by reference as if fully set forth herein, and shall be binding on all Site Owners to the extent applicable to the Condominium. In accordance with the Conservancy Agreement, each Site Owner in Briarwood Village South shall be a member of the Briarwood of Novi Maintenance

Association, and shall abide by the provisions relating to such membership as contained in the Conservancy Agreement and in the Articles of Incorporation and Bylaws of the Briarwood of Novi Maintenance Association.

## ARTICLE VII

### MORTGAGES

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

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

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

## ARTICLE VIII

### VOTING

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

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

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

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

Section 5. Quorum. The presence in person or by proxy of more than one-half (1/2) in value of the Owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting such person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

Section 6. Voting. Votes may be cast only in person or by a writing duly signed by the designated voting representative not present at a given meeting in person or by

proxy. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

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

## ARTICLE IX

### MEETINGS

Section 1. Place of Meeting. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Roberts Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Condominium Documents or the laws of the State of Michigan.

Section 2. First Annual Meeting. The First Annual Meeting of members of the Association may be convened only by the Developer. The First Annual Meeting may be called at any time in the Developer's discretion after the first conveyance of legal or equitable title of a Site in the Condominium to a non-developer Owner. As provided in Article XI, Section 2 hereof, the First Annual Meeting shall be held on or before one hundred twenty (120) days after the conveyance of legal or equitable title to non-developer Owners of seventy-five (75%) in number of the Sites that may be created in the Condominium or fifty-four (54) months after the first conveyance of legal or equitable title to a non-developer Owner of a Site in the Condominium, whichever first occurs. The Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting of members and no such meeting shall be construed as the First Annual Meeting of members. The date, time and place of such meeting shall be set by the Board of Directors, and at least ten (10) days' written notice thereof shall be given to each Owner.

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

Section 4. Special Meetings. It shall be the duty of the President to call a special meeting of the Owners as directed by resolution of the Board of Directors or upon a petition signed by one-third (1/3) of the Owners presented to the Secretary of the Association, but only after the First Annual Meeting has been held. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

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

Section 6. Adjournment. If any meeting of Owners cannot be held because a quorum is not in attendance, the Owners who are present may adjourn the meeting to a time not less than ten (10) days from the time the original meeting was called, and notice of the meeting shall be provided as set forth in Section 5 of this Article IX.

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

annual meeting or special meetings held for such purpose); (i) unfinished business; and (j) new business. Meetings of members shall be chaired by the most senior officer of the Association present at such meeting. For purposes of this Section, the order of seniority of officers shall be President, Vice President, Secretary and Treasurer.

Section 8. Action Without Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in Section 5 of this Article IX for the giving of notice of meetings of members. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt, within the time period specified in the solicitation, of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of votes or total percentage of approvals which equals or exceeds the number of votes or percentage of approvals which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

Section 9. Minutes; Presumption of Notice. Minutes or a similar record of the proceedings of meetings of members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

## ARTICLE X

### ADVISORY COMMITTEE

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



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

## ARTICLE XI

### BOARD OF DIRECTORS

Section 1. Number and Qualification of Directors. The Board of Directors shall consist of five members, all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association, except for the first Board of Directors. Directors shall serve without compensation. After the First Annual Meeting, the number of directors may be increased or decreased by action of the Board of Directors, provided that the Board of Directors shall be comprised of at least five members.

#### Section 2. Election of Directors.

(a) First Board of Directors. The first Board of Directors, or its successors as selected by the Developer, shall manage the affairs of the Association until the appointment of the first non-developer Owners to the Board. Elections for non-developer Owner directors shall be held as provided in subsections (b) and (c) below.

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

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

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

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

(iii) If the calculation of the percentage of members of the Board of Directors that the non-developer Owners have the right to elect under this Section 2, or if the product of the number of members of the Board of Directors multiplied by the percentage of Sites held by the non-developer Owners under this Section 2 results in a right of non-developer Owners to elect a fractional number of members of the Board of Directors, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board of Directors that the non-developer Owners have the right to elect. After application of this formula the Developer shall have the right to elect the remaining members of the Board of Directors. Application of this subsection shall not eliminate the right of the Developer to designate one director as provided in subsection (i) of this Section 2(c).

