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MASTER DEED
COVES OF NORTHVILLE
(Act 59, Public Acts of 1978, as amended)

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This Master Deed is made and executed on this 15th day of July, 1986, by MONTAGE CORPORATION, a Michigan Corporation, hereinafter referred to as "Developer", whose office is situated at 32961 Middlebelt Rd., Farmington Hills, Michigan, represented herein by an officer fully empowered and qualified to act on its behalf, in pursuance of the provisions of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended by Act 283 of the Public Acts of 1980, Act 513 of the Public Acts of 1980, Act 4 of the Public Acts of 1982, Act 42 of the Public Acts of 1982, Act 538 of the Public Acts of 1982 and Act 113 of the Public Acts of 1983), hereinafter collectively referred to as the "Act".

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WITNESSETH:

WHEREAS, the Developer desires by recording this Master Deed, together with the Condominium Bylaws attached hereto as Exhibit "A" and the Condominium Subdivision Plan attached hereto as Exhibit "B" (both of which are hereby incorporated by reference and made a part hereof) to establish the real property described in Article II below, together with the improvements located and to be located thereon, and the appurtenances thereto, as a residential Condominium Project under the provisions of the Act.

NOW, THEREFORE, the Developer does, upon the recording hereof establish Coves of Northville as a Condominium Project under the Act and does declare that Coves of Northville (hereinafter referred to as the "Condominium", the "Project" or the "Condominium Project"), shall after such establishment, be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any other manner utilized, subject to the provisions of the Act, and to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this Master Deed and Exhibits "A" and "B" hereto, all of which shall be deemed to run with the land and shall be a burden and a benefit to the Developer, its successors and assigns, and any persons acquiring or owning an interest in the said real property, their grantees, successors, heirs, executors, administrators and assigns. In furtherance of the establishment of said Condominium Project, it is provided as follows:

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ARTICLE I

TITLE AND NATURE

The Condominium Project shall be known as Coves of Northville, Oakland County; Subdivision Plan No. 456 the Township of Northville. The architectural plans for the Project have been approved by the Township of Northville, and the Project is established in accordance with the Act. The buildings and units contained in the Condominium,

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including the number, boundaries, dimensions and area of each Unit therein are set forth completely in the Condominium Subdivision Plan attached as Exhibit "B" hereto. Each building contains individual Units for residential purposes and each Unit is capable of individual utilization on account of having an entrance from and exit to a Common Element of the Condominium Project. Each Co-owner in the Condominium Project shall have an exclusive right to his Unit and shall have undivided and inseparable rights to share with other Co-owners the Common Elements of the Condominium Project as are designated by the Master Deed.

ARTICLE II

LEGAL DESCRIPTION

The land which is submitted to the Condominium Project established by this Master Deed is particularly described as follows:

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Part of the West 1/4 of the Southwest ^{Novi} Section 34, Township 1 North, Range 8 East, City of Northville, Oakland County, Michigan. Beginning at a point on West Section Line North 969.60 feet from the Southwest corner of said Section 34; thence North along said line 401.8 feet; thence South 89 degrees 15 minutes 00 seconds East 1088.3 feet; thence South 03 degrees 41 minutes 00 seconds West 401.8 feet; thence North 89 degrees 15 minutes 00 seconds West 1063 feet to the point of beginning. Excepting therefrom beginning at a point distant North 969.60 feet from the Southwest Section corner; thence North 35 feet; thence South 89 degrees 15 minutes 00 seconds East 465.25 feet; thence North 367.25 feet; thence South 89 degrees 15 minutes 00 seconds East 600 feet, thence South 03 degrees 41 minutes 00 seconds West 402.29 feet; thence North 89 degrees 15 minutes 00 seconds West 1063 feet to the point of beginning.

ENGLAND COLONY TREASURERS CERTIFICATE
I HEREBY CERTIFY that there are no TAX LIENS or
TITLES held by the state of any individual against the
within description, and all TAXES on same are paid for
the years previous to the date of this instrument, as
appears by the records in this office except as stated.

R. J. ... 7.60
7/25/86
Oakland County Treasurer
Oak Hill, Mich. 48069

This Master Deed is subject to all covenants, restrictions and easements of record.

ARTICLE III

DEFINITIONS

Certain terms are utilized not only in this Master Deed and Exhibits "A" and "B" hereto, but are or may be used in various other instruments such as, by way of example and not limitation, the Articles of Incorporation, Corporate Bylaws, Rules and Regulations of the Coves of Northville Condominium Association, a Michigan non-profit corporation, and deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment of, or transfer of, interests in the Condominium Project, these terms are set forth below and shall be defined as follows:

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A. The "Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended by Act 283 of the Public Acts of 1980, Act 513 of the Public Acts of 1980, Act 4 of the Public Acts of 1982, Act 42 of the Public Acts of 1982, as amended by Act 538 of the Public Acts of 1982 and Act 113 of the Public Acts of 1983.

B. "Advisory Committee" shall mean the committee of non-developer Co-owners established in accordance with Section 52 (1) of the Act, being MCL 559.152, which shall be established for the purpose of facilitating communication and aiding the transaction of control from the Condominium Board of Directors to the Association Co-owners. The Advisory Committee shall cease to exist when a majority of the Board of Directors of the Association of Co-owners is elected by the non-developer Co-owners.

C. "Association" shall mean the non-profit corporation organized under Michigan law of which all Co-owners shall be members, which corporation shall administer, operate, manage and maintain the Condominium. Any action required of, or permitted to, the Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Condominium Documents or the laws of the State of Michigan.

D. "Common Elements," where used without modification, shall mean both the General and Limited Common Elements described in Article IV hereof.

E. "Condominium Bylaws" means Exhibit "A" hereto, being the Bylaws setting forth the substantive rights and obligations of the Co-owners and required by Section 3(8) of the Act to be recorded as part of the Master Deed. The Condominium Bylaws shall also serve as the corporate bylaws of Coves of Northville Condominium Association, a Michigan Non-Profit Corporation, organized to manage, maintain, and administer the Condominium.

F. "Condominium Documents" wherever used means and includes this Master Deed and Exhibits "A" and "B" hereto, the Articles of Incorporation, Bylaws and Rules and Regulations, if any, of the Association, and any other instrument referred to in the Master Deed or Bylaws which affects the rights and obligations of a Co-owner in the Condominium.

G. "Condominium Premises" means and includes the land and the buildings, all improvements and structures thereon, and all easements, rights and appurtenances belonging to Coves of Northville as described above.

H. "Condominium Project," "Condominium," or "Project" means Coves of Northville as a Condominium Project established in conformity with the provisions of the Act.

I. "Consolidating Master Deed" shall mean the final amended Master Deed which shall describe Coves of Northville as a completed Condominium Project and shall reflect the entire land area of the Condominium Project and all Units and Common Elements therein. Such Consolidating Master Deed when recorded in the office of the Oakland

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County Register of Deeds, shall supercede the previously recorded Master Deed for the Condominium and all amendments thereto.

J. "Condominium Subdivision Plan" means the drawings and information attached hereto as Exhibit "A".

K. "Construction and Sales Period" means the period commencing with the recording of the Master Deed and continuing as long as the Developer owns any unit which it offers for sale or for so long as the Developer continues to construct or proposes to construct additional units.

L. "Co-owner" means a person, firm, corporation, partnership, association, trust or other legal entity whether one or more persons or entities or any combination thereof who owns, or are purchasing from the Developer on land contracts which are not in default, as the case may be, one or more Units in the Condominium Project. The term "Owner," wherever used, shall be synonymous with the term "Co-owner."

M. "Developer" shall mean MORTGAGE CORPORATION, a Michigan corporation, which has made and executed this Master Deed, and its successors and assigns.

N. "First Annual Meeting" means the initial meeting at which non-Developer Co-owners are permitted to vote for the election of all Directors and upon all other matters which may properly be brought before the meeting. Such meeting is to be held (a) in the Developer's sole discretion after 50% of the units which may be created are sold or (b) mandatorily after (i) the expiration of 54 months from the date of the first unit conveyance or (ii) 75% of all units which may be created are sold, whichever occurs first.

O. "Limited Common Element" means a portion of the common elements reserved in this Master Deed for the exclusive use of less than all of the Co-owners, as more particularly described in Article IV B, hereof.

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

Q. "Mortgage," "Mortgagor," and "Mortgagee" where used herein shall include where applicable, "land contract" "land contract vendee" and "land contract vendor" respectively.

R. "Percentage of Value" shall mean the percentage assigned to each Condominium Unit in this Master Deed. The percentage shall total 100% in the Project. Percentages of value shall be determinative only with respect to those matters to which they are specifically deemed to relate either in the Act or in the Condominium Documents. Percentages of value for each Condominium Unit are assigned in Article V.

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5. "Unit," "Condominium Unit," or "Apartment" each mean the enclosed space constituting a single complete residential Unit in the Condominium Project as such space may be described on Exhibit "B" hereto, and shall have the same meaning as the term "condominium unit" as defined in the act.

Whenever any reference herein is made to one gender, the same shall include a reference to any and all genders where the same would be appropriate; similarly, whenever a reference is made herein to the singular, a reference shall also be included to the plural where the same would be appropriate.

ARTICLE IV

COMMON ELEMENTS

The Common Elements of the Project described in Exhibit "B" attached hereto and the respective responsibilities for maintenance, decoration, repair or replacement thereof are as follows:

A. General Common Elements. The general common elements are:

- (1) The land described in Article II hereof, including drive-ways, roads, sidewalks, porches, yards, gardens, outdoor structures, ponds and parking spaces not identified as Limited Common Elements, if any; provided, however, that the Association may, in its discretion assign General Common Element parking spaces to individual Co-owners on an equitable basis.
- (2) The electrical wiring network throughout the Project up to, but not including, the electric meter for each Unit.
- (3) The telephone wiring network throughout the Project up to the point of entry to each Unit.
- (4) The gas line network throughout the Project up to the gas meter for each Unit.
- (5) The water distribution system throughout the Project, including that contained within unit walls, up to the point of connection with plumbing fixtures within any Unit.
- (6) The water and waste disposal system throughout the Project, including that contained within Unit walls, up to the point of connection with plumbing fixtures within any Unit.
- (7) The storm drainage system throughout the Project.
- (8) The outdoor water sprinkling system throughout the Condominium Project.
- (9) Street lighting throughout the Project, if any.

