PURCHASER INFORMATION BOOKLET
FOR

Palmer Place

A Condominium Project
in
Canton Township, Wayne County, Michigan

Developed by:
Kime Brothers, Inc.
24768 Lahser, Suite 1
Southfield, Michigan 48034
# PURCHASER INFORMATION BOOKLET

FOR

PALMER PLACE

## TABLE OF CONTENTS

### MASTER DEED

<table>
<thead>
<tr>
<th>Article</th>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Article I</td>
<td>TITLE AND NATURE</td>
<td>1</td>
</tr>
<tr>
<td>Article II</td>
<td>LEGAL DESCRIPTION</td>
<td>2</td>
</tr>
<tr>
<td>Article III</td>
<td>DEFINITIONS</td>
<td>2</td>
</tr>
<tr>
<td>Section 1</td>
<td>Act</td>
<td>2</td>
</tr>
<tr>
<td>Section 2</td>
<td>Association</td>
<td>2</td>
</tr>
<tr>
<td>Section 3</td>
<td>Bylaws</td>
<td>2</td>
</tr>
<tr>
<td>Section 4</td>
<td>Common Elements</td>
<td>3</td>
</tr>
<tr>
<td>Section 5</td>
<td>Condominium Documents</td>
<td>3</td>
</tr>
<tr>
<td>Section 6</td>
<td>Condominium Premises</td>
<td>3</td>
</tr>
<tr>
<td>Section 7</td>
<td>Condominium Project, Condominium or Project</td>
<td>3</td>
</tr>
<tr>
<td>Section 8</td>
<td>Condominium Subdivision Plan</td>
<td>3</td>
</tr>
<tr>
<td>Section 9</td>
<td>Consolidating Master Deed</td>
<td>3</td>
</tr>
<tr>
<td>Section 10</td>
<td>Construction and Sales Period</td>
<td>3</td>
</tr>
<tr>
<td>Section 11</td>
<td>Co-owner or Owner</td>
<td>3</td>
</tr>
<tr>
<td>Section 12</td>
<td>Developer</td>
<td>4</td>
</tr>
<tr>
<td>Section 13</td>
<td>First Annual Meeting</td>
<td>4</td>
</tr>
<tr>
<td>Section 14</td>
<td>Transitional Control Date</td>
<td>4</td>
</tr>
<tr>
<td>Section 15</td>
<td>Unit or Condominium Unit</td>
<td>4</td>
</tr>
</tbody>
</table>

| Article IV | COMMON ELEMENTS                    | 4    |
| Section 1 | General Common Elements            | 4    |
| Section 2 | Limited Common Elements            | 5    |
| Section 3 | Responsibilities                   | 6    |
| Section 4 | Failure of Co-owner to Perform Maintenance Responsibilities | 9 |

| Article V | UNIT DESCRIPTION AND PERCENTAGE OF VALUE | 10 |
| Section 1 | Description of Units                | 10 |
| Section 2 | Percentage of Value                 | 10 |

| Article VI | CONTRACTION OF CONDOMINIUM         | 10 |
| Section 1 | Right to Contract                  | 10 |
| Section 2 | Withdrawal of Land                 | 11 |

| Article VII | CONVERTIBLE AREAS                  | 11 |
| Section 1 | Designation of Convertible Areas   | 11 |
| Section 2 | Developer's Right to Modify Units and Common Elements | 12 |
| Section 3 | Compatibility of Improvements      | 12 |
# ARTICLE VIII OPERATIVE PROVISIONS

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Amendment of Master Deed and Modification of Percentages of Value</td>
<td>12</td>
</tr>
<tr>
<td>2.</td>
<td>Redefinition of Common Elements</td>
<td>12</td>
</tr>
<tr>
<td>3.</td>
<td>Right to Modify Floor Plans</td>
<td>12</td>
</tr>
<tr>
<td>4.</td>
<td>Consolidating Master Deed</td>
<td>13</td>
</tr>
<tr>
<td>5.</td>
<td>Consent of Interested Persons</td>
<td>13</td>
</tr>
</tbody>
</table>

# ARTICLE IX EASEMENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Easement for Maintenance of Encroachments and Utilities</td>
<td>13</td>
</tr>
<tr>
<td>2.</td>
<td>Easements and Rights Retained by Developer</td>
<td>13</td>
</tr>
<tr>
<td>3.</td>
<td>Grant of Easements by Association</td>
<td>15</td>
</tr>
<tr>
<td>4.</td>
<td>Easements for Maintenance, Repair and Replacement</td>
<td>15</td>
</tr>
<tr>
<td>5.</td>
<td>Telecommunications Agreements</td>
<td>15</td>
</tr>
</tbody>
</table>

# ARTICLE X AMENDMENT

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Modification of Units or Common Elements</td>
<td>16</td>
</tr>
<tr>
<td>2.</td>
<td>Mortgagee Consent</td>
<td>16</td>
</tr>
<tr>
<td>3.</td>
<td>By Developer</td>
<td>16</td>
</tr>
<tr>
<td>4.</td>
<td>Change in Percentage of Value</td>
<td>16</td>
</tr>
<tr>
<td>5.</td>
<td>Termination, Vacation, Revocation or Abandonment</td>
<td>16</td>
</tr>
<tr>
<td>6.</td>
<td>Developer Approval</td>
<td>16</td>
</tr>
</tbody>
</table>

# ARTICLE XI ASSIGNMENT

BYLAWS

# ARTICLE I ASSOCIATION OF CO-OWNERS

# ARTICLE II ASSESSMENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Assessments for Common Elements</td>
<td>1</td>
</tr>
<tr>
<td>2.</td>
<td>Determination of Assessments</td>
<td>2</td>
</tr>
<tr>
<td>3.</td>
<td>Developer's Responsibility for Assessments</td>
<td>3</td>
</tr>
<tr>
<td>4.</td>
<td>Penalties for Default</td>
<td>4</td>
</tr>
<tr>
<td>5.</td>
<td>Liens for Unpaid Assessments</td>
<td>4</td>
</tr>
<tr>
<td>6.</td>
<td>Waiver of Use or Abandonment of Unit</td>
<td>4</td>
</tr>
<tr>
<td>7.</td>
<td>Enforcement</td>
<td>4</td>
</tr>
<tr>
<td>8.</td>
<td>Statement as to Unpaid Assessments</td>
<td>6</td>
</tr>
<tr>
<td>9.</td>
<td>Liability of Mortgagee</td>
<td>6</td>
</tr>
<tr>
<td>10.</td>
<td>Property Taxes and Special Assessments</td>
<td>7</td>
</tr>
<tr>
<td>11.</td>
<td>Personal Property Tax Assessment of Association Property</td>
<td>7</td>
</tr>
<tr>
<td>12.</td>
<td>Construction Lien</td>
<td>7</td>
</tr>
</tbody>
</table>

# ARTICLE III ARBITRATION

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Scope and Election</td>
<td>7</td>
</tr>
<tr>
<td>2.</td>
<td>Judicial Relief</td>
<td>7</td>
</tr>
<tr>
<td>3.</td>
<td>Election of Remedies</td>
<td>7</td>
</tr>
</tbody>
</table>
ARTICLE X    VOTING
Section 1. Vote  
Section 2. Eligibility to Vote  
Section 3. Designation of Voting Representative  
Section 4. Quorum  
Section 5. Voting  
Section 6. Majority  

ARTICLE XI    MEETINGS
Section 1. Place of Meeting  
Section 2. First Annual Meeting  
Section 3. Annual Meetings  
Section 4. Special Meetings  
Section 5. Notice of Meetings  
Section 6. Adjournment  
Section 7. Order of Business  
Section 8. Action Without Meeting  
Section 9. Consent of Absentees  
Section 10. Minutes; Presumption of Notice  

ARTICLE XII    ADVISORY COMMITTEE  

ARTICLE XI    BOARD OF DIRECTORS
Section 1. Number and Qualification of Directors  
Section 2. Election of Directors  
Section 3. Powers and Duties  
Section 4. Other Duties  
Section 5. Management Agent  
Section 6. Vacancies  
Section 7. Removal  
Section 8. First Meeting  
Section 9. Regular Meetings  
Section 10. Special Meetings  
Section 11. Waiver of Notice  
Section 12. Quorum  
Section 13. First Board of Directors  
Section 14. Fidelity Bonds  

ARTICLE XIV    OFFICERS
Section 1. Officers  
Section 2. Election  
Section 3. Removal  
Section 4. Duties  

ARTICLE XV    SEAL  

ARTICLE XVI    FINANCE
Section 1. Records  
Section 2. Fiscal Year  
Section 3. Bank  

ARTICLE XVII    INDEMNIFICATION OF OFFICERS AND DIRECTORS
ARTICLE XVIII AMENDMENTS
Section 1. Proposal 33
Section 2. Meeting 33
Section 3. Voting 33
Section 4. By Developer 34
Section 5. When Effective 34
Section 6. Binding 34

ARTICLE XIX COMPLIANCE 34
ARTICLE XX DEFINITIONS 34
ARTICLE XXI RIGHTS RESERVED TO DEVELOPER 34
ARTICLE XXII SEVERABILITY 35

CONDOMINIUM SUBDIVISION PLAN

PALMER PLACE ASSOCIATION CERTIFICATE OF INCORPORATION

PALMER PLACE ASSOCIATION ARTICLES OF INCORPORATION

MANAGEMENT AGREEMENT

ESCROW AGREEMENT
MASTER DEED

PALMER PLACE

Recorded in Liber 25747, Pages 4 through 66, Wayne County Records, on May 6, 1992.

This Master Deed is made and executed on this 31st day of March, 1992, by Kime Brothers, Inc., a Michigan corporation, hereinafter referred to as the "Developer," the post office address of which is 24768 Lahser, Suite 1, Southfield, Michigan 48034, in pursuance of the provisions of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended).

WHEREAS, the Developer desires by recording this Master Deed, together with the Bylaws attached hereto as Exhibit A and the Condominium Subdivision Plan attached hereto as Exhibit B (both of which are hereby incorporated herein 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 Palmer Place as a Condominium Project under the Act and does declare that Palmer Place 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, the Bylaws and the Condominium Subdivision Plan, all of which shall be deemed to run with the land and shall be a burden and a benefit to the Developer and any persons acquiring or owning an interest in the Condominium Premises and their respective successors and assigns. In furtherance of the establishment of the Condominium Project, it is provided as follows:

ARTICLE I

TITLE AND NATURE

The Condominium Project shall be known as Palmer Place, Wayne County Condominium Subdivision Plan No. 318. The engineering and architectural plans for the Project were approved by, and which shall be filed with, the Township of Canton. The Condominium Project is established in accordance with the Act. The buildings contained in the Condominium, including the number, boundaries, dimensions and area of each Unit therein, are set forth completely in the Condominium Subdivision Plan. Each building contains individual Units for residential purposes and each Unit is capable of individual utilization on account of having its own 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 or her Unit and shall have undivided and inseparable rights to share with other Co-owners the Common Elements of the Condominium Project.
ARTICLE II

LEGAL DESCRIPTION

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

A parcel of land in the S.E. 1/4 of Section 22, T2S., R.8E., Canton Township, Wayne County, Michigan, being more particularly described as commencing at the S.E. corner of Section 22, T2S., R.8E., Canton Township, Wayne County, Michigan; thence N. 89°52'19" W., 941.89 feet along the South Section line of Section 22 to the point of beginning; thence N. 89°52'19" W., 399.65 feet; thence N. 00°46'18" W., 709.07 feet; thence along the Southerly boundary of "Franklin Palmer Estates" Subdivision (Liber 96, Pages 22-26, Wayne County Records), S. 69°15'55" E., 173.88 feet and N. 69°48'01" E., 126.52 feet and N. 28°38'51" E., 126.14 feet and N. 11°33'49" W., 137.52 feet and N. 00°27'48" E., 59.86 feet and S. 89°51'21" E., 74.86 feet and N. 78°17'40" E., 183.97 feet and S. 70°03'29" E., 38.35 feet; thence S. 00°04'01" E., 444.53 feet; thence S. 57°03'03" E., 296.45 feet; thence S. 30°07'09" E., 76.77 feet; thence S. 00°07'33" W., 105.07 feet; thence N. 89°42'57" W., 169.22 feet; thence N. 00°07'41" E., 28.53 feet; thence N. 89°52'19" W., 314.42 feet; thence S. 00°07'41" W., 274.20 feet to the point of beginning. Containing 513.785 square feet or 0.1795 acres. Subject to any easements or restrictions 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 and rules and regulations of Palmer Place 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 Palmer Place as a condominium. Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:


Section 2. Association. "Association" means Palmer Place Association, which is 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.

Section 3. Bylaws. "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 Bylaws shall also constitute the corporate bylaws of the Association as provided for under the Michigan Nonprofit Corporation Act.


Section 5. Condominium Documents. "Condominium Documents" means and includes this Master Deed and Exhibits A and B hereto, and the Articles of Incorporation and rules and regulations, if any, of the Association, as all of the same may be amended from time to time.