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

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

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

Section 3. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things necessary thereto subject always to the Condominium Documents and applicable laws.

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

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

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

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

(d) To rebuild improvements after casualty.

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

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

(g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association.

(h) To make rules and regulations in accordance with Article VI, Section 10 of these Bylaws.

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

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

Section 5. Management Agent. The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto) at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 3 and 4 of this Article, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any other contract providing for services by the Developer, in which the maximum term is greater than 3 years or which is not terminable by the Association upon ninety (90) days' written notice thereof to the other party and no such contract shall violate the provisions of Section 55 of the Act.

Section 6. Vacancies. Vacancies in the Board of Directors which occur after the Transitional Control Date caused by any reason other than the removal of a director by a

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

Section 7. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the directors may be removed with or without cause by the affirmative vote of more than fifty (50%) percent in number and in value of all of the Owners and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal quorum set forth in Article VIII, Section 5. Any director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the directors selected by it at any time or from time to time in its sole discretion. Likewise, any director selected by the non-developer Owners to serve before the First Annual Meeting may be removed before the First Annual Meeting in the same manner set forth in this paragraph for removal of directors generally.

Section 8. First Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director personally, by mail, telephone or telegraph, at least ten (10) days prior to the date named for such meeting.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on three days' notice to each director given personally, by mail,

telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two directors.

Section 11. Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meetings of the Board shall be deemed a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. Quorum. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting to a subsequent time upon twenty-four (24) hours' prior written notice delivered to all directors not present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a director in the action of a meeting by signing and concurring in the minutes thereof, shall constitute the presence of such director for purposes of determining a quorum.

Section 13. First Board of Directors. All of the actions (including, without limitation, the adoption of these Bylaws and any Rules and Regulations for the Association, and any undertaking or contracts entered into with others on behalf of the Association) of the first Board of Directors of the Association named in its Articles of Incorporation or any successors thereto appointed before the First Annual Meeting of Owners shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the Owners.

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

## ARTICLE XII

### OFFICERS

Section 1. Officers. The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice President, a Secretary and a Treasurer. The directors may appoint an Assistant Treasurer, and an Assistant Secretary, and such other officers as in their judgment may be necessary. Any two offices except that of President and Vice President may be held by one person.

(a) President. The President shall be the chief executive officer of the Association, and shall preside at all meetings of the Association and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of the President of an Association, including, but not limited to, the power to appoint committees from among the members of the Association from time to time in the President's discretion as may be deemed appropriate to assist in the conduct of the affairs of the Association.

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

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

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

Section 2. Election. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal. Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and the officer's successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose. No such removal action may be taken, however, unless the matter shall have been included in the notice of such meeting. The officer who is proposed to be removed shall be given an opportunity to be heard at the meeting.

Section 4. Duties. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Directors.

#### ARTICLE XIII

##### SEAL

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

#### ARTICLE XIV

##### FINANCE

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



following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration.

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

Section 3. Bank. Funds of the Association shall be initially deposited in such bank or savings association as may be designated by the Board and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time. The funds may be invested from time to time in accounts or deposit certificates of such bank or savings association as are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and may also be invested in interest-bearing obligations of the United States Government.

## ARTICLE XV

### INDEMNIFICATION OF OFFICERS AND DIRECTORS

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

Directors is authorized to carry officers' and directors' liability insurance covering acts of the officers and directors of the Association in such amounts as it shall deem appropriate.

#### ARTICLE XVI

##### AMENDMENTS

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

#### ARTICLE XVII

##### COMPLIANCE

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

#### ARTICLE XVIII

##### REMEDIES

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

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

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

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

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

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

## ARTICLE XIX

### ARBITRATION

Section 1. Scope and Election. Disputes, claims, or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between the Owners and

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

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

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

## ARTICLE XX

### SEVERABILITY

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