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(10) The cable television transmission system and security system, if any is installed, throughout the Condominium, including that contained within any unit walls up to the point of connection with outlets within any unit;

(11) Such other elements, devices, or installations of the Condominium not herein designated as general or limited common elements which are not installations enclosed within the boundaries of a unit, and which are of common use or necessary to the existence, upkeep, and safety of the Condominium Project.

Some or all of the utility lines, systems (including mains and service leads) and equipment and the cable television system and security system described above may be owned by the local public authority or by the company that is providing the pertinent service. Accordingly, such utility lines, systems and equipment and the cable television system shall be general common elements only to the extent of the Co-owners' interest therein, if any, and Developer makes no warranty whatever with respect to the nature or extent of such interest, if any.

B. Limited Common Elements.

The Limited Common Elements, which, except as otherwise provided in this Subsection (B), shall be appurtenant to the unit or units to which they are attached or adjacent or which they service (or which they are deemed by Exhibit B to benefit) and limited in use to the owners of such unit or units, or their designee, are:

(1) Each individual deck, porch or balcony and each entry in a condominium unit and all attachments thereto or projections therefrom;

(2) The entire residential unit structure, its roof, walls and foundation, both interior and exterior, the doors, windows, chimney, fireplace, garage structure and all fixtures and attachments to the unit and garage, and the interior walls, ceilings and floors contained therein shall be Limited Common Elements subject to the exclusive use and enjoyment of the owner of the unit to which such Limited Common Elements are appurtenant.

(3) One garage has been assigned to each unit in the Condominium Project. Extra garages, carports, or parking spaces may be assigned by the Developer by subsequent amendment or amendments to this Master Deed which shall be effected solely by the Developer without the necessity of consent to or execution of the Amendment by any other person now or hereafter interested in the Condominium Project, whether as owner, mortgagee or otherwise. All of the Co-owners and mortgagees of units and other persons interested or to become interested in the Condominium Project from time to time shall be deemed to have unanimously and irrevocably consented to such amendment or amendments of this Master Deed to effectuate the foregoing. All such interested persons irrevocably appoint Developer or its successors as agent and attorney for the purpose of executing any such amendment or amendments to this Master Deed.

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(4) The driveway approach leading from the private roadway servicing all of the condominium units to the garage of each individual unit and the walkway from that driveway to the condominium unit.

(5) Cooling and heating ducts, and electrical wiring of each unit.

(6) Each air conditioner compressor and the pad upon which it is located.

(7) Each utility meter and the electrical, water and gas distribution systems from the point of connection with the meters, and the telephone, television cable, and sanitary sewer and waste water systems after the point of entry into each unit.

(8) Each Mailbox and mailbox stand, if any.

(9) The outdoor lighting illuminating individual units, or their appurtenant limited common elements.

(10) Each sump pump, if any, shall be limited in use to the Unit or Units served thereby.

C. Responsibilities for Maintenance and Utilities.

The respective responsibilities for the maintenance, decoration, repair and replacement of the common elements, certain mechanical devices, interior surfaces and for the payment of utility bills are as follows:

(1) Windows and Screens. The cost of decorating and maintaining, repairing, and replacing of all window glass, screens and related hardware shall be borne by the Co-owner of the unit to which such windows, screens and hardware are appurtenant, except that the Association shall be solely responsible for the decoration and painting of the exterior surfaces of all exterior doors and windows.

(2) Equipment. The cost of decorating, maintaining, repairing and replacing the furnace, humidifier, hot water heater, internal unit plumbing, dishwasher, refrigerator, stove, oven, garbage disposal, air conditioning equipment, lighting, sump pump, all appliances within a unit and other equipment and fixtures described in Paragraphs B(5) through B(9) and B(11) servicing a unit that are not common elements whether or not they are within the unit they service, shall be the sole responsibility of the Co-owner whose unit is serviced by such items.

(3) Cabinets. The cost of maintaining, repairing and replacing all cabinets, counters, interior doors, closet doors, sinks, tile and related hardware.

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(4) Decks. The cost of maintenance, repair, or replacement of each deck, porch or balcony described in Article IV(B)(1) shall be borne by the Association.

(5) Lighting. The costs of maintenance, repair or replacement of the lighting referred to in Article IV (B)(10) as well as all other outside lighting shall be borne by the Association.

(6) Garage Doors and Floors. The costs of maintenance, repair and replacement of each garage door and its hardware, fixtures and equipment including garage door openers (if any) and garage floors shall be borne by the Co-owner of the unit to which the same are appurtenant except that periodic repainting of the exterior surfaces of each garage door shall be an Association expense.

(7) Interior Surfaces. The decoration, maintenance, and repair of all interior surfaces of unit walls, ceilings, subfloors, and fireplaces shall be the responsibility and cost of the Co-owner of each unit to which such Limited Common Elements are appurtenant.

(8) Rubbish Removal Systems. The cost of maintaining, repairing and replacing any exterior rubbish removal systems shall be borne by the Association.

(9) Other. Except as provided above, the cost of maintaining, decorating, repairing and replacing all general and limited common elements shall be borne by the Association, except to the extent of maintenance, repair or replacement due to the act or neglect of a Co-owner or his agent, guest, invitee, family member or pet, for which such Co-owner shall be wholly responsible. Except as otherwise provided herein or in the Condominium By-Laws, any damage caused to a unit or its contents, or of the common elements, by the maintenance or by repair activities of the Association shall be repaired at the expense of the Association.

(10) Utilities. Each Co-owner shall be responsible for payment of the utilities attributable to his unit.

Any maintenance, repair or replacement (the cost of which is to be borne by the Co-owner) may, if not performed by the Co-owner, be performed by or under the direction of the Association and the cost may be assessed against the responsible Co-owner.

ARTICLE V

UNIT DESCRIPTION, PERCENTAGE OF VALUE, AND INTEGRITY OF UNITS

A. Unit Description Each Unit in the Condominium Project is described in this paragraph with reference to Exhibit B. Each Unit shall include: (1) With respect to each unit basement, all that space contained within the unpainted surfaces of the basement floor and walls

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and the uncovered underside of the first-floor joists, and (2) with respect to the upper floors of units, all that space contained within the interior finished unpainted walls and ceilings and from the finished subfloor all as shown on the floor plans and sections in Exhibit "B" hereto and delineated with heavy outlines. Building elevations are shown in detail in architectural plans on file with the Township of Northville.

B. Percentage of Value. The percentage of value assigned to each unit is set forth in this Article and shall be determinative of the proportionate share of each respective Co-owner in the proceeds and expenses of the administration (except as provided in Article IV(C) above) and the value of such Co-owner's vote at meetings of the Association and the undivided interest of the Co-owner in the common elements. The total percentage value of the Condominium must always be 100%. Set forth below is each unit number as it appears on the Condominium Sub-division Plan and the percentage of value assigned to each such unit:

<u>UNIT NUMBER</u>	<u>PERCENTAGE OF VALUE</u>
101	2.94
102	2.21
103	2.21
104	2.72
105	2.72
106	2.59
107	3.83
201	2.94
202	2.21
203	2.21
204	2.72
205	2.72
206	2.59
301	2.94
302	2.21
303	2.21
304	2.72
305	2.72
306	2.59
307	3.83
401	2.94
402	2.21
403	2.21
404	2.72
405	2.72
406	2.59
501	2.94
502	2.21
503	2.21
504	2.72
505	2.72

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506	2.59
601	2.94
602	2.21
603	2.21
604	2.72
605	2.72
606	2.59

C. Consolidation or Subdivision of Units. No Co-owner may consolidate any two or more units into a lesser number of dwelling units, and no Co-owner may subdivide any unit or units into a larger number of units.

ARTICLE VI

EASEMENTS

A. EASEMENT FOR MAINTENANCE OF ENCROACHMENTS

In the event any portion of a Unit or Common Element encroaches upon another Unit or Common Element due to shifting, settling or moving of a building, or due to survey errors, or construction deviations, Developer, for itself, its successors and assigns declares that every Owner shall have a perpetual reciprocal easement for the continuance of any such encroachment by his unit for so long as such encroachment exists, and for maintenance thereof after rebuilding in the event of any destruction, so that any such encroachment may remain undisturbed so long as the unit is in existence. There shall be easements to, through and over those portions of the land, structures, buildings, improvements and walls (including interior Unit walls) contained therein for the continuing maintenance and repair of all utilities in the Condominium. There shall also exist easements of support with respect to any Unit interior wall which supports a Common Element.

B. GRANT OF EASEMENTS BY DEVELOPER.

The Developer reserves the right at any time prior to the Transitional Control Date to grant easements for utilities over, under and across the Condominium to appropriate governmental agencies or public utility companies and to transfer title of utilities to state, county or local governments. Any such easement or transfer of title may be conveyed by the Developer without the consent of any Co-owner, mortgagee or other person and shall be evidenced by an appropriate amendment to this Master Deed and to Exhibit B hereto, recorded in the Oakland County Records. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments of this Master Deed to effectuate the foregoing easement or transfer of title.

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C. GRANT OF EASEMENTS BY ASSOCIATION.

The Association, acting through its lawfully constituted Board of Directors (including any Board of Directors acting prior to the Transitional Control Date) shall be empowered and obligated to grant such easements, licenses, rights-of-entry and rights-of-way over, under and across the Condominium Premises for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the Condominium; subject, however, to the approval of the Developer so long as the Construction and Sales Period has not expired.

D. EASEMENTS FOR MAINTENANCE, REPAIR AND REPLACEMENT.

The Developer, the Association and all public or private utilities shall have such easements as may be necessary over the Condominium Premises, including all Units and Common Elements to fulfill any responsibilities of maintenance, repair, decoration or replacement, or for the purpose of making improvements which they or any of them are required or permitted to perform under the Condominium Documents, and for the purpose of doing all things reasonably necessary and proper in connection therewith. These easements include, without any implication or limitation, the right of the Developer and the Association to obtain access during reasonable hours and upon reasonable notice to water meters, sprinkler controls and valves, lighting and other Common Elements located within any Unit or its appurtenant Limited Common Elements.