Section 6. Condominium Premises. "Condominium Premises" means and includes the land described in Article II above, all improvements and structures thereon, and all easements, rights and appurtenances belonging to Palmer Place as described above.

Section 7. Condominium Project, Condominium or Project. "Condominium Project", "Condominium" or "Project" each mean Palmer Place as a Condominium Project established in conformity with the Act.


Section 9. Consolidating Master Deed. "Consolidating Master Deed" means the final amended Master Deed which shall describe Palmer Place as a completed Condominium Project and shall reflect the entire land area in the Condominium Project resulting from parcel(s) that may have been withdrawn from and/or added to the Condominium from time to time under Article VI hereof, and all Units and Common Elements therein, as constructed, and which shall express percentages of value pertinent to each Unit as finally readjusted. Such Consolidating Master Deed, if and when recorded in the office of the Wayne County Register of Deeds, shall supersede the previously recorded Master Deed for the Condominium and all amendments thereto. Notwithstanding anything contained herein to the contrary, in the event the Units and Common Elements in the Condominium are constructed in substantial conformance with the proposed Condominium Subdivision Plan attached as Exhibit B to the Master Deed, the Developer shall be able to satisfy the foregoing obligation by filing a certificate in the office of the Wayne County Register of Deeds confirming that the Units and Common Elements "as built" are in substantial conformity with the proposed Condominium Subdivision Plan and that no Consolidating Master Deed need be recorded.

Section 10. Construction and Sales Period. "Construction and Sales Period," for the purposes of the Condominium Documents and the rights reserved to the Developer thereunder, 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.

Section 11. Co-owner or Owner. "Co-owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which owns one or more Units in the Condominium Project. The term "Owner," wherever used, shall be synonymous with the term "Co-owner".
Section 12. *Developer.* "Developer" means Kime Brothers, Inc., a Michigan corporation, which has made and executed this Master Deed, and its successors and assigns. Both successors and assigns shall always be deemed to be included within the term "Developer" whenever, however and wherever such term is used in the Condominium Documents.

Section 13. *First Annual Meeting.* "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 properly may be brought before the meeting. Such meeting is to be held (a) in the Developer's sole discretion after fifty (50) percent of the Units which may be created are conveyed, or (b) mandatorily within (i) fifty-four (54) months from the date of the first Unit conveyance, or (ii) one hundred twenty (120) days after seventy-five (75) percent of all Units which may be created are conveyed, whichever first occurs.

Section 14. *Transitional Control Date.* "Transitional Control Date" means the date on which a Board of Directors of the Association 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.

Section 15. *Unit or Condominium Unit.* "Unit" or "Condominium Unit" each mean the enclosed space constituting a single complete residential Unit in Palmer Place, as such space may be described in the Condominium Subdivision Plan, 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 to the plural shall also be included where the same would be appropriate and vice versa.

ARTICLE IV

COMMON ELEMENTS

The Common Elements of the Project and the respective responsibilities for maintenance, decoration, repair or replacement thereof, are as follows:

Section 1. *General Common Elements.* The General Common Elements are:

(a) *Land.* The land described in Article II hereof, including the driveways, roads and parking spaces located thereon 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.

(b) *Electrical.* The electrical transmission system throughout the Project up to, but not including, the electric meter for each Unit, together with common lighting for the Project, if any is installed.
(c) Telephone. The telephone system throughout the Project up to the point of entry to each Unit.

(d) Gas. The gas distribution system throughout the Project up to, but not including, the gas meter for each Unit.

(e) Water. The water distribution system throughout the Project, up to the point(s) of entry to each Unit.

(f) Sanitary Sewer. The sanitary sewer system throughout the Project, including that contained within Unit walls, up to the point of connection with plumbing fixtures within any Unit.

(g) Storm Sewer. The storm sewer system throughout the Project.

(h) Telecommunications. The telecommunications system throughout the Project, if and when it may be installed, up to, but not including, connections to provide service to individual Units.

(i) Construction. Foundations, Unit and garage perimeter walls (not including windows and doors therein), roofs, floor construction between Unit levels and chimneys, if any.

(j) Sprinkling System. The lawn sprinkling system together with any pumps, pipes, sprinkling heads and other appurtenances thereof.

(k) Other. Such other elements of the Project not herein designated as General or Limited Common Elements which are not enclosed within the boundaries of a Unit, and which are intended for common use or are necessary to the existence, upkeep and safety of the Project.

(l) Mailbox Stands. The mailbox stands throughout the Project.

Some or all of the utility lines, systems (including mains and service leads) and equipment 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 shall be General Common Elements only to the extent of the Co-owners' interest therein, if any, and the Developer makes no warranty whatever with respect to the nature or extent of such interest, if any.

Section 2. Limited Common Elements. Limited Common Elements shall be subject to the exclusive use and enjoyment of the Owner of the Unit to which the Limited Common Elements are appurtenant. The Limited Common Elements are:

(a) Porches and Decks. Each individual entry porch and deck, if any, is restricted in use to the Co-owner of the Unit which opens onto such porch or deck.

(b) Walkways and Driveways. Each entry walkway and driveway is restricted in use to the Co-owner of the Unit which is immediately
adjacent to and is served thereby. No Co-owner or his or her guests shall park on or in any way obstruct the driveway which is adjacent to his or her Limited Common Element driveway.

(c) **Air Conditioner Condenser.** Each individual air conditioner condenser in the Project whether installed by the Developer or the Co-owner, together with its pad and the ground surface immediately below is restricted in use to the Co-owner of the Unit which such air conditioner condenser services. Air conditioning condensers not installed by the Developer may be installed by a Co-owner, but only in the Privacy Area immediately adjoining each Unit as designated on the Condominium Subdivision Plan and only upon receipt of the written consent of the Association and during the Construction and Sales Periods, the Developer.

(d) **Garage Doors, Garage Floors, Garage Door Hardware and Garage Door Openers.** The garage door, garage floor, garage door hardware and electric garage door opener, if any, shall be limited in use to the Co-owner of the Unit serviced thereby.

(e) **Doors, Windows and Screens.** Doors, windows and window screens shall be limited in use to the Co-owners of Units to which they are attached.

(f) **Fireplace Combustion Chambers and Flues.** Fireplace combustion chambers and flues, if any, shall be limited in use to the Units served thereby.

(g) **Exterior Lights.** The exterior lighting fixtures at the entrance of each Unit shall be a Limited Common Element appurtenant to such Unit.

(h) **Interior Surfaces.** The interior surfaces of the Unit and garage perimeter walls, ceilings and floors contained within a Unit shall be subject to the exclusive use and enjoyment of the Co-owner of such Unit.

(i) **Basement Walls and Floors.** The basement walls and floors appurtenant to each Unit are restricted in use to the Co-owner of the Unit of which such basement area is a part.

(j) **Privacy Areas.** Each individual privacy area in the Project is restricted in use to the Co-owner of the Unit which opens onto such privacy area as shown on Exhibit B hereto.

(k) **Electric and Gas Meters.** The gas and electric meters are appurtenant to the Units which are served thereby.

(l) **Sump Pumps.** The sump pumps and pits located in each Unit, including all accessories related to thereto, are appurtenant to the Units in which they are located.

Section 3. **Responsibilities.** The respective responsibilities for the maintenance, decoration, repair and replacement of the Common Elements are as follows:
(a) **Porches.** The responsibility for costs of maintenance, repair and replacement of each porch shall be borne by the Association, provided, however, that the costs of repair and replacement of porches which differ in their specifications from Developer's standard specifications for porches shall be, to the extent they exceed the costs of maintenance, repair and replacement costs of the standard developer-installed porch, borne by the Co-owner of the Unit to which they are respectively appurtenant. The Association shall apportion extra costs for non-standard porches based on any reasonable method such as, by way of example, proportionate cost per extra square foot. Snow removal from porches shall be the responsibility of the individual Co-owners.

(b) **Decks.** The decks, if any, shall be maintained, repaired and replaced by the Association. The cost of such maintainence, repair and replacement of the decks shall be borne by Co-owners of Units which have appurtenant decks (hereinafter "Deck Owners"). The Association shall assess and collect the expenses relating to the decks from the Deck Owners in the manner provided in Article II of the Bylaws and the Association may require Deck Owners to contribute to a reserve for deck replacement. Expenses and reserve requirements may be calculated and distributed among Deck Owners by the Association on any reasonable basis.

(c) **Air Conditioner Condenser.** The costs of maintenance, repair and replacement of each individual air conditioner, condenser, its related pad and the ground surface immediately below as described in Article IV, Section 2(b) above shall be borne by the Co-owner of the Unit which such air conditioner condenser services.

(d) **Garage Doors, Garage Floors, Garage Door Hardware and Garage Door Openers.** The repair, replacement, maintenance and the costs thereof (except in cases of Co-owner fault) of each garage door referred to in Article IV, Section 2(d) and the costs thereof shall be borne by the Association; the costs of repair, replacement and maintenance of the garage floors, garage door hardware and garage door openers, if any, and, in cases of Co-owner fault, garage doors, shall be borne by the Co-owner of the Unit which they service.

(e) **Doors, Windows and Screens.** The repair, replacement and interior and exterior maintenance of all glass and screen portions of doors and windows referred to in Article IV, Section 2(e) and the costs thereof shall be borne by the Co-owner of the Unit to which any such doors and windows are appurtenant; provided, however, that no changes in design, material or color may be made therein without express written approval of the Association (and the Developer during the Construction and Sales Period).

(f) **Walkways and Driveways.** The Association shall be responsible for the maintenance, repair, replacement and snow removal with respect to the walkways and driveways contained in the Project. Snow removal from the walkways shall be done on the same basis as from driveways, so that a minimum snowfall of 2 inches must occur prior to the service being rendered.
(g) **Utility Costs.** All costs of electricity and natural gas flowing through the meters described in Article IV, Sections 1(b) and (d) shall be borne by the Co-owner of the Unit serviced by such meters. The cost of water flowing through the meters described in Article IV, Section 2(e) shall be borne by the Association.

(h) **Fireplace Combustion Chambers and Flues.** Individual Co-owners shall be responsible for the maintenance, repair and replacement of the fireplace combustion chambers and flues, if any, referred to in Article IV, Section 2(f) and the costs thereof. If a Co-owner fails to so maintain, repair or replace, the Association may undertake such maintenance, repair or replacement and add the costs thereof to the next regular monthly assessment installment due on such Unit and may collect such amount in accordance with Article II of the Palmer Place Bylaws.

(i) **Exterior Lighting.** The costs of electricity for the exterior lighting fixtures referred to in Article IV, Section 2(g) shall be metered by the individual electric meters of the Co-owner to whose Units the same are respectively attached and shall be paid by such individual Co-owner without reimbursement therefor from the Association. Said fixtures shall be maintained, repaired and replaced by the Association. The size and nature of the light bulbs to be used in the fixtures shall be determined and supplied by the Association. No Co-owner shall modify or change such fixtures in any way and shall not cause the electricity flow for operation thereof to be interrupted at any time. Said fixtures shall operate on photoelectric cells whose timers shall be set by and at the discretion of the Association and shall remain lit at all times determined by the Association for lighting thereof.

(j) **Interior Surfaces.** The costs of decoration and maintenance (but not repair or replacement except in cases of Co-owner fault) of all surfaces referred to in Article IV, Section 2(h) above shall be borne by the Co-owner of each Unit to which such Limited Common Elements are appurtenant.

(k) **Sump Pumps.** The costs of maintenance, repair and replacement of sump pumps, including the sump pit and all piping, wiring or other material appurtenant thereto shall be borne by the individual Co-owners. The Association shall not be responsible for damage to floor tile, carpeting, paneling, wall covering or other improvements or property in the Unit which may be damaged in the course of maintenance, repair, replacement or operating malfunction of a sump pump. Damage to the Common Elements caused by malfunction of a sump pump shall be borne by the Co-owner of the Unit containing such sump pump.

(l) **Basement Walls and Floors.** The cost of maintenance, repair and replacement of the basement walls and floors referred to in Article IV, Section 2(j) above shall be borne by the Co-owner of the Unit to which such Limited Common Elements are appurtenant.
(m) Privacy Areas. The costs of maintenance, repair and replacement of each privacy area described in Article IV, Section 2(j) and the contents and attachments thereon shall be borne by the Co-owner of the Unit which is served thereby (see Section 3(b) above for provisions relating to maintenance of decks). Co-owners may be permitted (but shall not be entitled), upon specific written approval of the Association (and the Developer during the Construction and Sales period), to construct and install air conditioner pads and condensers, patios, decks, landscaping and similar improvements within the areas defined on Exhibit B hereto as "Privacy Area". The precise number, size and type of construction of such improvements shall be approved in writing by the Association (and Developer) prior to construction. So long as such approved improvements do not extend beyond the Limited Common Element Privacy Area as shown on Exhibit B hereto, they need not be precisely depicted on the Condominium Subdivision Plan. Neither the Association nor the Developer shall be obligated to approve any particular proposed installation but may exercise absolute discretion in approving or disapproving the same. Portions of the privacy areas consisting primarily of lawn area shall be mowed, if unobstructed, by the Association.