E. TELECOMMUNICATIONS AGREEMENTS.

The Association, acting through its duly constituted Board of Directors and subject to the Developer's approval during the Construction and Sales Period, shall have the power to make or cause to be made such installations and/or grant such easements, licenses and other rights of entry, use and access and to enter into any contract or agreement, including wiring agreements, right-of-way agreements, access agreements and multi-unit agreements and, to the extent allowed by law, contracts for sharing of any installation or periodic subscriber service fees as may be necessary, convenient or desirable to provide for telecommunications, videotext, broad band cable, satellite dish, earth antenna and similar services (collectively "Telecommunications") to the Project or any Unit therein. Notwithstanding the foregoing, in no event shall the Board of Directors enter into any contract or agreement or grant any easement, license or right of entry or do any other act or thing which will violate any provision of any federal, state or local law or ordinance. Any and all sums paid by any Telecommunications or other company or entity in connection with such service, including fees, if any, for the privilege of installing same or sharing periodic subscriber service fees, shall be receipts affecting the administration of the Condominium Project within the meaning of the Act and shall be paid over to and shall be the property of the Association.

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ARTICLE VII

AMENDMENTS

This Master Deed and any Exhibit hereto may be amended as provided in the Act with the consent of 66-2/3% of the Co-owners, except as hereinafter set forth:

A. Amendments may be made and recorded by Developer or by the Association without the consent of co-owners or mortgagees if the amendment does not materially alter or change the rights of a Co-owner or mortgagee and is for one or more of the purposes stated in Article VII hereof. The Association may make no amendment without the written consent of the Developer as long as the Developer owns any units in the Condominium, or has the right to enlarge the Condominium.

B. Whenever an amendment will materially alter or change the rights of mortgagees of record, then such amendments shall require the approval of not less than 66-2/3% of all mortgagees of record. A mortgagee shall have one vote for each mortgage held.

C. Notwithstanding any contrary provision of this Master Deed or the By-Laws, Developer reserves the right to amend materially this Master Deed or any of its exhibits for any of the following purposes:

(1) To redefine common elements, limited common elements and/or adjust percentages of value in connection therewith, to define or redefine air conditioner pads as general or limited common elements, to equitably allocate the Association's expenses among the owners and to make any other amendments specifically described and permitted to Developer in any provision of this Master Deed;

(2) To modify the types, sizes and elevations of unsold condominium units and their appurtenant limited common elements and/or percentages of value and to modify the general common elements in the area of unsold units;

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

(4) To correct arithmetic errors, typographical errors, survey or plan errors, deviations in construction or any similar errors in the Master Deed, Plan or Condominium By-Laws or to correct errors in the boundaries or locations of improvements;

(5) To clarify or explain the provisions of the Master Deed or its exhibits;

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

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

(8) To record an "as-built" Condominium Subdivision Plan and/or Consolidating Master Deed and/or to designate any improvements shown on the Plan as "must be built," subject to any limitations or obligations imposed by the Act;

(9) To facilitate mortgage loan financing for existing or prospective Co-owners and to enable the purchase or insurance of such mortgage loans by the Federal Home Loan Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Veterans Administration, the Department of Housing and Urban Development, or by any other institutional participant in the secondary mortgage market which purchases or insures mortgages.

The foregoing amendments may be made without the consent of Co-owners or mortgagees. The rights reserved to Developer herein may not be amended except by or with the consent of the Developer.

D. Notwithstanding any other provision of this Article VIII, the method or formula used to determine the percentages of value of units in the Condominium, as described in Article V hereof, and any provisions relating to the ability or terms under which a Co-owner may rent a unit, may not be modified without the consent of each affected Co-owner and mortgagee. A Co-owner's condominium unit dimensions or appurtenant limited common elements may not be modified without the Co-owner's consent. Parking and storage areas may be relocated, assigned or reassigned as provided herein without any Co-owner's consent.

The Condominium Project may not be terminated, vacated, revoked, or abandoned without the written consent of the Developer and 80% of all non-developer Co-owners.

ARTICLE VIII

SALES FACILITIES

The Developer and its duly authorized agents, representatives, and employees may maintain offices, model units and other facilities in the Condominium as may reasonably facilitate development and sale of the Condominium Project. Developer shall pay all costs related to the use of such facilities while owned by Developer and shall restore all Condo-

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minium Units or Common Elements to habitable status upon termination of use.

ARTICLE IX

USE OF PREMISES

No Co-owner shall use his or her unit or the common elements in any manner inconsistent with the purposes of the Condominium or in any manner which will interfere with or impair the rights of any other Co-owner in the use and enjoyment of his or her unit or the common elements.

ARTICLE X

LEASING OF CONDOMINIUM UNITS

The Developer reserves the right to lease one or more Condominium Units in accordance with the provisions of Section 112 of the Act, and without limitation as to the term of occupancy. All Condominium Units are restricted exclusively to residential use, except as otherwise provided in Article IX hereof.

ARTICLE XI

IMPROVEMENTS OR ALTERATIONS TO CONDOMINIUM UNITS

A Co-Owner may make improvements or alterations within the interior of a Condominium Unit provided that said improvements or alterations do not impair the structural integrity of the structure or otherwise lessen the support of a portion of the Condominium Project. No Co-owner shall do anything which would change the exterior appearance of a Condominium Unit or any other portion of the Condominium Project except by the following procedure:

(1) Application for such alterations or changes shall be made to the Board of Directors of the Association together with sufficient plans, drawings, or renderings as may be necessary to enable the Association to understand and evaluate the proposed changes.

(2) The Board of Directors shall then, subject to subsection of this Article, appoint an architectural control committee for purposes of reviewing the proposal. The members of said committee need not be members of the Board of Directors but a Director shall not be disqualified from serving on such committee.

(3) The Committee may seek opinions from the Co-Owners of the Development and shall, within a reasonable time, prescribed by the Directors render a recommendation and report to the Board of Directors.

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(4) The Board of Directors shall thereupon adopt a resolution either granting the permission for such alteration or denying same.

(5) In the event that such application for changes are approved by the Board of Directors it shall be subject to a written undertaking by the Co-Owner acknowledging that all of the improvements are to be at the Co-Owner's sole expense. That injury, if any, to the Common Elements will be repaired promptly by the Co-Owner at his sole expense and that the improvements will be completed by a date to be determined and established by the Board of Directors.

(6) Until the Developer has sold all Condominium Units, the Developer shall have the sole and exclusive right to appoint the members of the Architectural Control Committee. Those members may, at the Developer's option, include officers or employees of the Developer. The Architectural Control Committee appointed pursuant to this subparagraph shall have the power to approve or deny applications for architectural changes contemplated by this Article without approval of the Board of Directors. Accordingly, and during the period covered by this subparagraph, all applications for alterations or changes submitted to the Board of Directors shall be submitted to the Architectural Control Committee appointed by the Developer for appropriate action.

The Developer is specifically excluded as a Co-Owner subject to the provisions of this paragraph. The Developer specifically reserves to itself the right to alter, change, modify, redesign, or improve any Condominium Unit through and including such time as a Deed has been executed and delivered from the Developer to an individual purchaser.

ARTICLE XII

ASSOCIATION OF CO-OWNERS

A. Advisory Committee.

An Advisory Committee of non-developer Co-owners shall be established either 120 days after conveyance of legal or equitable title to non-developer Co-owners of 1/3 of the units that may be created or one year after the initial conveyance of legal or equitable title to a non-developer Co-owner of a unit in the project, whichever occurs first. The Advisory Committee shall meet with the Condominium Project Board of Directors for the purpose of facilitating communication and aiding the transition of control to the Association of Co-owners. The Advisory Committee shall cease to exist when a majority of the Board of Directors of the Association of Co-Owners is elected by the non-developer Co-owners.

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B. Board of Directors.

(1) Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 25% of the units that may be created, at least one (1) Director and not less than 25% of the Board of Directors of the Association of Co-Owners shall be elected by non-developer Co-owners. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 50% of the units that may be created, not less than 33 1/3% of the Board of Directors shall be elected by non-developer Co-owners. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 75% of the units that may be created, and before conveyance of 90% of such units, the non-developer Co-owners shall elect all Directors on the Board, except that the developer shall have the right to designate at least one (1) Director as long as the developer owns and offers for sale at least 10% of the units in the project or as long as 10% of the units remain that may be created.

(2) Notwithstanding the formula provided in subsection (1), 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a unit in the project, if title to not less than 75% of the units that may be created has not been conveyed, the non-developer Co-owners have the right to elect as provided in the Condominium Documents, a number of members of the Board of Directors of the Association of Co-Owners equal to the percentage of units 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 units 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 (1). Application of this subsection does not require a change in the size of the Board as determined in the condominium documents.

(3) If the calculation of the percentage of members of the Board that the non-developer Co-owners have the right to elect under subsection (1), or if the product of the number of members of the Board multiplied by the percentage of units held by the non-developer Co-owners under subsection (2) results in a right of non-developer Co-owners to elect a fractional number of the Board, 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 that the non-developer Co-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. Application of this subsection shall not eliminate the right of the developer to designate one (1) member as provided in subsection (1).

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ARTICLE XIII

ASSIGNMENT

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

ARTICLE XIV

RECREATIONAL AREAS

There are currently no recreational facilities located in the Condominium Development and the Developer, at this time, has no intention to construct any recreational facility and has no obligation to do so.

WITNESSES:

MONTAGE CORPORATION,
a Michigan Corporation

Tracy D. Stewart
Tracy D. Stewart
VERONICA M. RUZINSKI
STATE OF MICHIGAN)
)ss
COUNTY OF OAKLAND)

BY: Patricia Hann
Patricia Hann, President

On this 15th day of July, 1986, the foregoing Master Deed was acknowledged before me by Patricia Hann, President of Montage Corporation, a Michigan Corporation, on behalf of the Corporation.