(n) Other. The costs of maintenance, repair and replacement of all General and Limited Common Elements other than as described above shall be borne by the Association, subject to any provisions of the Bylaws expressly to the contrary.

Section 4. Failure of Co-owner to Perform Maintenance Responsibilities. In the event a Co-owner fails to maintain, decorate, repair or replace any items for which he is responsible, the Association (and/or the Developer during the Construction and Sales Period) shall have the right, but not the obligation, to take whatever action or actions it deems desirable to maintain, decorate, repair or replace any of such Limited Common Elements, at the expense of the Co-owner of the Unit. Failure of the Association (or the Developer) to take such action shall not be deemed a waiver of the Association's (or the Developer's) right to take any such action at a future time. All costs incurred by the Association or the Developer from performing any responsibilities under this Article which are required, in the first instance to be borne by any Co-owner, shall be assessed against such Co-owner and shall be due and payable with his monthly assessment next following due; further, the lien for nonpayment shall attach as in all cases of regular assessments and such assessments may be enforced by the use of all means available to the Association under the Condominium Documents for the collection of regular assessments including, without limitation, legal action, foreclosure of the lien securing payment and imposition of fines.

No Co-owner shall use his or her Unit or the Common Elements in any manner inconsistent with the purposes of the Project 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 V
UNIT DESCRIPTION AND PERCENTAGE OF VALUE

Section 1. Description of Units. Each Unit in the Condominium Project is described in this paragraph with reference to the Condominium Subdivision Plan of Palmer Place as prepared by Nowak & Fraus Corp. 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 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 the Condominium Subdivision Plan and delineated with heavy outlines. The dimensions shown on basement and foundation plans in the Condominium Subdivision Plan have been or will be physically measured by Nowak & Fraus Corp.

In the event that the dimensions on the measured foundation plan of any specific Unit differ from the dimensions on the typical foundation plan for such Unit shown in the Condominium Subdivision Plan, then the typical upper-floor plans for such Unit shall be deemed to be automatically changed for such specific Unit in the same manner and to the same extent as the measured foundation plan.

Section 2. Percentage of Value. The percentage of value assigned to each Unit shall be equal. The determination that percentages of value should be equal was made after reviewing the comparative characteristics of each Unit in the Project and concluding that there are no material differences among the Units insofar as the allocation of percentages of value is concerned. The percentage of value assigned to each Unit shall be determinative of each Co-owner's respective share of the Common Elements of the Condominium Project, the proportionate share of each respective Co-owner in the proceeds and the expenses of administration and the value of such Co-owner's vote at meetings of the Association. The total value of the Project is 100%.

ARTICLE VI
CONTRACTION OF CONDOMINIUM

Section 1. Right to Contract. As of the date this Master Deed is recorded, the Developer intends to establish a Condominium Project consisting of 19 buildings containing 104 Units on the land described in Article II hereof all as shown on the Condominium Subdivision Plan. Developer reserves the right, however, to establish a Condominium Project consisting of fewer buildings and/or Units than described above and to withdraw from the project all or some portion of the following described land:

A parcel of land in the S.E. 1/4 of Section 22, T.2S., R.8E., Canton Township, Wayne County, Michigan being more particularly described as commencing at the S.E. corner of said Section 22; thence N. 89°52'19" W., 941.89 feet; thence continuing along the south line of Section 22 and the centerline of Palmer Road, N. 89°52'19" W., 399.65 feet; thence N. 00°46'18" W., 386.01 feet to the point of
beginning; thence continuing N. 00°46'18" W., 323.06 feet; thence along the southerly boundary of "Franklin Palmer Estates" Subdivision (Liber 96, Pages 22-28, Wayne County Records), S. 69°15'55" E., 173.86 feet; thence N. 69°48'01" E., 126.52 feet; thence N. 28°38'51" E., 126.14 feet; thence N. 11°33'49" W., 137.52 feet; thence N. 00°27'48" E., 59.86 feet; thence S 89°51'21" E., 74.86 feet; thence N. 78°17'40" E., 183.97 feet; thence S. 70°03'29" E., 38.35 feet; thence S. 00°04'01" E., 444.53 feet; thence S. 57°03'03" E., 296.45 feet; thence S. 30°07'09" E., 76.77 feet; thence S. 00°07'33" W., 105.07 feet; thence N. 89°42'57" W., 169.22 feet; thence N. 00°07'41" E., 28.53 feet; thence N. 89°52'19" W., 314.42 feet; thence N. 00°07'41" E., 159.50 feet; thence N. 69°48'51" W., 139.17 feet; thence S. 29°00'31" W., 109.03 feet; thence N. 89°52'19" W., 222.33 feet to the point of beginning, said parcel containing 346,494 square feet or 7.95 acres.

(hercinafter referred to as "Contractable Area"). Therefore, any other provisions of this Master Deed to the contrary notwithstanding, the number of buildings and/or Units in this Condominium Project may, at the option of the Developer, from time to time, within a period ending no later than six (6) years from the date of recording this Master Deed, be contracted to any number determined by the Developer in its sole judgment, but in no event shall the number of buildings be contracted to less than 5 and the number of Units be contracted to less than 28. The Developer has reserved the right in Article VII hereof to eliminate all but 6 of the 28 Units by converting them to common elements if the buildings containing such Units are not constructed. There is no obligation on the part of the Developer to withdraw from the Condominium all or any portion of the Contractable Area described in this Article VI, nor is there any obligation to withdraw portions thereof in any particular order.

Section 2. Withdrawal of Land. In connection with such contraction, the Developer unconditionally reserves the right to withdraw from the Condominium Project such portion or portions of the land described in this Article VII as is not reasonably necessary to provide access to or otherwise serve the Units included in the Condominium Project as so contracted. Developer reserves the right to use the portion of the land so withdrawn to establish, in its sole discretion, a rental development, a separate condominium project (or projects) or any other form of development. Developer further reserves the right, subsequent to such withdrawal but prior to six (6) years from the date of recording this Master Deed, to expand the Project as so reduced to include all or any portion of the land so withdrawn. There is no obligation on the part of the Developer to withdraw from the Condominium Project all or any portion of the contractable area described in this Article VII, nor is there any obligation to withdraw portions thereof in any particular order.

ARTICLE VII

CONVERTIBLE AREAS

Section 1. Designation of Convertible Areas. All land, Units and common elements within the Contractable Area described in Article VI have been designated on the Condominium Subdivision Plan as Convertible Areas within which the Units and Common Elements may be modified as provided herein.
In addition, Units (and the buildings which contain them), roads and utilities which are labelled "Need Not Be Built" on Exhibit B hereto, are designated as convertible areas and may be converted to common elements if such buildings and improvements are not constructed.

Section 2. The Developer's Right to Modify Units and Common Elements. The Developer reserves the right, in its sole discretion, during a period ending no later than six (6) years from the date of recording this Master Deed, to eliminate Units and eliminate or modify the size, location, design or elevation of Units and/or General or Limited Common Elements appurtenant or geographically proximate to such Units within the Convertible Areas as designated on the Condominium Subdivision Plan and herein, so long as such modifications do not unreasonably impair or diminish the appearance of the Project or the view, privacy or other significant attribute or amenity of any Unit which adjoins or is proximate to the modified Unit or Common Element.

Section 3. Compatibility of Improvements. All improvements constructed within the Convertible Areas described above shall be reasonably compatible with the structures on other portions of the Condominium Project. No improvements, other than as above indicated, may be created on the Convertible Areas.

ARTICLE VIII

OPERATIVE PROVISIONS

Any contraction or conversion in the Project pursuant to Articles VI or VII above shall be governed by the provisions as set forth below.

Section 1. Amendment of Master Deed and Modification of Percentages of Value. Such contraction or conversion of this Condominium Project shall be given effect by appropriate amendments to this Master Deed in the manner provided by law, which amendments shall be prepared by and at the discretion of the Developer. Percentages of value shall, under all circumstances, remain equal.

Section 2. Redefinition of Common Elements. Such amendments to the Master Deed shall also contain such further definitions and redefinitions of General or Limited Common Elements as may be necessary to adequately describe, serve and provide access to the additional parcel or parcels being withdrawn from the Project by such amendments. In connection with any such amendments, the Developer shall have the right to change the nature of any Common Element previously included in the Project for any purpose reasonably necessary to achieve the purposes of this Article, including, but not limited to, the connection of roadways and sidewalks in the Project to any roadways and sidewalks that may be located on, or planned for the area of future development or the contractable area, as the case may be, and to provide access to any Unit that is located on, or planned for the area of future development or the contractable area from the roadways and sidewalks located in the Project.

Section 3. Right to Modify Floor Plans. The Developer further reserves the right to amend and alter the floor plans and/or elevations of any
buildings and/or Units described in the Condominium Subdivision Plan attached hereto. The nature and appearance of all such altered buildings and/or Units shall be determined by the Developer in its sole judgment; but, in no event shall such altered buildings and/or Units deviate substantially from the general development plan approved by the Township of Canton. All such improvements shall be reasonably compatible with the existing structures in the Project, as determined by the Developer in its sole discretion. No Unit shall be created within the area of future development that is not restricted exclusively to residential use.

Section 4. Consolidating Master Deed. A Consolidating Master Deed shall be recorded pursuant to the Act when the Project is finally concluded as determined by the Developer in order to incorporate into one set of instruments all successive stages of development (unless a certificate is filed as provided in Article III, Section 9 hereof). The Consolidating Master Deed, when recorded, shall supersede the previously recorded Master Deed and all amendments thereto.

Section 5. Consent of Interested Persons. 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 amendments to this Master Deed as may be proposed by the Developer to effectuate the purposes of Articles VI and VII above. All such interested persons irrevocably appoint the Developer as agent and attorney for the purpose of execution of such amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be effected without the necessity of rerecording the entire Master Deed or the Exhibits hereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits hereto.

ARTICLE IX

EASEMENTS

Section 1. Easement for Maintenance of Encroachments and Utilities. 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, reciprocal easements shall exist for the maintenance of such encroachment for so long as such encroachment exists, and for maintenance thereof after rebuilding in the event of any destruction. 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 exist easements of support with respect to any Unit interior wall which supports a Common Element.

Section 2. Easements and Rights Retained by Developer.

(a) Roadway Easements. The Developer reserves for the benefit of itself, its successors and assigns, and all future owners of the land described in Article VI or any portion or portions thereof, an easement for the unrestricted use of all roads and walkways in the Condominium for the purpose of ingress and egress to and from all or any portion of the parcel described in Article VI. All expenses of
maintenance, repair, replacement and resurfacing of any road referred to in this Section shall be shared by this Condominium and any developed portions of the land described in Article VI the closest means of access to a public road of which is over such road or roads. The Co-owners of this Condominium shall be responsible for payment of a proportionate share of such expenses which share shall be determined by multiplying such expenses by a fraction, the numerator of which is the number of dwelling Units in this Condominium, and the denominator of which is comprised of the numerator plus all other dwelling Units in the land described in Article VI the closest means of access to a public road of which is over such road.

(b) Right to Dedicate. The Developer reserves the right at any time during the Construction and Sales Period to dedicate to the public a right-of-way of such width as may be required by the local public authority over any or all of the roadways in Palmer Place, shown as General Common Elements in the Condominium Subdivision Plan. Any such right-of-way dedication may be made 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 the Condominium Subdivision Plan hereto, recorded in the Wayne 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 right-of-way dedication.

(c) Utility Easements. The Developer also hereby reserves for the benefit of itself, its successors and assigns, and all future owners of the land described in Article VI or any portion or portions thereof, perpetual easements to utilize, tap, tie into, extend and enlarge all utility mains located in the Condominium, including, but not limited to, water, gas, storm and sanitary sewer mains. In the event Developer, its successors or assigns, utilizes, taps, ties into, extends or enlarges any utilities located in the Condominium, it shall be obligated to pay all of the expenses reasonably necessary to restore the Condominium Premises to their state immediately prior to such utilization, tapping, tying-in, extension or enlargement. All expenses of maintenance, repair and replacement of any utility mains referred to in this Section shall be shared by this Condominium and any developed portions of the land described in Article VI which are served by such mains. The Co-owners of this Condominium shall be responsible from time to time for payment of a proportionate share of said expenses which share shall be determined by multiplying such expenses times a fraction, the numerator of which is the number of dwelling Units in this Condominium, and the denominator of which is comprised of the numerator plus all other dwelling Units in the land described in Article VI that are served by such mains.

(d) Granting Utility Rights to Agencies. The Developer reserves the right at any time during the Construction and Sales Period 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 governmental agencies or to utility companies. 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 Wayne 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 amendments to this Master Deed as may be required to effectuate the foregoing grant of easement or transfer of title.

Section 3. 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 or for the benefit of any other land described in Article VI hereof; subject, however, to the approval of the Developer during the Construction and Sales Period.