Tracy D. Stewart
Tracy D. Stewart Notary Public
Oakland County, State of Michigan
My commission expires: 8/12/87

DRAFTED BY AND WHEN RECORDED
RETURN TO:

LAWRENCE P. SWISTAK, ESQ.
SWISTAK & LEVINE
30301 Northwestern Hwy., Suite 300
Farmington Hills, Michigan 48018
(313) 851-8000
LPSS/D

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CONDOMINIUM BYLAWS
COVER OF NORTHVILLE

ARTICLE I

ASSOCIATION OF CO-OWNERS

Section 1. Purpose. Sherwood Creek, a residential condominium project located in the Township of Northville, Oakland County, Michigan, hereinafter referred to as the "Condominium Project", "Condominium", or "Project", shall be administered by an association of Co-owners which shall be a non-profit corporation, hereinafter 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 Project in accordance with the Master Deed, these Bylaws, the Articles of Incorporation, and duly adopted Rules and Regulations of the Association, all of which documents are hereinafter referred to as 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 Sections 3 (8), 53 and 54 of the Michigan Condominium Act and the Bylaws provided for under the Michigan Non-Profit Corporation Act. The term "Co-owner" shall mean a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who owns, or are purchasing from the Developer on land contracts which are not in default, as the case may be, one or more units in the Condominium Project. The term "Owner", wherever used, shall be synonymous with the term "Co-owner". The term "Developer" shall mean MONTAGE CORPORATION, a Michigan corporation. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or the common elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

Section 2. Membership in Association and Voting. Membership in the Association and voting by members of the Association shall be in accordance with the following provisions:

(a) Each Co-owner shall be a member of the Association and no other person or entity shall be entitled to membership.

(b) The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit in the Condominium.

(c) The Co-owner(s) of each Unit shall be entitled to one vote for each Condominium Unit owned, regardless of the number of Owners for each separate Unit. When more than one person owns an interest in a Unit, all such persons shall be members and the votes for such Unit shall be exercised as they among themselves determine and designate to the Association, but in no event shall more than

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one vote be cast with respect to any such Unit. In the absence of a determination as to who among multiple Owners shall exercise the vote, the elder of such persons shall be deemed the person so designated. No member shall have the right to vote at any meeting of the Association unless all dues and assessments applicable to that member's unit have been paid in full as of the date of the meeting.

(d) No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium Project to the Association. No Co-owner, other than the Developer, shall be entitled to vote prior to the First Annual Meeting of Members held in accordance with Section 2 of Article II. The vote of each Co-owner may only be cast by the individual representative designated by such Co-owner in the notice required in subparagraph (e) of this Article or by a proxy given by such individual representative. The Developer shall be entitled to vote for each Unit which it owns and with respect to which it is paying full monthly assessments.

(e) Each Co-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 Co-owner. Such notice shall state the name and address of the individual representative designated, the number or numbers of the Condominium Unit or Units owned by the Co-owner, and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the Co-owner. Such notice shall be signed and dated by the Co-owner. The individual representative designated may be changed by the Co-owner at any time by filing a new notice in the manner herein provided.

ARTICLE II

ASSOCIATION MEETINGS

Section 1. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Co-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 Developer and may be called at any time after more than fifty (50%) percent in number of the Units in Coves of Northville (determined with reference to the recorded Master Deed or Consolidating Master Deed, as the case may be) have been sold and the purchasers thereof qualify as members of the Association. In no event, however, shall said First Annual Meeting be held later than

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one hundred and twenty (120) days after seventy-five (75%) percent of all Units in all phases of development of the Condominium have been sold and the purchasers thereof qualify as members of the Association or fifty-four (54) months after closing of the first Unit sale in the Condominium, whichever first occurs. The date, time and place of such First Annual Meeting shall be set by the Board of Directors, and at least fifteen (15) days written notice thereof shall be given to each Co-owner. Thereafter, an Annual Meeting shall be held each year on such date as is specified in these Bylaws.

Section 3. Annual Meetings. There shall be an annual meeting of the members of the Association commencing with the First Annual Meeting held as provided in Section 2 of this Article. Subsequent Annual Meetings of members of the Association shall be held on the first Monday of May each succeeding year after the year in which the First Annual Meeting is held at such time and place as shall be determined by the Board of Directors; provided, however, that the Second Annual Meeting shall not be held sooner than six (6) months after the date of the First Annual Meeting. At such meetings, there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article 3 of these Bylaws. The Co-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 Co-owners as directed by a resolution of the Board of Directors or upon a petition signed by thirty-three (33%) percent of the Co-owners presented to the Secretary of the Association. Notice of any special meetings shall state the time and place of such meeting and 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 Co-owner of record, at least ten (10) days, but not more than sixty (60) days, prior to such meeting. The mailing, postage pre-paid, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association pursuant to Article I, Section 2(e) of these Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice. Such waiver, when filed in the record of the Association, shall be deemed due notice.

Section 6. Adjournment. If any meeting of Co-owners cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 7. Order of Business. The order of business at all meetings of the members shall be as follows:

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- (a) Roll call to determine the Co-owners and number of votes represented at the meeting;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading of minutes of preceding meeting;
- (d) Reports of officers;
- (e) Reports of Committees;
- (f) Appointment of Inspector of Elections (at annual meetings or special meetings held for purpose of election of directors or officers);
- (g) Election of Directors (at annual meeting or special meetings held for such purpose);
- (h) Unfinished business;
- (i) New business.

Meetings of members shall be chaired by the President, or in his or her absence, the Secretary.

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 for the giving of notice to meetings of members. Such solicitations shall specify:

- (a) The number of responses needed to meet the quorum requirements;
- (b) The percentage of approval necessary to approve the action;
- (c) The time by which ballots must be received in order to be counted.

The form of written ballots shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where a 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; (1) 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 approvals which equals or exceeds the number of votes 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.

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Section 9. Consent of Absentees. The transactions of any meeting of members, either annual or special, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy; and if, either before or after the meeting, each of the members not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 10. 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.

Section 11. Quorum. The presence in person or by proxy of thirty-five (35%) percent of the Co-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 herein to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said 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 12. Voting. Votes may be cast in person or by proxy 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 13. Majority. A majority, except where otherwise provided herein, shall consist of more than fifty (50%) percent of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth of designated voting representatives present in person or by proxy, or by written ballot, if applicable, at a meeting of the members of the Association.

ARTICLE III

BOARD OF DIRECTORS

Section 10. Advisory Committee. Within one year after conveyance of legal or equitable title to the first Unit in the Condominium to a Purchaser or within one hundred twenty (120) days after conveyance to Purchasers of one-third (1/3) of the total number of Units that may be

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created, whichever first occurs, the Developer shall cause to be established an Advisory Committee consisting of at least three (3) Non-Developer Co-owners. The Committee shall be established and perpetuated in any manner the Developer deems advisable, except that, if more than fifty (50%) percent in number of the Non-Developer Co-owners petition the Board of Directors for an election to select the Advisory Committee, then an election for such purpose shall be held. The purpose of the Advisory Committee shall be to facilitate communications between the temporary Board of Directors and the Non-Developer Co-owners and to aid the transition of control of the Association from the Developer to Purchaser of Co-owners. The Advisory Committee shall cease to exist automatically when the Non-Developer Co-owners have the voting strength to elect a majority of the Board of Directors of the Association. The Developer may remove and replace at its discretion at any time any member of the Advisory Committee who has not been elected thereto by the Co-owners.

Section 1. Number and Qualification of Directors. The affairs of the Association shall be governed by a Board of Directors, all of whom shall serve without compensation and who must be members of the Association except for the First Board of Directors designated in the Articles of Incorporation of the Association and any successors thereto elected by the Developer prior to the First Annual Meeting of Members held pursuant to Section 2 of Article II. Thereafter, the Board of Directors shall consist of three (3) persons, all of whom shall be Co-owners or spouses of Co-owners, or in the case of partnership Co-owners, shall be members or employees of such partnership, or in the case of corporate Owners, shall be officers, shareholders or employees of such corporation, or in the case of fiduciary Owners, shall be the fiduciaries, officers or employees of such fiduciaries.

Section 2. Election of Directors.

(a) First Board of Directors. At the first annual meeting of the Co-owners, the term of office of three (3) members of the Board of Directors shall be fixed at two (2) years and the term of office of two (2) members of the Board of Directors shall be fixed at one (1) year. At the expiration of the initial term of office of each respective member of the Board of Directors, his or her successor shall be elected to serve for a term of two (2) years. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Co-owners.

(b) Election of Non-Developer Co-owners to Board. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to Non-Developer Co-owners of seventy-five (75%) percent in number of the Units that may be created, the Non-Developer Co-owners shall elect all Directors on the Board, except that the Developer shall have the right to designate at least one (1) Director as long as the Units that remain to be created and sold equal at least ten (10%) percent of all Units that may be created in the Project. Whenever the seventy-five (75%) percent

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conveyance level is achieved, a meeting of Co-owners shall be promptly convened to effectuate this provision, even if the First Annual Meeting has already occurred. Regardless of a percentage of Units which have been conveyed, upon the elapse of fifty-four (54) months after the first conveyance of legal or equitable title to a Non-Developer Co-owner of a Unit in the Project, the Non-Developer Co-owners have the right to elect a number of members of the Board of Directors equal to the percentage of Units they own, and a Developer has the right to elect a number of members of the Board of Directors equal to the percentage of Units 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 herein. Application of this Subsection does not require a change in the size of the Board of Directors. If the calculation of the percentage of members of the Board of Directors that the Non-Developer Co-owners have the right to elect under this subsection, or if the product of the number of the Board of Directors multiplied by the percentage of Units held by the Non-Developer Co-owners under this subsection results in a right of Non-Developer Co-owners to elect a fractional number of the Board of Directors, than a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which shall be the number of members of the Board of Directors that the Non-Developer Co-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 (1) member as provided for in this subsection.

(c) All of the actions (including without limitation, the adoption of these Bylaws and any Rules and Regulations for the corporation, and any undertakings or contracts entered into with others on behalf of the corporation) of the first Board of Directors of the Association named in its Articles of Incorporation or any successors thereto elected by the Developer before the First Annual Meeting of Members 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 members of the Association at the first or any subsequent annual meeting of members so long as such actions are within the scope of the powers and duties which may be exercised by any Board of Directors as provided in the Condominium Documents.

Section 2. Removal. At any regular or special meeting of the Co-owners, any one or more Members of the Board of Directors may be removed with or without cause by a majority of the Co-Owners and a successor may then or thereafter be elected to fill the vacancy thus created. Any Member of the Board of Directors whose removal has been proposed by the Co-Owners shall be given an opportunity to be heard at the meeting.

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Section 3. First Meeting. The First meeting of the Board of Directors following the annual meeting of the Co-owners shall be held within twenty (20) days thereafter, at such time and place as shall be fixed by the Co-owners at the meeting at which such Board of Directors shall have been elected.

Section 4. Regular Meeting. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Members of the Board of Directors but at least one such meeting shall be held during each year. Notice of regular meetings of the Board of Directors shall be given to each Member of the Board of Directors, by mail or telegram, at least five (5) business days prior to the day for such meeting.

Section 5. Special Meetings. Special meetings of the Board of Directors may be called by the President on five (5) business days' notice to each Member of the Board of Directors, given by mail or telegram, 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 with like notice upon the written request of at least three (3) Members of the Board of Directors.

Section 6. Waiver of Notice. Any Member of the Board of Directors may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member of the Board of Directors at any meeting of the Board shall constitute a waiver of notice by him or her of the time and place thereof. If all of the Members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. At all meetings of the Board of Directors, a majority of the Members present shall constitute a quorum for the transaction of business, and the votes of a majority of the Members of the Board of Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice.

Section 7. Powers and Duties. The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association and may do all acts and things which are not prohibited by the Condominium Documents or required thereby to be exercised and done by the Co-owners. In addition, to the foregoing general duties imposed by these Bylaws, or any further duties which may be imposed by resolution of the members of the Association or which may be set forth in Association Rules and Regulations, the Board or Directors shall be responsible specifically for the following:

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(a) Management and administration of the affairs of and maintenance of the Condominium Project and the Common Elements thereof.

(b) To establish and collect monthly and special assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.

(c) To obtain casualty and liability insurance for the premises.

(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 Project.

(f) To approve or disapprove proposed leases of any Unit in the manner specified in the Condominium Bylaws.

(g) To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit in the Condominium and easements of rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association, including (but without limitation) the lease or purchase of any Unit in the Condominium for use by a resident manager.

(h) To borrow money and issue evidence of indebtedness in furtherance of any and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of more than sixty (60%) percent of all of the members of the Association qualified to vote.

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

(j) 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.

(k) To make rules and regulations and/or to enter into agreements with institutional lenders the purposes of which are to obtain mortgage financing for Unit Co-owners which is acceptable for purchase by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association and/or any other agency of the federal government or the State of Michigan.

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(l) To prepare and approve the annual budget in accordance with Article VI, Section 3(a).

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

Section 8. 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 Section 4(a) of this Article I, 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, sponsor or builder, in which the maximum term is greater than three years or which is not terminable by the Association upon 90 days' written notice thereof to the other party and no such contract shall violate the provisions of Section 55 of the Act.

Section 9. Advisory Committee. Within one year after conveyance of legal or equitable title to the first Unit in the Condominium to a Purchaser or within one hundred twenty (120) days after conveyance to Purchasers of one-third (1/3) of the total number of Units that may be created, whichever first occurs, the Developer shall cause to be established an Advisory Committee consisting of at least three (3) Non-Developer Co-owners. The Committee shall be established and perpetuated in any manner the Developer deems advisable, except that, if more than fifty (50%) percent in number of the Non-Developer Co-owners petition the Board of Directors for an election to select the Advisory Committee, then an election for such purpose shall be held. The purpose of the Advisory Committee shall be to facilitate communications between the temporary Board of Directors and the Non-Developer Co-owners and to aid the transition of control of the Association from the Developer to Purchaser of Co-owners. The Advisory Committee shall cease to exist automatically when the Non-Developer Co-owners have the voting strength to elect a majority of the Board of Directors of the Association. The Developer may remove and replace at its discretion at any time any member of the Advisory Committee who has not been elected thereto by the Co-owners.

ARTICLE IV OFFICERS

Section 1. Designation. The principal Officers of the Association shall be the President, and the Secretary-Treasurer, both of whom shall be elected by the Board of Directors. All Officers must be members of the Board of Directors.

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Section 2. Election of Officers. Officers shall be elected annually by the Board of Directors at the organization meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the Members of the Board of Directors, any Officer may be removed, either with or without cause, and his or her successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 4. President. The President shall be the Chief Executive Officer of the Association. He or she shall preside in all meetings of the Co-owners and of the Board of Directors. He or she shall have all of the general powers and duties which are incident to the office of President of a corporation organized under the Business Corporation Act of the State of Michigan, including but not limited to the power to appoint from among the Co-owners any committee which he or she decides is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Secretary. The Secretary shall keep the minutes of all meetings of the Co-owners and of the Board of Directors; he or she shall have charge of such books and papers as the Board of Directors may direct; and he or she shall, in general, perform all the duties incident to the office of Secretary of a corporation organized under the Business Corporation Act of the State of Michigan.

Section 6. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for maintaining full and accurate financial records and books of account showing all receipts and disbursements, for the preparation of all required financial statements. He or she shall be responsible for the deposit of all monies and all other valuable effects in the name of the Board of Directors, or the managing agent, in such depositories as from time to time be designated by the Board of Directors, that he or she shall, in general, perform all the duties incident to the office of Treasurer of a corporation organized under the Business Corporation Act of the State of Michigan.

Section 7. Compensation. Officers may be compensated, however, such Compensation shall be approved by an affirmative vote of more than sixty (60%) percent of all Co-owners.

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

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ARTICLE V

INDEMNIFICATION OF DIRECTORS AND OFFICERS

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

ARTICLE VI

ASSESSMENTS

Section 1. Personal Property Assessments. 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 Co-owners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 2. Assessments for Common Elements. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute expenditures affecting the administration of the Project, and all sums received as the proceeds of, or pursuant to, a policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute receipts affecting the administration of the Condominium Project, within the meaning of Section 54(4) of the Act.

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

(a) Budget. 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 mainten-

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ance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, major 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 monthly payments as set forth in Section 4 below rather than by special assessments. At a minimum, the reserve fund shall be equal to 10% of the Association's current annual budget on a noncumulative basis. The minimum standard required by this Section may prove to be inadequate for a particular project. The Association of Co-owners should carefully analyze their Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes. Upon adoption of an annual budget by the Board of Directors, copies of said budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the delivery of a copy of the budget to each Co-owner shall not affect the liability of any Co-owner for any existing or future assessments. Should the Board of Directors, at any time determine, in the sole discretion of the Board of Directors that the assessments levied are or may prove to be insufficient: (1) to pay the costs of operation and management of the Condominium, (2) to provide replacements of existing Common Elements, (3) to provide additions to the Common Elements not exceeding \$3,000.00 annually, for the entire Condominium Project or (4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. 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 the members thereof.

(b) Special Assessments. Special assessments, in addition to those required in (a) above may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to (1) assessments for capital improvements or additions to the Common Elements exceeding \$3,000.00 for the entire Condominium Project per year, (2) assessments to purchase a Unit upon foreclosure of the Lien for assessments described in Section 6 hereof, (3) assessments to purchase a Unit for use as a resident manager's Unit or (4) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subsection (b) (but not including those assessments referred to in subparagraph 3(a) above which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than sixty (60%) percent of all Co-owners.

Section 4. Apportionment of Assessments and Penalty for Default.
All assessments levied against the Co-owners to cover expenses of admin-

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istration shall be equally apportioned among and paid by the Co-owners without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit. Annual assessments determined in accordance with Article VI, Section 3(a) above, shall be payable by Co-owners in twelve (12) equal monthly installments, commencing with acceptance of a deed to a Unit or with acquisition of fee simple title to a Unit 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. A late charge of \$15.00 per month per installment shall be added to each installment in default for five or more days until each installment together with the applicable late charges is paid in full. The Association may, pursuant to Article XVII, Section 4 hereof, levy fines for the late payment in addition to such late charge, including the assessment of fines for chronic or continuing late payment of assessments. Each Co-owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments, (including fines for late payment and costs of collection and enforcement of payment) pertinent to his Unit which may be levied while such Co-owner is the owner thereof. Payments on account of installments or assessments in default shall be applied first, to any late charges or fines on such installments; second, to costs of collection and enforcement of payment, including reasonable attorneys fees, and finally to installments in default in order of their due dates.

Section 5. Waiver of Use or Abandonment of Unit. No Co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit.

Section 6. Enforcement — Foreclosure Proceedings. 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. Each Co-owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligation of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the Project, shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Project acknowledges that at the time of acquiring title to such Unit, he was notified of the provisions of this section and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien

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for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or their last known address, of a written notice that one or more installments of the annual assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interests, costs, attorney fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of record. Such affidavit shall be recorded in the Office of the Register of Deeds in the county in which the Project is located prior to the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the representative designated above and shall inform such representative that he may request a judicial hearing by instituting suit against the Association. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on his Unit. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to a Co-owner in default upon seven (7) days' written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to utilize any of the general Common Elements of the Project and 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 collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him.

Section 7. Liability of Mortgages. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Project which comes into possession of the Unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into possession of the Unit (except for claims for a

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pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged unit).