Section 4. Easements for Maintenance, Repair and Replacement. The Developer, the Association and all public or private utility companies shall have such easements over, under, across and through the Condominium Premises, including all Units and Common Elements as may be necessary to develop, construct, market and operate any Units within the land described in Article II and Article VI hereof, and also to fulfill any responsibilities of maintenance, repair, decoration or replacement which they or any of them are required or permitted to perform under the Condominium Documents or by law. These easements include, without any implication of limitation, the right of the Association to obtain access during reasonable hours and upon reasonable notice to water meters, sprinkler controls and valves and other Common Elements located within any Unit or its appurtenant Limited Common Elements.

Section 5. 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 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.
ARTICLE X

AMENDMENT

This Master Deed and the Condominium Subdivision Plan may be amended with the consent of sixty-six and two-thirds (66-2/3) percent of the Co-owners, except as hereinafter set forth:

Section 1. Modification of Units or Common Elements. No Unit dimension may be modified in any material way without the consent of the Co-owner and mortgagee of such Unit nor may the nature or extent of Limited Common Elements or the responsibility for maintenance, repair or replacement thereof be modified in any material way without the written consent of the Co-owner and mortgagee of any Unit to which the same are appurtenant, except as otherwise expressly provided in this Master Deed or in the Bylaws to the contrary.

Section 2. Mortgagee Consent. Whenever a proposed amendment would materially alter or change the rights of mortgagees generally, then such amendments shall require the approval of sixty-six and two-thirds (66-2/3) percent of all first mortgagees of record, allocating one vote for each mortgage held.

Section 3. By Developer. Prior to one year after expiration of the Construction and Sales Period, the Developer may, without the consent of any Co-owner or any other person, amend this Master Deed and the Condominium Subdivision Plan attached as Exhibit B in order to correct survey or other errors made in such documents and to make such other amendments to such instruments and to the Bylaws attached hereto as Exhibit A as do not materially affect any rights of any Co-owners or mortgagees in the Project.

Section 4. Change in Percentage of Value. The value of the vote of any Co-owner and the corresponding proportion of common expenses assessed against such Co-owner shall not be modified without the written consent of such Co-owner and his or her mortgagee, nor shall the percentage of value assigned to any Unit be modified without like consent, except as provided in this Master Deed or in the Bylaws.

Section 5. Termination, Vacation, Revocation or Abandonment. The Condominium Project may not be terminated, vacated, revoked or abandoned without the written consent of the Developer, eighty (80) percent of non-developer Co-owners and eighty (80) percent of first mortgagees.

Section 6. Developer Approval. During the Construction and Sales Period, the Condominium Documents shall not be amended nor shall the provisions thereof be modified by any other amendment to this Master Deed without the written consent of the Developer.

ARTICLE XI

ASSIGNMENT

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, 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 Wayne County Register of Deeds.

WITNESSES:

Kime Brothers, Inc., a Michigan corporation

By:  

Robert D. Kime
Its: Chairman

Pamela Steed

Suzanne S. Reynolds

STATE OF MICHIGAN )
) SS.
COUNTY OF OAKLAND )

On this 31 day of March, 1992, the foregoing Master Deed was acknowledged before me by Robert D. Kime, the Chairman of Kime Brothers, Inc., a Michigan corporation, on behalf of the corporation.

Pamela Steed
Notary Public, Lapeer County, Michigan, acting in Oakland County, MI
My commission expires: 2/14/96

Master Deed drafted by and return to:
Suzanne S. Reynolds of DYKEMA GOSSETT
505 North Woodward Ave., Suite 3000
Bloomfield Hills, Michigan 48304
(3695R)
EXHIBIT A

PALMER PLACE

BYLAWS

ARTICLE I

ASSOCIATION OF CO-OWNERS

Palmer Place, a residential Condominium Project located in the Township of Canton, Wayne County, Michigan, shall be administered by an Association of Co-owners which shall be a non-profit corporation, hereinafter called 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 Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and required by Section 3(8) of the Act and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Co-owner shall be entitled to membership and no other person or entity shall be entitled to membership. 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 or her Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium Project available at reasonable hours to Co-owners, prospective purchasers, mortgagees and prospective mortgagees of Units in the Condominium Project. 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.

ARTICLE II

ASSESSMENTS

All expenses arising from the management, administration and operation of the Association in pursuance of its authorizations and responsibilities as set forth in the Condominium Documents and the Act shall be levied by the Association against the Units and the Co-owners thereof in accordance with the following provisions:

Section 1. 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, any 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 2. Determination of Assessments. Assessments shall be determined in accordance with the following provisions:

(a) Budget; Regular Assessments. The Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular payments as set forth in Section 2(c) below rather than by special assessments. At a minimum, the reserve fund shall be equal to ten (10) percent of the Association's current annual budget on a noncumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular project, the Association of Co-owners should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. Upon adoption of an annual budget by the Association, copies of the budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget. The annual assessments as so determined and levied shall constitute a lien against all Units as of the first day of the fiscal year to which the assessments relate. Failure to deliver a copy of the budget to each Co-owner shall not affect or in any way diminish such lien or the liability of any Co-owner for any existing or future assessments. Should the Association at any time decide, in its sole discretion: (1) that the assessments levied are or may prove to be insufficient (a) to pay the costs of operation and management of the Condominium, (b) to provide replacements of existing Common Elements, (c) to provide additions to the Common Elements not exceeding $5,000 annually for the entire Condominium Project, or (2) that an emergency exists, the Association 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 Association also shall have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 4 hereof. The discretionary authority of the Association to levy assessments pursuant to this subparagraph shall rest solely with the Association for the benefit of the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof.

(b) Special Assessments. Special assessments, in addition to those required in subparagraph (a) above, may be made by the Association from time to time and approved by the Co-owners as hereinafter provided to meet other requirements of the Association, including,
but not limited to: (1) assessments for additions to the Common Elements of a cost exceeding $5,000 for the entire Condominium Project per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 hereof, (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subparagraph (b) (but not including those assessments referred to in subparagraph 2(a) above, which shall be levied in the sole discretion of the Association) shall not be levied without the prior approval of more than sixty (60) percent of all Co-owners. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or of the members thereof.

(c) Apportionment of Assessments. All assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with each Co-owner's proportionate share of the expenses of administration as provided in Article V, Section 2 of the Master Deed and without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit except as otherwise specifically provided in the Master Deed. Annual assessments as determined in accordance with Article II, Section 2(a) above shall be payable by Co-owners in periodic installments, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means.

Section 3. Developer's Responsibility for Assessments. During the Construction and Sales Period as defined in Article III, Section 10 of the Master Deed, the Developer of the Condominium, even though a member of the Association, shall not be responsible for payment of the periodic Association assessment. The Developer, however, shall during the Construction and Sales Period pay a proportionate share of the Association's current maintenance expenses actually incurred from time to time based upon the ratio of Completed Units owned by Developer at the time the expense is incurred to the total number of Units in the Condominium. In no event shall Developer be responsible for payment, during the Construction and Sales Period, of any assessments for deferred maintenance, reserves for replacement, for capital improvements or other special assessments, except with respect to Occupied Units owned by it. Developer shall not be responsible at any time for payment of said periodic assessment or payment of any expenses whatsoever with respect to Units not Completed notwithstanding the fact that such Units not Completed may have been included in the Master Deed. Further, the Developer shall in no event be liable for any assessment levied in whole or in part to purchase any Unit from the Developer or to finance any litigation or other claims against the Developer, any cost of investigating and preparing such litigation or claim or any similar or related costs. "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 Township of Canton.

Section 4. Penalties for Default. The payment of an assessment shall be in default if any installment thereof is not paid to the Association in full on or before the due date for such installment. A late charge not to exceed twenty-five ($25.00) dollars per installment may be assessed automatically by the Association upon each installment in default for ten (10) or more days until paid in full. The Association shall also have the right to apply a discount for assessments received by it on or before the date upon which any such assessment falls due. The Association may, pursuant to Article VII, Section 4 and Article VIII hereof, levy fines for late payment of assessments in addition to such late charge. 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 or her Unit which may be levied while such Co-owner is the owner thereof, except a land contract purchaser from any Co-owner including Developer shall be so personally liable and such land contract seller shall not be personally liable for all such assessments levied up to and including the date upon which such land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorneys' fees; second, to any interest charges and fines for late payment on such installments; and third, to installments in default in order of their due dates.

Section 5. Liens for Unpaid Assessments. Sums assessed to the Association which remain unpaid, including but not limited to regular assessments, special assessments, fines and late charges, shall constitute a lien upon the Unit or Units in the Project owned by the Co-owner at the time of the assessment and upon the proceeds of sale thereof. Any such unpaid sum shall constitute a lien against the Unit as of the first day of the fiscal year to which the assessment, fine or late charge relates and shall be a lien prior to all claims except real property taxes and first mortgages of record. All charges which the Association may levy against any Co-owner shall be deemed to be assessments for purposes of this Section and Section 108 of the Act.

Section 6. Waiver of Use or Abandonment of Unit. No Co-owner may exempt him or herself from liability for Co-owner's contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of Co-owner's Unit.

Section 7. Enforcement.

(a) Remedies. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the
event of default by any Co-owner in the payment of any installment of the annual assessment levied against Co-owner's 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; provided, however, this provision shall not operate to deprive any Co-owner of ingress or egress to and from his or her Unit. 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 Co-owner. The Association may also assess fines for late payment or non-payment of assessments in accordance with the provisions of Article VII, Section 4 of these Bylaws. All of these remedies shall be cumulative and not alternative.

(b) Foreclosure Proceedings. 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 the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each 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 or she was notified of the provisions of this subparagraph and that he or she voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit.

(c) Notice of Action. 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, her or their last known address, 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 (1) the affiant's capacity to make the affidavit, (2) the statutory and other authority for the lien, (3) the amount outstanding (exclusive of interest, costs, attorneys' fees and future assessments), (4) the legal description of the subject Unit(s), and (5) the name(s) of the Co-owner(s) of record. Such affidavit shall be recorded in the office of the Wayne County Register of Deeds prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing. If the delinquency is not cured within the ten-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 delinquent Co-owner and shall inform Co-owner that he or she may request a judicial hearing by bringing suit against the Association.

(d) Expenses of Collection. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on his or her Unit.

Section 8. 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 five (5) days prior to the closing of the purchase of such Unit shall render any unpaid assessments and the lien securing the same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act.

Section 9. Liability of Mortgagee. 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 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 10. Property Taxes and Special Assessments. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

Section 11. Personal Property Tax Assessment of Association Property. 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.


ARTICLE III

ARBITRATION

Section 1. Scope and Election. Disputes, claims, or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between the Co-owners and the Association, upon the election and written consent of the parties to any such disputes, claims or grievances (which consent shall include an agreement of the parties that the judgment of any circuit court of the State of Michigan may be rendered upon any award pursuant to such arbitration), and upon written notice to the Association, shall be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding, provided that no question affecting the claim of title of any person to any fee or life estate in real estate is involved. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration.

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

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

INSURANCE

Section 1. Extent of Coverage. The Association shall carry fire and extended coverage, vandalism and malicious mischief and liability insurance, and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements and certain other portions of the Condominium Project, as set forth below, 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 interests 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 or her own expense upon his or her Unit. It shall be each Co-owner's responsibility to determine by personal investigation or from his or her own insurance advisors the nature and extent of insurance coverage adequate to his or her needs and thereafter to obtain insurance coverage for his or her personal property and any additional fixtures, equipment and trim (as referred to in subsection (b) below) located within his or her Unit or elsewhere on the Condominium and for his or her personal liability for occurrences within his or her Unit or upon Limited Common Elements appurtenant to his or her 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, as to all policies which it obtains, and all Co-owners, as to all policies which they obtain, 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 of 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 current insurable replacement value, excluding foundation and excavation costs, as determined annually by the Association in consultation with the Association's insurance carrier and/or its representatives in light of commonly employed methods for the reasonable determination of replacement costs. Such coverage shall be effected upon an agreed-amount basis for the entire Condominium Project with appropriate inflation riders in order that no co-insurance provisions shall be invoked by the insurance carrier in a manner that will cause loss payments to be reduced below the actual amount of any loss (except in the unlikely event of total project destruction if the insurance proceeds failed, for some reason, to be
equal to the total cost of replacement). All information in the Association's records regarding insurance coverage shall be made available to all Co-owners upon request and reasonable notice during normal business hours so that Co-owners shall be enabled to judge the adequacy of coverage and, upon the taking of due Association procedures, to direct the Board at a properly constituted meeting to change the nature and extent of any applicable coverages, if so determined. Upon such annual re-evaluation and effectuation of coverage, the Association shall notify all Co-owners of the nature and extent of all changes in coverages. Such coverage shall also include interior walls within any Unit and the pipes, wire, 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 Township of Canton (or such replacements thereof as do not exceed the cost of such standard items). It shall be each Co-owner's responsibility to determine the necessity for and to obtain insurance coverage for all fixtures, equipment, trim and other items or attachments within the Unit or any Limited Common Elements appurtenant thereto which were installed in addition to said standard items (or as replacements for such standard items to the extent that replacement cost exceeded the original cost of such standard items) whether installed originally by the Developer or subsequently by the Co-owner, and the Association shall have no responsibility whatsoever for obtaining such coverage unless agreed specifically and separately between the Association and the Co-owner in writing.