Section 8. Developer's Responsibility for Association Maintenance Assessments. During the period prior to the time of the First Annual Meeting of Members held in accordance with the provisions of Article 1, Section 7 hereof, the Developer of the Condominium, although a member of the Association, shall not be responsible for payment of the monthly Association assessment (except with respect to occupied Units that it owns). Developer, however, shall during the period before the First Annual Meeting of Members pay a proportionate share of the Association's actual current expenses of administration relating to maintenance and use of the Units in the Project, based upon the ratio of completed Units owned by Developer at the time the expense is incurred to the total number of completed Units then in the Condominium. Developer also shall, in addition thereto, at all times before and after the First Annual Meeting of Members, pay a proportionate share of the Association's other actual current expenses of administration, based upon the ratio of all Units owned by the Developer at the time the expense is incurred (including, for the formula in this sentence only, all incomplete Units and Units with respect to which construction has not yet commenced) to the total number of Units then in the Project, Developer also shall at all times before and after the First Annual Meeting of Members maintain, at its own expense, any incomplete Units owned by it. In no event shall Developer be responsible for payment, until after said First Annual Meeting of Members, of any assessments for maintenance, deferred maintenance, reserves for replacement, for capital improvements or other special assessments, except with respect to occupied Units owned by it. After the First Annual Meeting of Members, Developer shall be responsible for payment of the full monthly Association maintenance assessment for all completed Units owned by it. Except as set forth above, Developer shall not be responsible at any time for payment of said monthly assessment or payment of any expenses whatsoever with respect to unbuild Units notwithstanding the fact that such unbuild Units may have been included in the Master Deed. "Occupied Unit" shall mean a Unit used as a residence. "Completed Unit" shall mean a Unit with respect to which a certificate of occupancy has been issued by the local public authority.

Section 9. Special Property Tax Assessments. Special assessments and property taxes shall be assessed against the individual condominium units identified as units of the condominium subdivision plan and not on the total property of the Project or any part thereof, except for the year in which the condominium project was established subsequent to the date taxes were assessed. Taxes and special assessments which become a lien against the property in the year subsequent to the establishment of the condominium project shall be expenses of administration of the project and paid by the Co-owners. For property tax and special assessment purposes, each condominium unit shall be treated as a separate, single unit of real property and shall not be combined with any other unit or units and no assessment of any fraction of any unit or com-

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bination of any unit with other units or fractions thereof shall be made, nor shall any division or split of the assessment or taxes of any single condominium unit be made notwithstanding separate or common ownership thereof. Condominium units shall be described for such purposes by reference to the condominium unit number of the condominium subdivision plan and the caption thereof together with the Liber and Page of the County Records in which the approved Master Deed is recorded. Assessments for subsequent real property improvements to a specific condominium unit shall be assessed to that condominium unit description only.

Section 10. Mechanic's Lien. A Mechanic's 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.

(c) A Construction Lien for work authorized by the Association of Co-owners may attach to each condominium unit only to the proportionate extent that the Co-owner of the condominium unit is required to contribute to the expenses of administration as provided by these condominium documents.

(d) A Construction Lien may not arise or attach to a condominium unit for work performed on the common elements not contracted by the Developer or the Association of Co-owners.

Section 11. Statement as to Unpaid Assessments. The purchaser of any Unit may request a statement of the Association as to the amount of any unpaid Association assessments thereon, whether regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied, provided, however, that the failure of a purchaser to request such statement at least 5 days prior to closing of the purchase of such Unit shall render any unpaid assessments and the lien securing same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record.

ARTICLE VII

ARBITRATION

Section 1. Arbitration of any Claims - Joint Consent. A contract if settled by arbitration may be executed by the Developer and any claimant with respect to any claim against the Developer that might be the subject of a civil action.

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Section 2. Arbitration of Claims Involving less than \$2,500.00. At the exclusive option of a Purchaser, Co-owner, or person occupying a restricted Unit pursuant to Section 104 (d) of a Act, a contract to settle by arbitration shall be executed by the Developer with respect to any claim that might be the subject of a civil action against the Developer, which claim involves an amount less than Two Thousand Five Hundred and no/100 (\$2,500.00) Dollars and arises out of or relates to a Purchase Agreement, a Condominium Unit, or the Condominium Project.

Section 3. Arbitration of Claims Involving Common Element. At the exclusive option of the Association of Co-owners, a contract to settle by arbitration shall be executed by the Developer with respect to any claim that might be the subject of a civil action against the Developer, which claim arises out of or relates to the Common Elements of the Condominium Project, if the amount of the claim is Ten Thousand and no/100 (\$10,000.00) Dollars or less.

Section 4. Procedures and Election of Remedies. The period of limitations prescribed by law for the bringing of a civil action shall apply equally to the execution of a contract to settle by arbitration under this Article. All costs of arbitration under this Article shall be allocated in the manner provided by the American Arbitration Association. An arbitration award shall be binding upon the parties to the arbitration. The method of appointment of the Arbitrator or Arbitrators shall be pursuant to the commercial arbitration rules of the American Arbitration Association as amended and in effect from time to time, which rules shall also govern the procedure of arbitration. An election to arbitrate a dispute as set forth in this Article shall preclude such parties from litigating such dispute, claim or grievance in the courts. In the absence of an election and/or consent of the parties to arbitrate, neither a Co-owner nor the Association shall be precluded from instituting a civil suit to litigate such dispute, claim or grievance.

ARTICLE VIII

INSURANCE

Section 1. Extent of Coverage. The Association shall carry fire and extended coverage, vandalism, malicious mischief and liability insurance, and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements of the Condominium Project, and such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions:

(a) Responsibilities of Co-owners and Association. All such insurance shall be purchased by the Association for the benefit of the Association, and the Co-owners and their mortgagees, as their interest may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners. Each Co-owner may obtain insurance coverage at his own expense upon his Unit. It shall be each Co-owner's responsibility to obtain insurance coverage for his personal property located

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within his Unit or elsewhere on the Condominium Project and for his personal liability for occurrences within his Unit or upon limited Common Elements appurtenant to his Unit, and also for alternative living expense in event of fire, and the Association shall have absolutely no responsibility for obtaining such coverages. The Association and all Co-owners shall use their best efforts to see that all property and liability insurance carried by the Association or any Co-owner shall contain appropriate provisions whereby the insurer waives its right to subrogation as to any claims against any Co-owner or the Association.

(b) Insurance of Common Elements and Fixtures. All Common Elements of the Condominium Project shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the maximum insurable replacement value, with an appropriate inflation rider, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association. Such coverage shall also include interior walls within any Unit and the pipes, wires, conduits and ducts contained therein and shall further include all fixtures, equipment and trim within a Unit which were furnished with the Unit as standard items in accord with the plans and specifications thereof as are on file with the Association (or such replacements thereof as do not exceed the cost of such standard items). Any improvements made by a Co-owner within his Unit shall be covered by insurance obtained by and at the expense of said Co-owner; provided that, if the Association elects to include such improvements under this insurance coverage, any additional premium cost to the Association attributable thereto shall be assessed to and borne solely by said Co-owner and collected as a part of the assessments against said Co-owner under Article VI hereof.

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

(d) 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 Co-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 IX 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 Project unless all of the institutional holders of first mortgages on Units in the Project have given their prior written approval.

Section 2. Authority to Resolve Claims. Each Co-owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in con-

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nection 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 Condominium Project, his Unit and the Common Elements appurtenant thereto with such insurer as may, from time to time, provide such insurance for the Condominium Project. 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 Co-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 Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

Section 3. Other Insurance. Each Co-owner shall not be prohibited from obtaining other insurance for their own benefit provided that such policies contain waivers of subrogation and further provided that the liability of the carriers issuing insurance procured by the Association shall not be affected or diminished by reason of any such additional insurance obtained by any Co-owner.

ARTICLE IX

RECONSTRUCTION OR REPAIR

Section 1. Determination to Reconstruct or Repair. If any part of the Condominium property shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

(a) Partial Damage. If the damage to a Unit or Units and is partial, the Property shall be rebuilt or repaired unless it is determined by a unanimous vote of all of the Co-owners in the Condominium that the Condominium shall be terminated and each institutional holder of a first mortgage lien on any Unit in the Condominium has given its prior written approval such termination.

(b) Total Destruction. If the Condominium is so damaged that no Unit is tenable, and if each institutional holder of a first mortgage lien on any Unit in the Condominium has given its prior written approval of the termination of the Condominium, the damaged property shall not be rebuilt and the Condominium shall be terminated, unless seventy-five (75%) percent or more of the Co-owners agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

Section 2. Repair in Accordance with Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the plans and specifications for the Project to a condition as comparable as possible to the condition existing prior to the damage, unless the Co-owners shall unanimously decide otherwise.

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Section 3. Co-owner Responsibility for Repair.

(a) Definition of Co-Owner Responsibilities. If the damage is only to a part of a Unit which is the responsibility of a Co-owner to maintain and repair, it shall be the responsibility of the Co-owner to repair such damage in accordance with Sub-section (b) hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association, except as otherwise provided in Section 4 below.

(b) Damage to Interior of Unit. Each Co-owner shall be responsible for the reconstruction, repair and maintenance of the interior of his Unit, including, but not limited to, floor coverings, wall coverings, window shades, draperies, interior walls (but not any Common Elements therein), interior trim, furniture, light fixtures and all appliances, whether free-standing or built-in. In the event damage to interior walls within a Co-owner's Unit, or to pipes, wires, conduits, ducts or other Common Elements therein, or to any fixtures, equipment and trim which are standard items within a Unit, is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 4. If any other interior portion of a Unit is covered by insurance held by the Association for the benefit of the Co-owner, the Co-owner shall be entitled to receive the proceeds of insurance relative thereto and if there is a mortgagee endorsement, the proceeds shall be payable to the Co-owner and the mortgagee jointly. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

Section 4. Association Responsibility for Repair. The Association shall be responsible for the reconstruction, repair and maintenance of the Common Elements and any incidental damage to a Unit caused by such Common Elements or the reconstruction, repair or maintenance thereof, (unless a repair to a Common Element inside or outside a unit or units shall have been necessitated by the negligence, misuse or neglect of the owner of such unit, in which event the cost of all necessary repairs shall be the responsibility of the owner whose conduct caused the damage.) Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair or reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace 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 costs 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 costs thereof are insufficient, assessments shall be made against all Co-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.

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Section 5. Timely Reconstruction and Repair. If damage to the ~~Common Elements of a Unit~~ adversely affects the appearance of the Condominium Project, the Association or Co-owner responsible for the reconstruction, repair and maintenance thereof shall proceed with replacement of the damaged property without delay, and shall complete such replacement within six (6) months after the date of the occurrence which caused damage to the property.

Section 6. Eminent Domain. Section 133 of the Act and the following provisions shall control upon any taking by eminent domain:

(a) Taking of Common Elements. If any portion of the Common Elements is taken by Eminent Domain, the award therefor shall be allocated to Co-owners in proportion to their respective undivided interests in the Common Elements. The Association of Co-owners, acting through its Board of Directors, may negotiate on behalf of all Co-owners for any taking of Common Elements and any negotiated settlement approved by more than two-thirds of the Co-owners based upon assigned voting rights shall be binding upon all Co-owners.

(b) The Reallocation of Interest in Common Elements. If a Condominium Unit is taken by Eminent Domain, the undivided interest in the Common Elements appertaining to the Condominium Unit shall thenceforth appertain to the remaining Condominium Units, being allocated to them in proportion to their respective undivided interests in the Common Elements. The Court shall enter a decree reflecting the reallocation of undivided interests produced thereby, and the award shall include, without limitation, just compensation to the Co-owner of a Condominium Unit taken for his undivided interest in the Common Elements as well as for the Condominium Unit.

(c) Taking of a Unit. In the event of any taking of an entire Unit by Eminent Domain, the award for such taking shall be paid to the Co-owner of such Unit and the mortgagee thereof, as their interests may appear. After acceptance of such award by the Co-owner and his mortgagee, they shall be divested of all interest in the Condominium Project. In the event that any condemnation award shall become payable to any Co-owner whose Unit is not wholly taken by Eminent Domain, then such award shall be paid by the condemning authority to the Co-owner and his mortgagee as their interests appear. If the taking of a portion of a Condominium Unit makes it impractical to use the remaining portion of the Condominium Unit for a lawful purpose permitted by the Condominium Documents, then the entire undivided interest in the Common Elements appertaining to the Condominium Unit shall thenceforth appertain to the remaining Condominium Units, being allocated to them in proportion to their respective undivided interest in the Common Elements. The remaining portion of that Condominium Unit shall thenceforth be a Common Element. The Court shall enter an order reflecting the reallocation of undivided interest produced thereby, and the award shall include just compensation to the Co-owner of

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the Condominium Unit for the Co-owner's undivided interest in the Common Elements and for the entire Condominium Unit.

(d) Continuation of Condominium after Taking. In the event the Condominium Project continues after taking by Eminent Domain, then the remaining portion of the Condominium Project shall be re-surveyed and Master Deed amended accordingly, and, if any Unit shall have been taken, then Article V of the Master Deed shall also be amended to reflect such taking to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium of One Hundred (100%) percent. Such amendment may be affected by an Officer of the Association to be authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner.

(e) Notification of Mortgagees. In the event any Unit 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 notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

(F) Votes and Liability for Future Expenses. Votes in the Association of Co-owners and liability for future expenses of administration appertaining to a Condominium Unit taken or partially taken by Eminent Domain shall thenceforth appertain to the remaining Condominium Units, being allocated to them in proportion to the relative voting strength in the Association of Co-owners.

Section 7. Notification of FHLMC. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC") then the Association shall give FHLMC 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 if the loss or taking exceeds \$10,000 in amount or damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC exceeds \$1,000.

Section 8. Priority of Mortgagees. Nothing contained in the Condominium Documents shall be construed to give a Condominium Unit Owner, or any other party, priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Condominium Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

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ARTICLE X

RESTRICTIONS

All of the Units in the Condominium shall be held, used, and enjoyed subject to the following limitations and restrictions.

Section 1. Residential Use. No Unit in the Condominium shall be used for other than residential purposes. The Common Elements shall be used only for purposes consistent with residential uses. No Unit shall be used for commercial or business purposes, including without limitation, professional offices; provided however, that the Association may provide a Unit to be used by a caretaker or resident manager, as the case may be, of the Condominium. The provisions of this Section shall not be construed to prohibit a Co-owner from maintaining a personal professional library, keeping personal business or professional records, or receiving or making personal business or professional telephone calls in that Co-owner's Unit. Co-owners, their agents, servants, employees, invitees, licensees and visitors shall not use or permit the use of the premises in any manner which would be illegal or disturbing or a nuisance to other Co-owners or in such a way as to be injurious to the reputation of the Condominium.

Section 2. Leasing and Rental.

(a) Right to Lease. A Co-owner may lease his Unit for the same purposes set forth in Section 1 of this Article X; provided that written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the same manner as specified in Subsection (b) below. No Co-owner shall lease less than an entire Unit in the Condominium. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. The Developer may lease any number of Units in the Condominium in its discretion. No business or commercial entity shall be permitted to house its employees or business associates in a Unit.

(b) Leasing Procedures.

(1) A Co-owner, including the Developer, desiring to rent or lease a Condominium Unit for a period of longer than thirty (30) consecutive days, shall disclose the fact in writing to the Association at least ten (10) days before presenting a lease form to a potential lessee and shall, at the same time, supply the Association with copy of the exact lease form for its review to determine compliance with the Condominium Documents. If Developer desires to rent Condominium Units before the Transitional Control Date, it shall notify either the Advisory Committee or each Co-owner in writing.

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(2) Tenants or Non Co-owner occupants shall comply with all of the conditions of the Condominium Documents or the Condominium Project and all leases and rental agreements shall so state.

(3) If the Association determines that the tenant or non Co-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:

(i) The Association of Co-owners shall notify the Co-owner by certified mail advising of the alleged violation by tenant. The Co-owner shall have 15 days after receipt of the notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.

(ii) If after 15 days the Association of Co-owners believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Co-owners on behalf of the Association of Co-owners, if it is under the control of the Developer, an action for both the eviction of the tenant or Non Co-owner occupant and, simultaneously, for money damages against the Co-owner and tenant or Non Co-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this section may be by summary proceeding. The Association of Co-owners may hold both the tenant and the Co-owner liable for any damages to the General Common Elements caused by the Co-owner or tenant in connection with the Condominium Unit or Condominium Project.

(4) When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Condominium Unit under a lease or rental agreement and the tenant, after receiving the notice shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not be a breach of the rental agreement or lease by the tenant.

Section 3. Alteration and Modification. No Co-owner shall make alterations in exterior appearance or make structural modifications to his or her Unit (including interior walls through or in which there exist easements for support or utilities) or make changes in any of the Common Elements, limited or general, without the express written approval of the Board of Directors, including without limitation, exterior painting or the erection of antennas, lights, aeriels, awnings, doors, shutters courtyard fencing, gates, screen devices, newspaper holders, mailboxes, basketball backboards, lighting, or other exterior attachments or modifications. No Co-owner shall in any way restrict access to or tamper with any sump pump, plumbing water line, water line valves, water meter, sprinkler system valves or any other element that

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must be accessible to service the Common Elements or and Elements which affect an Association responsibility in any way. Should access to any facility of any sort be required, the Association may remove any coverings or attachments of any nature that restrict such access and will have no responsibility for repairing, replacing or reinstalling any materials, whether or not installation thereof has been approved hereunder, that are damaged in the course of gaining such access, nor shall the Association be responsible for monetary damages of any sort arising out of actions taken to gain necessary access. Further, no Co-owner shall in any way damage or make modifications or attachments to any Common Element walls between Units which in any way impairs sound conditioning provisions. The Board of Directors may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium Project.

Section 4. Activities. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, limited or general, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium, nor shall any unreasonably noisy activity be carried on in any Unit or on the Common Elements. No commercial activities shall be carried on in a Co-owner's Unit or on any of the Common Elements of the Project. No Co-owner shall do or permit anything to be done or keep or permit to be kept in his Unit 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 Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or maintenance of any such condition. Activities which are deemed offensive and are prohibited include, but are not limited to, any activity involving the use of firearms, air guns, pellet guns, B-B guns, bows and arrows, or other similar dangerous weapons, projectiles or similar devices.

Section 5. Pets. No animal, including household pets, other than one dog which shall not exceed 25 pounds and one cat, shall be kept without the prior written consent of the Board of Directors which consent, if given, shall be revocable at any time by the Board for failure by pets or their owners to observe provisions of the Bylaws or Rules and Regulations of the Association pertaining to pets. Any pets permitted to be 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. No animal may be permitted to utilize any of the Common Elements except for areas specially designated by the Developer or Association. 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.

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Section 6. Aesthetics. The Common Elements, limited or general, shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. No unsightly conditions shall be maintained in any private courtyard or porch, and only furniture and equipment consistent with the normal and reasonable use of such areas shall be permitted to remain there during seasons when such areas are reasonably in use, and no furniture or equipment of any kind shall be stored thereon during seasons when such areas are not reasonably in use. Trash receptacles shall be maintained within Co-owners garage or in areas designated therefor at all times and shall not be permitted to remain elsewhere on the Common Elements except during such periods or times as may reasonably be necessary to permit periodic collection of trash. The Common Elements 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 Co-owner, either in his or her Unit or upon the Common Elements which is detrimental to the appearance of a Condominium. No garage sales, rummage sales or other sales of the type shall be permitted unless expressly authorized by the Board of Directors which may withhold permission in its absolute discretion even though a permit for the sale may have been obtained from the local municipality and notwithstanding the fact that permission for earlier garage sales may have been granted by the Association.

Notwithstanding anything herein to the contrary, each Co-owner may store personal property (including automobiles, boats and campers) owned by that Co-owner or those residing with that Co-owner in each garage appurtenant to that Co-owners Unit, provided that (i) storage of any items of personalty for commercial or industrial purposes or business uses is prohibited; (ii) storage of any item of personalty which would violate any building, health, safety or fire code or ordinance, or cause the insurance premiums for that Unit or the Condominium Project to increase is prohibited; and (iii) such storage shall remain subject to all other restrictions contained herein. Washing of vehicles which are owned by a Co-owner, or those residing with that Co-owner, shall be permitted in the Limited Common Element driveways owned by that Co-owner, provided the Association shall have the right to establish reasonable rules and regulations for such washing, including the time and manner thereof.

Section 7. Obstructions. Sidewalks, yards, landscaped areas, driveways, roads, parking areas, and garages 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 bicycles, vehicles, chairs or benches may be left unattended on or about the Limited or Common Elements. Use of any recreational facilities in the Condominium by children may be limited to such times and in such manner as the Association shall determine by duly adopted regulations.