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

(d) Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, and the 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 V of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction.

Section 2. Authority of Association to Settle Insurance Claims. Each Co-owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his or her true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Condominium Project, his or her 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.

ARTICLE V

RECONSTRUCTION OR REPAIR

Section 1. Determination to Reconstruct or Repair. If any part of the Condominium Premises 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 damaged property is a Common Element or a Unit, the property shall be rebuilt or repaired if any Unit in the Condominium is tenable, unless it is determined by an affirmative vote of eighty (80) percent of the Co-owners in the Condominium that the Condominium shall be terminated.

(b) Total Destruction. If the Condominium is so damaged that no Unit is tenable, the damaged property shall not be rebuilt unless eighty (80) 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 damage unless the Co-owners shall unanimously decide otherwise.


(a) Definition of Co-owner Responsibility. 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 subsection (b) hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association.

(b) Damage to Interior of Unit. Each Co-owner shall be responsible for the reconstruction, repair and maintenance of the interior of his or her 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 of this Article V. 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. Except as provided in Section 3 hereof, the Association shall be responsible for the reconstruction, repair and maintenance of the Common Elements. Immediately after the occurrence of a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and 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 cost of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessment 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. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation.

Section 5. Timely Reconstruction and Repair. If damage to Common Elements or a Unit adversely affects the appearance of the 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 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 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 or her 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 or her mortgagee, as their interests may appear.

(b) Taking of Common Elements. If there is any taking of any portion of the Condominium other than any Unit, the condemnation proceeds relative to such taking shall be paid to the Co-owners and their mortgagees in proportion to their respective interests in the Common Elements and the affirmative vote of more than fifty (50) percent of the Co-owners shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

(c) 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 resurveyed and the 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 and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium of 100%. Such amendment may be effected by an officer of the Association duly authorized by the Association without the necessity of execution or specific approval thereof by any Co-owner.

(d) 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 so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

Section 7. Notification of FHLMC and FNMA. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC") or by the Federal National Mortgage Association ("FNMA") then, upon request therefor by FHLMC, or FNMA, as the case may be, the Association shall give it 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 or FNMA exceeds $1,000.

Section 8. Priority of Mortgagee Interests. Nothing contained in the Condominium Documents shall be construed to give a Co-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 Co-owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.
ARTICLE VI

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 single-family residential purposes and the Common Elements shall be used only for purposes consistent with single-family residential use.

Section 2. Leasing and Rental.

(a) Right to Lease. A Co-owner may lease his or her Unit for the same purposes set forth in Section 1 of this Article VI; provided that written disclosure of such lease transaction is submitted to the Association in the manner specified in subsection (b) below, with the exception of a lender in possession of a Unit following a default of a first mortgage, foreclosure or deed or other arrangement in lieu of foreclosure, no Co-owner shall lease less than an entire Unit in the Condominium and no tenant shall be permitted to occupy except under a lease the initial term of which is at least six (6) months unless specifically approved in writing by the Association. 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.

(b) Leasing Procedures. The leasing of Units in the Project shall conform to the following provisions:

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

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

(3) If the Association determines that the tenant or non-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:
(i) The Association shall notify the Co-owner by certified mail advising of the alleged violation by the tenant.

(ii) The Co-owner shall have fifteen (15) days after receipt of such notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.

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

Section 3. Alterations and Modifications. 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 without the express written approval of the Association, including without limitation exterior painting or the erection of antennas, lights, aerials, awnings, doors, shutters, newspaper holders, mailboxes, basketball backboards or other exterior attachments or modifications. No Co-owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, sprinkler system valves or any other element that must be accessible to service the Common Elements or any element which affects an Association responsibility in any way. Should access to any facilities 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.

Section 4. Activities. No immoral, improper, unlawful or offensive
activity shall be carried on in any Unit or upon the Common Elements nor shall
anything be done which may be or become an annoyance or a nuisance to the Co-
owners of the Condominium. No unreasonably noisy activity shall occur in or on
the Common Elements or in any Unit at any time and disputes among Co-owners,
arising as a result of this provision which cannot be amicably resolved, shall
be arbitrated by the Association. No Co-owner shall do or permit anything to
be done or keep or permit to be kept in his or her 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 the maintenance of any such condition even if approved.
Activities which are deemed offensive and are expressly prohibited include,
but are not limited to, the following: Any activity involving the use of
firearms, air rifles, pellet guns, B-B guns, bows and arrows, or other similar
dangerous weapons, projectiles or devices.

Section 5. Pets. No animals, other than one domestic animal
commonly considered a household pet shall be maintained by any Co-owner unless
specifically approved in writing by the Association. In granting such
approval, the Association shall be guided by the type, size, and weight of the
animal. No animal may be kept or bred for any commercial purpose and shall
have such care and restraint so as not to be obnoxious or offensive on account
of noise, odor or unsanitary conditions. No animal may be permitted to run
loose at any time upon the Common Elements and any animal shall at all times
be leashed and attended by some responsible person while on the Common
Elements. No savage or dangerous animal shall be kept and any Co-owner who
causes any animal to be brought or kept upon the premises of the Condominium
shall indemnify and hold harmless the Association for any loss, damage or
liability which the Association may sustain as the result of the presence of
such animal on the premises, whether or not the Association has given its
permission therefor. Each Co-owner shall be responsible for collection and
disposition of all fecal matter deposited by any pet maintained by such
Co-owner. No dog which barks and can be heard on any frequent or continuing
basis shall be kept in any Unit or on the Common Elements. The Association may
charge all Co-owners maintaining animals a reasonable additional assessment to
be collected in the manner provided in Article II of these Bylaws in the event
that the Association determines such assessment necessary to defray the
maintenance cost to the Association of accommodating animals within the
Condominium. The Association shall have the right to require that any pets be
registered with it and may adopt such additional reasonable rules and
regulations with respect to animals as it may deem proper. In the event of any
violation of this Section, the Association may assess fines for such violation
in accordance with these Bylaws and in accordance with duly adopted rules and
regulations of the Association.
Section 6. Aesthetics. The Common Elements shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. Garage doors shall be kept closed at all times except as may be reasonably necessary to gain access to or from any garage. No unsightly condition shall be maintained on any patio, porch or deck 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 except picnic tables and furniture of a nature which cannot reasonably be stored elsewhere. Trash receptacles shall be maintained in areas designated therefor at all times and shall not be permitted to remain elsewhere on the Common Elements except for such short periods of time as may be reasonably 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 the Condominium.

Section 7. Vehicles. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, motorcycles, all terrain vehicles, snowmobiles, snowmobile trailers or vehicles, other than automobiles or vehicles used primarily for general personal transportation purposes, may be parked or stored upon the premises of the Condominium, unless parked in the garage with the door closed. No inoperable vehicles of any type may be brought or stored upon the Condominium Premises either temporarily or permanently. Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pickups in the normal course of business. Co-owners shall, if the Association shall require, register with the Association all cars maintained on the Condominium Premises. Use of motorized vehicles anywhere on the Condominium Premises, other than passenger cars, authorized maintenance vehicles and commercial vehicles as provided in this Section 7, is absolutely prohibited. Overnight parking on any street in the Condominium is prohibited except as the Association may make reasonable exceptions thereto from time to time. A Co-owner may not have more than one guest car parked overnight on the Common Elements unless approved in writing in advance by the Association. If the Association deems it necessary to alleviate any parking shortage arising from maintenance of more than two (2) cars by a number of Co-owners, the Association may temporarily or permanently prohibit the maintenance of more than two (2) cars by all Co-owners or may assign certain General Common Element parking spaces.

Section 8. Advertising. No signs or other advertising devices of any kind shall be displayed which are visible from the exterior of a Unit or on the Common Elements, including "For Sale" signs, during the Construction and Sales Period, and, subsequent thereto, only with prior written permission from the Association.
Section 9. Rules and Regulations. It is intended that the Association may make rules and regulations from time to time to reflect the needs and desires of the majority of the Co-owners in the Condominium. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws concerning the use of the Common Elements may be made and amended from time to time by the Association, including the period of time prior to the Transitional Control Date. Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-owners.

Section 10. 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 or her 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 or her 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 11. Landscaping. No Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Elements without the prior written approval of the Association.

Section 12. 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 that 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.

Section 13. Co-owner Maintenance. Each Co-owner shall maintain his or her Unit and any Limited Common Elements appurtenant thereto for which he or she 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 Common 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 her, or his or her 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 limited 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 II hereof.

Section 14. Reserved Rights of Developer.

(a) Prior Approval by Developer. During the Construction and Sales Period, no buildings, fences, walls, retaining walls, drives, walks or other structures or improvements shall be commenced, erected, maintained, nor shall any addition to, or change or alteration to any structure be made (including in color or design), except interior alterations which do not affect structural elements of any Unit, nor shall any hedges, trees or substantial plantings or landscaping modifications be made, until plans and specifications, acceptable to the Developer, showing the nature, kind, shape, height, materials, color scheme, location and approximate cost of such structure or improvement and the grading or landscaping plan of the area to be affected shall have been submitted to and approved in writing by Developer, its successors or assigns, and a copy of said plans and specifications, as finally approved, lodged permanently with Developer. Developer shall have the right to refuse to approve any such plan or specifications, or grading or landscaping plans which are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing upon such plans, specifications, grading or landscaping, it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to effect the same, and the degree of harmony thereof with the Condominium as a whole and any adjoining properties under development or proposed to be developed by Developer. The purpose of this Section is to assure the continued maintenance of the Condominium as a beautiful and harmonious residential development, and shall be binding upon both the Association and upon all Co-owners.

(b) Developer’s Rights in Furtherance of Development and Sales. None of the restrictions contained in this Article VI shall apply to the commercial activities or signs or billboards, if any, of the Developer during the Construction and Sales Period 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.

Notwithstanding anything to the contrary elsewhere herein contained, Developer shall have the right to maintain a sales office, a business office, a construction office, model units, storage areas and reasonable parking incident to the foregoing and such access to, from and over the Project as may be reasonable to enable development and sale of the entire Project by Developer; and may continue to do so during the entire Construction and Sales Period.
(c) Enforcement of Bylaws. The Condominium Project shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private, residential community for the benefit of the Co-owners and all persons interested in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then Developer, or any entity to which it may assign this right, at its option, may elect to maintain, repair and/or replace any Common Elements and/or to do any landscaping required by these Bylaws and to charge the cost thereof to the Association as an expense of administration. The Developer shall have the right to enforce these Bylaws throughout the Construction and Sales Period notwithstanding that it may no longer own a Unit in the Condominium, which right of enforcement shall include (without limitation) an action to restrain the Association or any Co-owner from any activity prohibited by these Bylaws.

ARTICLE VII

REMEDIES FOR DEFAULT

Any default by a Co-owner shall entitle the Association or another Co-owner or Co-owners to the following relief:

Section 1. Legal Action. Failure to comply with any of the terms or provisions of the Condominium Documents 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.

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 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. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.

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 of monetary fines for such violations in accordance with Article XX of these Bylaws.

Section 5. Non-waiver of Right. 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, provision, 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 rights, remedies or privileges as may be available to such party at law or in equity.

Section 7. Enforcement of Provisions of Condominium Documents. A Co-owner may maintain an action against the Association and its officers and directors to compel such persons to enforce the terms and provisions of the Condominium Documents. A Co-owner may maintain an action against any other Co-owner for injunctive relief or for damages or any combination thereof for noncompliance with the terms and provisions of the Condominium Documents or the Act.

ARTICLE VIII

ASSESSMENT OF FINES

Section 1. General. The violation by any Co-owner, occupant or guest of any of the provisions of the Condominium Documents including any duly adopted rules and regulations shall be grounds for assessment by the Association of monetary fines against the involved Co-owner. Such Co-owner shall be deemed responsible for such violations whether they occur as a result of his or her personal actions or the actions of his or her family, guests, tenants or any other person admitted through such Co-owner to the Condominium Premises.

Section 2. Procedures. Upon any such violation being alleged by the Association, the following procedures will be followed:

(a) Notice. Notice of the violation, including the Condominium Document provision violated, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will place the Co-owner on notice as to the violation, shall be sent by first class mail, postage prepaid, or personally delivered to the representative of said Co-owner at the address as shown in the notice required to be filed with the Association pursuant to Article VIII, Section 3 of these Bylaws.
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 sixty (60) days.

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

Section 3. Notification of Meetings. Upon request submitted to the Association, any institutional holder of a first mortgage lien on any 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 X

VOTING

Section 1. Vote. Except as limited in these Bylaws, each Co-owner shall be entitled to one vote for each Condominium Unit owned.

Section 2. Eligibility to Vote. No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he or she has presented evidence of ownership of a Unit in the Condominium Project to the Association. Except as provided in Article XIII, Section 2 of these Bylaws, no Co-owner, other than the Developer, shall be entitled to vote prior to the date of the First Annual Meeting of members held in accordance with Section 2 of Article XI. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article X below or by a proxy given by such individual representative. The Developer shall be the only person entitled to vote at a meeting of the Association until the First Annual Meeting of members and shall be entitled to vote during such period notwithstanding the fact that the Developer may own no Units at some time or from time to time during such period. At and after the First Annual Meeting the Developer shall be entitled to one (1) vote for each Unit which it owns and for which it is paying Association maintenance expenses. If, however, the Developer elects to designate a director (or directors) pursuant to its rights under Article XIII, Section 2 (c)(1) or (2) hereof, it shall not then be entitled to also vote for the non-developer directors.

Section 3. Designation of Voting Representative. 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.

Section 4. 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 by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting 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 5. Voting. Votes may be cast only in person or by a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

Section 6. Majority. A majority, except where otherwise provided herein, shall consist of more than 50% 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 vote, if applicable, at a given meeting of the members of the Association.

ARTICLE XI

MEETINGS

Section 1. Place of Meeting. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Co-owners as may be designated by the Association. Meetings of the Association shall be conducted in accordance with Sturgis' Code of Parliamentary Procedure, Roberts Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Condominium Documents (as defined in the Master Deed) 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 of the Units in Palmer Place
have been conveyed and the purchasers thereof qualified as members of the Association. In no event, however, shall such meeting be called later than one hundred twenty (120) days after the conveyance of legal or equitable title to non-developer Co-owners of seventy-five (75) percent of all Units or 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, whichever first occurs. Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting of members and no such meeting shall be construed as the First Annual Meeting of members. The date, time and place of such meeting shall be set by the Association, and at least ten (10) days written notice thereof shall be given to each Co-owner.

Section 3. Annual Meetings. Annual meetings of members of the Association shall be held on the first Tuesday of March 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 Association; provided, however, that the second annual meeting shall not be held sooner than eight (8) 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 XIII 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 resolution of the Association or upon a petition signed by one-third (1/3) of the Co-owners presented to the secretary of the Association. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 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 prepaid, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Article X, Section 3 of these Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

Section 6. Adjournment. If any meeting of 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: (a) roll call to determine the voting power 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 inspectors of election (at annual meetings or special meetings held for the purpose of electing directors or officers); (g) election of directors (at annual meeting or
special meetings held for such purpose); (h) unfinished business; and (i) new business. Meetings of members shall be chaired by the most senior officer of the Association present at such meeting. For purposes of this Section, the order of seniority of officers shall be president, vice president, secretary and treasurer.

Section 8. Action Without Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of directors) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in Section 5 for the giving of notice of meetings of members. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt, within the time period specified in the solicitation, of (1) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (2) 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.

Section 9. Consent of Absentees. The transactions at 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 is 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.

ARTICLE XII
ADVISORY COMMITTEE

Within one (1) 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, 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 and in value] of the non-developer Co-owners petition the Association 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 Association and the other Co-owners and to aid in the transition of control of the Association from the Developer to purchaser 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 XIII

BOARD OF DIRECTORS

Section 1. Number and Qualification of Directors. The board of directors shall initially be comprised of three (3) members and shall continue to be so comprised until enlarged to five (5) members in accordance with the provisions of Section 2 hereof. Thereafter, the affairs of the Association shall be governed by a board of five (5) directors, all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association, except for the first board of directors. Directors shall serve without compensation.

Section 2. Election of Directors.

(a) First Board of Directors. The first board of directors, or its successors as selected by the Developer, shall manage the affairs of the Association until the appointment of the first non-developer director to the board. Immediately prior to the appointment of the first non-developer Co-owners to the board, the board shall be increased in size from three (3) persons to five (5) persons. Thereafter, elections for non-developer Co-owner directors shall be held as provided in subsections (b) and (c) below.

(b) Appointment of Non-developer Co-owners to Board Prior to First Annual Meeting. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Co-owners of twenty-five (25) percent of the Units, one of the 5 directors shall be selected by non-developer Co-owners. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Co-owners of fifty (50) percent in number of the Units that may be created, two (2) of the 5 directors shall be elected by non-developer Co-owners. When the required percentage of conveyances have been reached, the Developer shall notify the non-developer Co-owners and convene a meeting so that the Co-owners can elect the required director or directors, as the case may be. Upon certification by the Co-owners to the Developer of the director or directors so elected, the Developer shall then immediately appoint such director or directors to the board to serve until the First Annual Meeting of members unless such director is removed pursuant to Section 7 of this Article or resigns or becomes incapacitated.
(c) Election of Directors at and After First Annual Meeting.

(1) 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 of the Units, and before conveyance of ninety (90) percent 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 Units that remain to be conveyed equal at least ten (10) percent of all Units in the Project. Such Developer designee, if any, shall be one of the total number of directors referred to in Section 1 above. Whenever the seventy-five (75) percent 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.

(2) Regardless of the percentage of Units which have been conveyed, upon the expiration of 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 seventy-five (75) percent of the Units has not been conveyed, 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 the 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 maintenance expenses are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subparagraph (1) above. Application of this subparagraph does not require a change in the size of the board of directors.

(3) 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 subsection (b) and subparagraph (c)(1), or if the product of the number of members of the board of directors multiplied by the percentage of Units held by the non-developer Co-owners under subparagraph (c)(2) results in a right of non-developer Co-owners to elect a fractional number of members of the board of directors, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the board of directors that the non-developer 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 subparagraph shall not eliminate the right of the Developer to designate one director as provided in subparagraph (1).

(4) At the First Annual Meeting 3 directors shall be elected for a term of two (2) years and 2 directors shall be elected for a term of one (1) year. At such meeting all nominees shall stand for election as one (1) slate and the 3 persons receiving the
highest number of votes shall be elected for a term of two (2) years and the 2 persons receiving the next highest number of votes shall be elected for a term of one (1) year. At each annual meeting held thereafter, either 2 or 3 directors shall be elected depending upon the number of directors whose terms expire. After the First Annual Meeting, the term of office (except for 2 of the directors elected at the First Annual Meeting) of each director shall be two (2) years. The directors shall hold office until their successors have been elected and hold their first meeting.

(5) Once the Co-owners have acquired the right hereunder to elect a majority of the board of directors, annual meetings of Co-owners to elect directors and conduct other business shall be held in accordance with the provisions of Article XI, Section 3 hereof.

Section 3. Powers and Duties. The board of directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by the Condominium Documents or required thereby to be exercised and done by the Co-owners. Any action required by the Condominium Documents to be done by the Association shall be performed by action of the board of directors unless specifically required to be done by, or with the approval of, the Co-owners.

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

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

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

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

(d) To rebuild improvements after casualty.

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

(f) 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, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.

(g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge, or other lien on property owned
by the Association; provided, however, that any such action shall also be approved by affirmative vote of seventy-five (75) percent of all of the members of the Association.

(h) To make rules and regulations in accordance with Article VI, Section 9 of these Bylaws.

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

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

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

Section 6. Vacancies. Vacancies in the board of directors which occur after the Transitional Control Date caused by any reason other than the removal of a director by a vote of the members of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum, except that the Developer shall be solely entitled to fill the vacancy of any director whom it is permitted in the first instance to designate. Each person so elected shall be a director until a successor is elected at the next annual meeting of the members of the Association. Vacancies among non-developer Co-owner elected directors which occur prior to the Transitional Control Date may be filled only through election by non-developer Co-owners and shall be filled in the manner specified in Section 2(b) of this Article.

Section 7. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the directors may be removed with or without cause by the affirmative vote of more than fifty (50) percent of all of the Co-owners and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal thirty-five (35) percent requirement set forth in Article X, Section 4. Any director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the directors selected by it at any time or
from time to time in its sole discretion. Likewise, any director selected by
the non-developer Co-owners to serve before the First Annual Meeting may be
removed before the First Annual Meeting in the same manner set forth in this
paragraph for removal of directors generally.

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

Section 9. **Regular Meetings.** Regular meetings of the board of
directors may be held at such times and places as shall be determined from
time to time by a majority of the directors, but at least two (2) such
meetings shall be held during each fiscal year. Notice of regular meetings of
the board of directors shall be given to each director personally, by mail,
telephone or telegraph, at least ten (10) days prior to the date named for
such meeting.

Section 10. **Special Meetings.** Special meetings of the board of
directors may be called by the president on three (3) days notice to each
director given personally, by mail, telephone or telegraph, which notice shall
state the time, place and purpose of the meeting. Special meetings of the
board of directors shall be called by the president or secretary in like
manner and on like notice on the written request of two (2) directors.

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

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

Section 13. **First Board of Directors.** The actions of the first
board of directors of the Association or any successors thereto selected or
elected before the Transitional Control Date shall be binding upon the
Association so long as such actions are within the scope of the powers and
duties which may be exercised generally by the board of directors as provided
in the Condominium Documents.
Section 14. **Fidelity Bonds.** The board of directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

**ARTICLE XIV**

**OFFICERS**

Section 1. **Officers.** The principal officers of the Association shall be a president, who shall be a member of the board of directors, a vice president, a secretary and a treasurer. The directors may appoint an assistant treasurer, and an assistant secretary, and such other officers as in their judgment may be necessary. Any two offices except that of president and vice president may be held by one person.

(a) **President.** The president shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the board of directors and shall have all of the general powers and duties which are usually vested in the office of the president of an association, including, but not limited to, the power to appoint committees from among the members of the Association from time to time as he or she may in his or her discretion deem appropriate to assist in the conduct of the affairs of the Association.

(b) **Vice President.** The vice president shall take the place of the president and perform his or her duties whenever the president shall be absent or unable to act. If neither the president nor the vice president is able to act, the board of directors shall appoint some other member of the board to so do on an interim basis. The vice president shall also perform such other duties as shall from time to time be imposed upon him or her by the board of directors.

(c) **Secretary.** The secretary shall keep the minutes of all meetings of the board of directors and the minutes of all meetings of the members of the Association. He or she shall have charge of the corporate seal, if any, and of such books and papers as the board of directors may direct and shall, in general, perform all duties incident to the office of the secretary.

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

Section 2. **Election.** The officers of the Association shall be elected annually by the board of directors at the organizational meeting of each new board and shall hold office at the pleasure of the board.
Section 3. **Removal.** Upon affirmative vote of a majority of the members of the board of directors, any officer may be removed either with or without cause, and his or her successor elected at any regular meeting of the board of directors, or at any special meeting of the board called for such purpose. No such removal action may be taken, however, unless the matter shall have been included in the notice of such meeting. The officer who is proposed to be removed shall be given an opportunity to be heard at the meeting.

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

**ARTICLE XV**

**SEAL**

The Association may (but need not) have a seal. If the board determines that the Association shall have a seal, then it shall have inscribed thereon the name of the Association, the words "corporate seal", and "Michigan".

**ARTICLE XVI**

**FINANCE**

Section 1. **Records.** The Association shall keep detailed books of account showing all expenditures and receipts of administration, and which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. 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 a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual audited financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration.

Section 2. **Fiscal Year.** The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the 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 Association 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
(b) Opportunity to Defend. The offending Co-owner shall have an opportunity to appear before the Association and offer evidence in defense of the alleged violation. The appearance before the Association shall be at its next scheduled meeting, but in no event shall the Co-owner be required to appear less than ten (10) days from the date of the notice.

(c) Default. Failure to respond to the notice of violation constitutes a default.

(d) Hearing and Decision. Upon appearance by the Co-owner before the Board and presentation of evidence of defense, or, in the event of the Co-owner's default, the Association shall, by majority vote of a quorum of the board, decide whether a violation has occurred. The Association's decision is final.

Section 3. Amounts. Upon violation of any of the provisions of the Condominium Documents and after default of the offending Co-owner or upon the decision of the Association as recited above, the following fines shall be levied:

(a) First Violation. No fine shall be levied.

(b) Second Violation. Twenty-Five Dollar ($25.00) fine.

(c) Third Violation. Fifty Dollar ($50.00) fine.

(d) Fourth Violation and Subsequent Violations. One Hundred Dollar ($100.00) fine.

Violations continuing month to month shall be considered a separate violation each month and a separate fine levied for each month during which the violation continues.

Section 4. Collection. The fines levied pursuant to Section 3 above 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 Document including, without limitations, those described in Article II and Article VII of these Bylaws.

ARTICLE IX

MORTGAGES

Section 1. Notice to Association. Any Co-owner who mortgages his or her 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
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 XVII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Every director and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including actual and reasonable counsel fees and amounts paid in settlement, incurred by or imposed upon him or her in connection with any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, to which he or she may be a party or in which he or she may become involved by reason of his or her being or having been a director or officer of the Association, whether or not he or she is a director or officer at the time such expenses are incurred, except as otherwise prohibited by law; 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 Association (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 Association shall notify all Co-owners thereof. Further, the Association is authorized to carry officers' and directors' liability insurance covering acts of the officers and directors of the Association in such amounts as it shall deem appropriate.