Section 8. Vehicles. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snow-

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mobile trailers, automobiles, or other vehicles may be parked or stored upon the premises of the Condominium, except as expressly provided for in this Article. No automobiles may be parked on a regular and prolonged basis or any limited or Common Element of the Condominium. Commercial vehicles and trucks shall not be parked at any time on or about the Condominium. In the event that there arises a shortage of parking spaces for guests of Co-owners, the Association may allocate or assign parking spaces from time to time on an equitable basis.

Section 9. Advertising. No signs or other advertising devices, shall be displayed which are visible from the exterior of a Unit or on the Common Elements, including "For Sale" signs, without written permission from the Association and the Developer.

Section 10. Rules and Regulations. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use of the Condominium Units, Common Elements and Limited Common Elements 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 elected by the Developer) prior to the First Annual Meeting of the entire Association held as provided in Article I, Section 7 of these Bylaws. Copies of all such regulations and amendments thereto shall be furnished to all Co-owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each Co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty (50%) percent of all Co-owners in number and in value except that the Co-owners may not revoke any regulation or amendment prior to the First Annual Meeting of the entire Association.

Section 11. Right of Access of Association. The Association or its duly authorized agents shall have access to each Unit and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agents shall also have access to each Unit and any limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit. It shall be the responsibility of each Co-owner to provide the Association means of access to his Unit and any limited Common Elements appurtenant thereto during all periods of absence and in the event of the failure of such Co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to his Unit and any limited Common Elements appurtenant thereto caused thereby or for repair or replacement of any doors or windows damaged in gaining such access.

Section 12. Landscaping. No Co-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 Association in writing.

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Section 13. Unightly Conditions. No unightly condition shall be maintained upon any porch, patio or deck and only furniture and equipment consistent with ordinary porch, patio or deck use shall be permitted to remain there during seasons when such areas are reasonably in use and no furniture or equipment of any kind shall be stored on any porch, patio, or deck during seasons when such areas are not reasonably in use.

Section 14. Co-owner Maintenance. Each Co-owner shall maintain his Unit and any Limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each Co-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 elements in any Unit which are appurtenant to or which may affect any other Unit. Each Co-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 him, or his 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 Co-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 Co-owner in the manner provided in Article VI hereof.

Section 15. Recreational Activities. No Co-owner, resident, invitee, or guest shall use the retention pond for swimming, boating, ice fishing from the shore of the retention pond, nor shall any such person deposit any material of any sort into the retention pond or pump water from it.

Section 16. Common Element Maintenance. Sidewalks, yards, landscaped areas, driveways, roads and parking areas shall not be obstructed nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or other obstructions may be left unattended on or about the Common Elements. No children's swings, climbing structure, or other similar recreational apparatus shall be permitted on the Condominium Premises absent the approval of the Board of Directors.

Section 17. Developer's Rights in Furtherance of Development and Sales. None of the restrictions contained in this Article X shall apply to the commercial activities, signs or billboards, if any, of the Developer during the development and sales period as defined herein-after, or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation as the same may be amended from time to time. For the purposes of this Section, the development and sales period shall be deemed to continue so long as Developer owns any Unit which he offers for sale. Until all Units in the entire Condominium Project (including the initial stage and any

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successive stages) are sold by Developer, Developer shall have the right to maintain a sales office, a business office, a construction office, model Units, storage areas, reasonable parking incident to the foregoing and such access to, from and over the Project as may be reasonable to enable the development and sale of the entire Project by Developer. Developer shall restore the areas so utilized to habitable status upon termination of use.

ARTICLE XI

MORTGAGES

Section 1. Notice to Association. Any Co-owner who mortgages his Unit 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 Units". The Association may, at the written request of a mortgagee of any such Unit, report any unpaid assessments due from the Co-owner of such Unit. The Association shall give to the holder of any first mortgage covering any Unit in the Project written notification of any default in the performance of the obligations of the Co-owner of such Unit 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 Hearings. Upon request submitted to the Association, any institutional holder of a first mortgage lien on any Unit 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 XII

FINANCE

Section 1. Books of Account. The Association shall keep detailed books of account showing all expenditures and receipts of administration 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 Co-owners and all receipts. Receipts affecting the administration of the Condominium Project shall include all sums received as the proceeds of or pursuant to, a policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, cause by, or connected with the Common Elements or the administration of the Condominium Project. Such accounts and all other Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least once each year a financial statement, the contents of which shall be defined by the Association.

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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 Unit in the Condominium shall be entitled to receive a copy of such annual audited financial statement within 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. The Association also shall maintain on file current copies of the Master Deed for the Project, any amendments thereto and all other Condominium Documents and shall permit all Co-owners, prospective purchasers and prospective mortgagees interested in the Project to inspect the same during reasonable hours.

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 Directors. The commencement date of the fiscal year shall be subject to change by the Directors 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 Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time. 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 XIII

AMENDMENTS

Section 1. Proposal. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or may be proposed by one-third or more in number of the co-owners by instrument in writing signed by them.

Section 2. Meeting. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of these Bylaws.

Section 3. Voting. These Bylaws may be amended by the Co-owners at any regular annual meeting or a special meeting called for such purpose by an affirmative vote of not less than 66-2/3% of all Co-owners. No consent of mortgagees shall be required to amend these Bylaws unless such amendment would materially alter or change the rights of such mortgagees, in which event the approval of 66 2/3% of mortgagees shall be required with each mortgagee to have one vote for each mortgage held.

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Section 4. By Developer. Prior to the Transitional Control Date, these Bylaws may be amended by the Developer without approval from any other person so long as any such amendment does not materially alter or change the rights of a Co-owner or mortgagee.

Section 5. Effective Date. Any amendment to these Bylaws shall become effective upon recording of such amendment in the Office of the Oakland County Register of Deeds.

Section 6. Binding Effect. A copy of each amendment to the Bylaws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the project irrespective of whether such persons actually receive a copy of the amendment.

ARTICLE XIV

COMPLIANCE

The Association of Co-owners and all present or future Co-owners, tenants, future tenants, or any other persons acquiring an interest in or using the facilities of the project in any manner are subject to and shall comply with the Act, as amended, the Master Deed and Bylaws, the Articles of Incorporation and Rules and Regulations adopted by the Association. The mere acquisition, occupancy or rental of any Unit or an interest therein or the utilization of or entry upon the Condominium premises shall signify that the Act and aforesaid documents are accepted and ratified. In the event the Condominium Documents conflict with the provisions of the Act, the Act shall govern.

ARTICLE XV

DEFINITIONS

All terms used herein 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 XVI

REMEDIES FOR DEFAULT

Section 1. Legal Action. Failure to comply with any of the terms or provisions of the Condominium Documents or the Act shall be grounds for relief, which may include without intending to limit the same, 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 Co-owner or Co-owners.

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Section 2. Recovery of Costs. In any proceeding arising because of an alleged default by any Co-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, but in no event shall any Co-owner be entitled to recover such attorneys' fees.

Section 3. Removal and Abatement. The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements, limited or general, or into any Unit, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents.

Section 4. Assessment of Fines. The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless Rules and Regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and copies of such Rules and Regulations given to all Co-owners in sending same to the Co-owners at the addresses reflected in the Association records. Thereafter, fines may be assessed only upon notice to the offending Co-owners as prescribed above, and an opportunity for such Co-owner to appear before the Board not less than seven (7) days from the date of the notice and offer evidence in defense of the alleged violation. All fines duly assessed may be collected in the same manner as provided in Article VI of these Bylaws. No fine shall be levied for the first violation. No fine shall exceed \$25 for the second violation, \$50 for the third violation or \$100 for any subsequent violation.

The fines levied pursuant to this Section shall be assessed against the Co-owner and shall be due and payable together with the regular Condominium assessment on the first of the next following month. Failure to pay the fine will subject the Co-owner to all liabilities set forth in the Condominium Documents.

Section 5. Nonwaiver of Rights. The failure of the Association or of any Co-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 Co-owner to enforce such right, provisions, covenant or condition in the future.

Section 6. Cumulative Rights, Remedies and Privileges. All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to any terms, provisions, covenants or conditions of the aforesaid Condominium Documents shall be deemed to 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

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rights, remedies or privileges as may be available to such party at law or in equity.

ARTICLE XVII

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.

ARTICLE XVIII

RIGHTS RESERVED TO DEVELOPER

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the right and power to approve or disapprove any act, use, or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its consent to the acceptance of such powers and rights and such assignee or transferee shall thereupon have the same rights and powers as herein given and reserved to the Developer. Any rights and powers reserved or retained by the Developer or its successors shall expire and terminate, if not sooner assigned to the Association, at the conclusion of the "Construction and Sales Period" as defined in Article III of the Master Deed. The immediately preceding sentence dealing with the expiration and termination of certain rights and powers granted or reserved to the Developer is intended to apply, insofar as the Developer is concerned, only to Developer's rights to approve and control the administration of the Condominium and shall not, under any circumstances, be construed to apply to or cause the termination and expiration of any real property rights granted or reserved to the Developer or its successors or assigns in the Master Deed or elsewhere (including, but not limited to, access easements, utility easements and all other easements created and reserved in such documents which shall not be terminable in any manner hereunder and which shall be governed only in accordance with the terms of their creation or reservation and not hereby).

ARTICLE XIX

MISCELLANEOUS

Section 1. Waiver. No restriction, condition, obligation, or covenant contained in these Bylaws shall be deemed to have been abro-

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gated or waived by reason of the failure to enforce the same irrespective of the number of violations or breaches thereof which may occur.

Section 2.- Enforcement. The Association shall have the power, at its sole option, to enforce these Bylaws or any rule or regulation promulgated pursuant thereto, by any or all of the following: self-help; by sending notice to the offending party to cause certain things to be done; by charging the breaching party with the entire cost of restoring the condominium development or the Association to its position prior to the breach; by taking any action before any court, summary or otherwise, as may be provided by law; by complaint to the duly constituted authorities. The foregoing shall be construed to be in addition to any other powers granted herein and by the Michigan Condominium Act, not in limitation thereof.

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