ARTICLE XVIII

AMENDMENTS

Section 1. Proposal. Amendments to these Bylaws may be proposed by the Association acting upon the vote of the majority of the directors or may be proposed by one-third (1/3) or more 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 sixty-six and two-thirds (66-2/3) percent 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 sixty-seven (67) percent of the mortgagees shall be required, with each mortgagee to have one vote for each first mortgage held.
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 right of a Co-owner or mortgagee.

Section 5. When Effective. Any amendment to these Bylaws shall become effective upon recording of such amendment in the office of the Wayne County Register of Deeds.

Section 6. Binding. 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 XIX

COMPLIANCE

The Association and all present or future Co-owners, tenants, future tenants, or any other persons acquiring an interest in or using the Project in any manner are subject to and shall comply with the Act, as amended, and 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 Condominium Documents are accepted and ratified. In the event the Condominium Documents conflict with the provisions of the Act, the Act shall govern.

ARTICLE XX

DEFINITIONS

All terms used herein shall have the same meaning as set forth in the Master Deed to which these Bylaws are attached as an Exhibit or as set forth in the Act.

ARTICLE XXI

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 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 granted to the Developer or its successors shall 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 termination of certain rights and powers granted or reserved to the Developer is intended to apply, insofar as the Developer is concerned, only to the 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 of any real property rights granted or reserved to the Developer or its successors and 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 XXII

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.

(3692R)
WAYNE COUNTY CONDOMINIUM
SUBDIVISION PLAN NO. 318

EXHIBIT B TO THE MASTER DEED OF
PALMER PLACE
CANTON TOWNSHIP, WAYNE COUNTY, MICHIGAN

Legal Description:

A parcel of land in the S.E. 1/4 of Section 22, T.25N., R.8E.,
Canton Township, Wayne County, Michigan, being more particularly
described as commencing at the S.E. corner of Section 22, T.25N.,
R.8E., Canton Township, Wayne County, Michigan; thence
N. 89° 52' 19" W., 941.89 feet to the point of beginning; thence
continuing along the South line of Section 22 and the centerline
of Palmer Road, N. 89° 52' 19" W., 399.65 feet; thence
N. 00° 46' 18" W., 703.07 feet; thence along the Southerly boundary
of "Franklin Palmer Estates" Subdivision (Liber 96, Pages 22-26,
Wayne County Records), S. 69° 15' 55" E., 173.89 feet and
N. 69° 48' 01" E., 126.52 feet and N. 28° 38' 51" E., 126.14 feet
and N. 11° 33' 49" W., 137.52 feet and N. 00° 27' 48" E.,
59.86 feet and S. 89° 51' 21" E., 74.86 feet and N. 78° 17' 40" E.,
193.97 feet and S. 70° 03' 29" E., 38.35 feet; thence
S. 00° 04' 01" E., 444.53 feet; thence S. 57° 03' 03" E.,
296.45 feet; thence S. 30° 07' 09" E., 76.77 feet; thence
S. 00° 07' 33" W., 105.07 feet; thence N. 89° 42' 57" W.,
169.22 feet; thence N. 00° 07' 41" E., 28.53 feet; thence
N. 89° 52' 19" W., 314.42 feet; thence S. 00° 07' 41" W.,
274.20 feet to the point of beginning. Containing 513.785 square
feet or 11.795 acres. Subject to any easements or restrictions of
record.

INDEX

1. TITLE SHEET
2. SURVEY PLAN
3. SITE PLAN
4. SITE PLAN CONTINUED
5. UTILITY PLAN
6. UTILITY PLAN CONTINUED
7. PERIMETER PLAN
8. FLOOR PLAN UNIT TYPE A
9. CROSS SECTION UNIT TYPE A
10. FLOOR PLAN UNIT TYPE B
11. CROSS SECTION UNIT TYPE B

SURVEYOR
NOMAK & FRAUD CORPORATION
350 N. STEPHENS HIGHWAY
ROYAL OAK, MICHIGAN 48067
(313) 399-0886

PROPOSED 1-21-92

DEVELOPER
KIME BROTHERS, INC.
2475 LAZER, SUITE 1
SOUTHFIELD, MICHIGAN 48034
313-350-4648
Buildings 1, 2, 10, and 12, Christopher Drive from Palmer Road to the end of the driveway of Unit 12 and all utilities to serve buildings 1, 2, 10, and 12, "MUST BE BUILT". All other improvements including buildings, roads and utilities, "NEED NOT BE BUILT".

See Sheet 1 for limits of land and improvements which may be contracted out of the condominium.

All Units and General and Limited Common Elements contained within the Contractable Area are convertible pursuant to Article 8 of the Master Deed.

Note: Driveways and porches are appurtenant to the unit to which they are immediately adjacent.
GENERAL NOTES:

All units are serviced with sanitary sewer and water by CLINTON Township. Information as shown is obtained from plans prepared by Hoyt & Frans Corporation.

All units will be serviced with electric by Detroit Edison Company, telephone by Michigan Bell Telephone Company and gas by Consumers Power Company.

Utilities as shown indicate approximate locations of facilities only, as disclosed by the records of the various utility companies and no guarantee is given as to completeness or accuracy thereof.

Telecommunications and electrical service to be within public utility easement as determined by respective utility company and shall be depicted on as-built plans.

Locations of utility leads and meters to serve units and buildings shall be shown on as-built plans.

Utilities to serve Buildings 1, 2, 17, 18 and 19, and the unit contained therein "MUST BE BUILT". All other utilities, "NEED NOT BE BUILT".

All utilities contained within the contractible areas are convertible pursuant to Article VII of the Master Deed.
This is to Certify That Articles of Incorporation of

PALMER PLACE ASSOCIATION

were duly filed in this office on the 2ND day of MARCH, 1992,

In testimony whereof, I have hereunto set my
hand and affixed the Seal of the Department,
in the City of Lansing, this 2ND day
of MARCH, 1992.

Director
NON-PROFIT
ARTICLES OF INCORPORATION

These Articles of Incorporation are signed and acknowledged by the incorporator for the purpose of forming a nonprofit corporation under the provisions of Act No. 162 of the Public Acts of 1982, as follows:

ARTICLE I

NAME

The name of the corporation is Palmer Place Association.

ARTICLE II

PURPOSES

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

(a) To manage and administer the affairs of and to maintain Palmer Place, a condominium (hereinafter called "Condominium");

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

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

(d) To rebuild improvements after casualty;

(e) To contract for and employ persons, firms, or corporations to assist in management, operation, maintenance and administration of said Condominium;

(f) To make and enforce reasonable regulations concerning the use and enjoyment of said Condominium;

(g) To own, maintain and improve, and to buy, sell, convey, assign, mortgage, or lease (as landlord or tenant) any real and personal property, including, but not limited to, any unit in the Condominium, any easements or licenses or any other real property, whether or not contiguous to the Condominium, for the purpose of providing benefit to the members of the corporation and in furtherance of any of the purposes of the corporation;

(h) To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; to secure the same by mortgage, pledge or other lien;

(i) To enforce the provisions of the Master Deed and Bylaws of the Condominium and of these Articles of Incorporation and such Bylaws and rules and regulations of this corporation as may hereinafter be adopted;

(j) To do anything required of or permitted to it as administrator of said Condominium by the Condominium Master Deed or Bylaws or by Act No. 59 of Public Acts of 1978, as amended; and

(k) In general, to enter into any kind of activity, to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of said Condominium and to the accomplishment of any of the purposes thereof.

ARTICLE III

ADDRESS

Address of the first registered office is 24768 Lanthor, Suite 1, Southfield, Michigan 48034.

ARTICLE IV

RESIDENT AGENT

The name of the first resident agent is Robert D. Kime.

ARTICLE V

INCORPORATOR

The name of the incorporator is Suzanne S. Reynolds and her place of business is 505 North Woodward Avenue, Suite 3000, Bloomfield Hills, Michigan 48304.
ARTICLE VI

BASIS OF ORGANIZATION AND ASSETS

Said corporation is organized upon a non-stock, membership basis.

The value of assets which said corporation possesses is:

Real Property: None
Personal Property: None

Said corporation is to be financed under the following general plan: Assessment of members

ARTICLE VII

EXISTENCE

The term of corporate existence is perpetual.

ARTICLE VIII

MEMBERSHIP AND VOTING

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

(a) The Developer of the Condominium and each Co-owner of a Unit in the Condominium shall be members of the corporation, and no other person or entity shall be entitled to membership; except that the subscriber hereto shall be a member of the corporation until such time as her membership shall terminate, as hereinafter provided.

(b) Membership in the corporation (except with respect to the incorporator, who shall cease to be a member upon the recording of the Master Deed) shall be established by acquisition of fee simple title to a Unit in the Condominium and by recording with the Register of Deeds of Wayne County, Michigan, a deed or other instrument establishing a change of record title to such Unit and the furnishing of evidence of same satisfactory to the corporation (except that the Developer of the Condominium shall become a member immediately upon establishment of the Condominium) the new Co-owner thereby becoming a member of the corporation, and the membership of the prior Co-owner thereby being terminated. The Developer's membership shall continue until the Developer no longer owns any Unit in the Condominium.

(c) The share of a member in the funds and assets of the corporation cannot be assigned, pledged, encumbered or transferred in any manner except as an appurtenance to Owner's Unit in the Condominium.

(d) Voting by members shall be in accordance with the provisions of the Bylaws of this corporation.

ARTICLE IX

LIMITATION OF LIABILITY OF DIRECTORS

No volunteer director, as that term is defined in Act 162, Public Acts of 1982, as amended ("Act"), shall be personally liable to the corporation or its members for monetary damages for breach of fiduciary duty as a director, provided that the foregoing shall not eliminate the liability of a director for any of the following: (i) breach of the director's duty of loyalty to the corporation or its members; (ii) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; (iii) a violation of Section 551(1) of the Act; (iv) a transaction from which the director derived an improper personal benefit; or (v) an act or omission that is grossly negligent. If the Act hereafter is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the corporation, in addition to the limitation on personal liability contained herein, shall be limited to the fullest extent permitted by the amended Act. No amendment or repeal of this Article IX shall apply to or have any effect on the liability of any director of the corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

Signed this 6th day of February, 1992.

[Signature]
Suzanne S. Reynolds
Incorporator

When filed, return to:

Suzanne S. Reynolds of DYKEMA GOSSETT
505 North Woodward Avenue, Suite 3000
Bloomfield Hills, MI 48304

2
PALMER PLACE
ESCROW AGREEMENT

THIS AGREEMENT is entered into this 31st day of March, 1992, between Kima Brothers, Inc., a Michigan corporation ("Developer"), and Chicago Title Insurance Company ("Escrow Agent") through its duly designated representative for this purpose, Philip F. Greco Title Company.

WHEREAS, Developer has established or intends to establish Palmer Place as a residential Condominium Project under applicable Michigan law; and,

WHEREAS, Developer is selling Condominium Units in Palmer Place and is entering into Purchase Agreements with Purchasers for such Units in substantially the form attached hereto, and each Purchase Agreement requires that all deposits made under such Agreement be held in an escrow account with an Escrow Agent; and,

WHEREAS, the parties hereto desire to enter into an Escrow Agreement to establish such an escrow account for the benefit of Developer and for the benefit of each Purchaser (hereinafter "Purchaser") who makes deposits under a Purchase Agreement; and,

WHEREAS, Escrow Agent is acting as an independent party hereunder pursuant to the provisions of this Agreement and the Michigan Condominium Act (Act No. 59, Public Acts of 1978, as amended, hereinafter the "Act") for the benefit of Developer and all Purchasers and not as the agent of any one or less than all of such parties.

NOW, THEREFORE, it is agreed as follows:

1. Initial Deposit of Funds. Developer shall, promptly after receipt, transmit to Escrow Agent all sums deposited with it under a Purchase Agreement, together with a fully executed copy of such Agreement and a receipt signed by the Purchaser for the recorded Master Deed, The Condominium Buyer's Handbook and the Disclosure Statement.

2. Release of Funds. The sums paid to Escrow Agent under the terms of any Purchase Agreement shall be held and released to Developer or Purchaser only upon the conditions hereinafter set forth:

   A. Upon Withdrawal by Purchaser. The escrowed funds shall be released to Purchaser under the following circumstances:

      (i) if the Purchase Agreement is contingent upon Purchaser obtaining a mortgage and he fails to do so as provided therein and duly withdraws from the Purchase Agreement as a result thereof, Escrow Agent shall release to Purchaser all sums held by it pursuant to said Agreement.

      (ii) in the event that a Purchaser duly withdraws from a Purchase Agreement prior to the time that said Agreement becomes binding under paragraph 6 of the General Provisions thereof, Escrow Agent shall, within 3 business days from the date of receipt of notice of such withdrawal, release to Purchaser all of Purchaser's deposits held hereunder.

   B. Upon Default by Purchaser. In the event that a Purchaser under a Purchase Agreement defaults in making any payments required by said Agreement or in fulfilling any other obligations thereunder for a period of ten days after written notice by Developer to Purchaser, Escrow Agent shall release all sums held pursuant to the Purchase Agreement to Developer in accordance with the terms of said Agreement.

   C. Upon Conveyance of Title to Purchaser. Upon conveyance of title to a Unit from Developer to Purchaser (or upon execution of a land contract between Developer and Purchaser in fulfillment of a Purchase Agreement) and upon issuance of a Certificate of Occupancy with respect to the Unit if required by local public ordinance, Escrow Agent shall release to Developer all sums held in escrow under such Agreement provided Escrow Agent has received a certificate signed by a licensed professional engineer or architect certifying:

      (i) that those portions of the phase of the Condominium Project in which such Purchaser's Unit is located and which on the Condominium Subdivision Plan are labeled "must be built" are substantially complete; and

      (ii) that recreational facilities or other similar facilities and all other common elements or facilities intended for common use, wherever located, which on the Condominium Subdivision Plan are labeled "must be built" are substantially complete.

If the elements or facilities referred to in paragraphs 2C(i) and 2C(ii) above are not substantially complete, only sufficient funds to finance substantial completion of such elements or facilities shall be retained in escrow and the balance may be released. All funds required to be retained in escrow may be released, however, if other adequate security shall have been arranged as provided in paragraph 2F below. Determination of amounts necessary to finance substantial completion shall likewise be determined by the certificate of a licensed professional architect or engineer. For purposes of paragraph 2C(i) above, the portion of the Condominium Project in which Purchaser's Unit is located shall be "substantially complete" when all utilities, includng leads, all major structural components of buildings, all building exteriors, and all sidewalks, driveways, and access roads (to the extent such items are designated on the Condominium Subdivision Plan as "must be built") are substantially complete.

D. Release of Funds Escrowed For Completion of Incomplete Improvements. Upon furnishing Escrow Agent a certificate from a licensed professional architect or engineer evidencing substantial completion in accordance with the plans and specifications of a structure, improvement, facility or similar portion thereof for which funds or other security have been deposited in escrow, Escrow Agent shall release to Developer the amount of such funds or other security specified by the issuer of the certificate as being attributable to such substantially completed item(s); provided, however, that if the amounts remaining in escrow after any such partial release would be insufficient in the opinion of the issuer of such certificate to finance substantial completion of any remaining incomplete items for which funds or other security have been deposited in escrow, only the amount in escrow in excess of such estimated cost to substantially complete shall be released by Escrow Agent to Developer.

E. Release of Interest Earned Upon Escrowed Funds. Escrow Agent shall be under no obligation to earn interest upon the escrowed sums held pursuant hereto. In the event that interest upon such sums is earned, however, all such interest shall be separately accounted for by Escrow Agent and shall be held in escrow and released as and when principal deposits are released hereunder; provided, however, that all interest earned on deposits returned to a Purchaser upon the occasion of his withdrawal from a Purchase Agreement shall be paid to Developer.

F. Other Adequate Security. If Developer requests that all of the escrowed funds held hereunder or any part thereof be delivered to it prior to the time it otherwise becomes entitled to receive the same, Escrow Agent may release all such sums to Developer if Developer has placed with Escrow Agent an irrevocable letter of credit drawn in favor of Escrow Agent in form and substance satisfactory to Escrow Agent and securing full repayment of said sums, or has placed with Escrow Agent such other substitute security as may be permitted by law and approved by Escrow Agent.
G. In the Event Elements or Facilities Remain Incomplete. If Escrow Agent is holding in escrow funds or other security for completion of incomplete elements or facilities under §103b(7) of the Act, such funds or other security shall be administered by Escrow Agent in the following manner:

(i) Escrow Agent shall upon request give all statutorily required notices under §103b(7) of the Act.

(ii) If Developer, the Palmer Place Association and any other party or parties asserting a claim to or interest in the escrow deposit enter into a written agreement (satisfactory in its terms and condition to Escrow Agent for Escrow Agent’s protection, as determined by Escrow Agent in its absolute and sole discretion), as to the disposition of the funds or security in escrow under §103b(7) of the Act, Escrow Agent shall release such funds or security in accordance with the terms of such written agreement among such parties.

(iii) Failing written agreement as provided in paragraph 2(g) above, Escrow Agent shall be under no obligation whatever to release any such escrowed funds or security, but Escrow Agent may, in its absolute and sole discretion, at any time take either of the following actions:

(a) Initiate an interpleader action in any circuit court in the State of Michigan naming the Developer, the Palmer Place Association and all other claimants and interested parties as parties and deposit all funds or other security in escrow under §103b(7) of the Act with the clerk of such court in full acquittance of its responsibilities under this Agreement; or

(b) Initiate an arbitration proceeding under the Commercial Arbitration Rules of the American Arbitration Association pursuant to which the Palmer Place Association and the Developer shall be named as parties. Escrow Agent shall continue to hold all sums in escrow under §103b(7) of the Act pending the outcome of such arbitration but Escrow Agent shall not be a party to such arbitration. All issues relative to disposition of such escrow deposits or other security shall be decided by the arbitrator or arbitration panel and such decision shall be final and binding upon all parties concerned and judgment thereon be rendered upon such award by any circuit court of the State of Michigan. Escrow Agent may in any event release all such escrow deposits in accordance with the arbitration decision or may commence an interpleader action with respect thereto as provided above.

3. Proof of Occurrence; Confirmation of Substantial Completion; Determination of Cost to Complete. Escrow Agent may require reasonable proof of occurrence of any of the events, actions or conditions stated herein before releasing any sums held by it pursuant to any Purchase Agreement either to a Purchaser thereunder or to Developer. Whenever Escrow Agent is required hereby to receive from the Developer a certificate of a licensed professional architect or engineer that a facility, element, structure, improvement or identifiable portion of any of the same is substantially complete in accordance with the pertinent plans therefor, it may base such confirmation entirely upon the certificate of the Developer to such effect coupled with the certificate to the same effect of a licensed professional architect or engineer. Likewise, all estimates and determinations of the cost to substantially complete any incomplete elements, facilities, structures and improvements for which escrowed funds are being specifically maintained under paragraph 2(d) above shall be made entirely by a licensed professional engineer or architect and the determination of all amounts to be retained or maintained in the escrow account for the completion of any such elements, facilities, improvements or structures shall be based entirely upon such determinations and estimates as are furnished by such engineer or architect. No inspections of the Project or any portion thereof by any representative of Escrow Agent shall be deemed necessary hereunder, nor shall any cost estimates or determinations be made by Escrow Agent and Escrow Agent may rely entirely upon certificates, determinations and estimates as described above in retaining and releasing all escrowed funds hereunder.

4. Limited Liability of Escrow Agent; Right to Deduct Expenses From Escrow Deposits. Upon making delivery of the funds deposited with Escrow Agent pursuant to any Purchase Agreement and performance of the obligations and services stated therein and herein, Escrow Agent shall be released from any further liability hereunder and hereafter, it being expressly understood that liability is limited by the terms of such Purchase Agreement and in this Agreement, and that Escrow Agent is not a guarantor of the performance of the Purchaser or of the Developer or of the Palmer Place Association. The representations and warranties set forth in this Agreement, Escrow Agent is acting in the capacity of a depositary and is not, as such, responsible or liable for the sufficiency, correctness, genuineness or validity of the instruments submitted to it, or the marketability of title to any Unit sold under any other Agreement. Escrow Agent is not responsible for the failure of any bank used by it as an escrow depository for funds received by it under this Agreement.

Further, Escrow Agent is not a guarantor of performance by Developer under the Condominium Documents or any Purchase Agreement and Escrow Agent undertakes no responsibilities whatever with respect to the nature, extent or quality of such performance hereunder or with regard to the conformity of such performance to the terms of such documents, to the plans and specifications for the Project, to local or state laws or in any other particular. So long as Escrow Agent relies in good faith upon any certificate, cost estimate or determination of the type described in Section 3, Escrow Agent shall have no liability whatever to Developer, any Purchaser, any Co-owner or any other party for any error in such certificate, cost estimate or determination or for any act or omission by the Escrow Agent in reliance thereon.

Except in instances of gross negligence or willful misconduct, Escrow Agent’s liability hereunder shall in all events be limited to, return to the party or parties entitled thereto, of the funds retained in escrow (or which were replaced by security) less any reasonable expenses which Escrow Agent may incur in the administration of such funds or otherwise hereunder, including, without limitation, reasonable attorney’s fees and litigation expenses paid in connection with the defense, negotiation or analysis of claims against it, by reason of litigation or otherwise, arising out of the administration of such escrowed funds, all of which costs Escrow Agent shall be entitled without notice to deduct from amounts on deposit hereunder.

Notwithstanding any other provision herein to the contrary, Escrow Agent shall be under no obligation to release funds deposited hereunder to any party until it can satisfactorily ascertain that the funds deposited have been paid, settled and fully collected as such terms are defined under the provisions of MCL 440.4101, et seq.

5. Notices. All notices required or permitted hereunder and all notices of change of address shall be deemed sufficient if personally delivered or sent by registered or certified mail, postage prepaid and return receipt requested, addressed to the recipient party at the address shown below such party’s signature to this Agreement or upon the pertinent Purchase Agreement. For purposes of calculating time periods under the provisions of this Agreement, notice shall be deemed effective upon mailing or personal delivery, whichever is applicable.

KIME BROTHERS, INC., a Michigan corporation, Developer
By: __________________________
24768 Lahser, Suite 1
Southfield, Michigan 48034
(313) 358-4848

CHICAGO TITLE INSURANCE COMPANY, Escrow Agent
By: __________________________
118 Cass Avenue
Mt. Clemens, Michigan 48043
(313) 465-1582
MANAGEMENT AGREEMENT

THIS AGREEMENT is entered into this 1st day of April 1992, by the Palmer Place Condominium Association.

A Michigan Non-Profit Corporation (The "Association"), whose address is Westland, Michigan and Dueting Property Management, Inc. (The "Agent"), having its office at 21 E. Long Lake Road, Suite 100, Bloomfield Hills, Michigan 48304.

Witnesseth:
In order to assure professional management of the project and in consideration of the terms, conditions and covenants hereinafter set forth, the parties hereto agree as follows:

I. APPOINTMENT OF AGENT
The Association hereby appoints the Agent and the Agent hereby accepts appointment, on the terms and conditions hereinafter provided, as the exclusive Management Agent of the Condominium.

II. CONSIDERATION
The Association agrees to pay the Agent, as its compensation for services performed under this Agreement, (except for additional services performed at the request of the Association or as may be provided elsewhere in this Agreement and for which the Agent shall receive reasonable compensation as therein provided and as agreed upon by the Association), a fee per month.

The fee for the services described herein shall be $9.60 per unit per month, and guaranteed until April 1, 1996, in the case of a multi-year contract, or additional periods of one year occasioned by the automatic renewal of this Agreement in accordance with Paragraph VIII hereof, the basic monthly fee for services rendered hereunder shall be automatically increased over the basic monthly rate for the prior year, in an amount equal to the greater of 4% or the annual increase in the cost of living, as determined by the increase in the Consumer Price Index of the Bureau of Labor Statistics, United States Department of Labor, all items index for all Urban Consumers - U.S. City Average CPI-U (1982-84=100), or if such index shall be discontinued, any successor or reasonable substitute index (the "Index").

DUTIES OF THE ASSOCIATION
In order to facilitate efficient operation, the Association shall:

A. Inform the Agent with regard to standards to be kept with respect to the Condominium.
B. Furnish the Agent with complete sets of Association rules.
C. Provide copies of guarantees and warranties pertinent to the construction of the condominium and in force at the time of the execution of this Agreement.
D. Provide the Agent with a set of books and financial reports for the Condominium.
E. Provide past and future copies of the Board of Directors Meetings in order to assure a complete understanding of the Association, as well as for audit purposes. The Agent is to receive copies of all Minutes of Board Meetings within ten (10) business days of the meeting, in which the Board shall specify formally authorized directives to be addressed and/or completed by the Agent.
F. Provide an effective means of communication with the Agent by the appointment of specific liaisons from the Board of Directors.

G. Provide other pertinent information and records available to the Association that would be determined as useful in carrying out the directions of the Board of Directors.

III. WARRANTY OF ASSOCIATION

The Association warrants and represents, as an inducement to the Agent to enter into this Agreement, that the books, financial statements and records, minutes and all other Association documents and records turned over the Agent in connection with the execution of this Agreement, are complete and accurate, and that the agent is entitled to rely upon these records in the discharge of its duties under this Agreement.

IV. RELATIONSHIP OF THE AGENT TO OTHER ENTITIES

If Agent, its Officers, Partners and Directors connected therewith are, or maybe, Officers, Employees, Partners, Directors, of or otherwise related to the Contractors or Agencies hired by the Agent, Agent agrees to disclose such relationships before any contract is consummated.

V. LIABILITY OF AGENT

The Association agrees to carry and maintain, at its own expense, liability insurance naming the Agent as an insured and to furnish Agent with such insurance policy or certificate. Proof of such insurance coverage must be furnished to the Agent within ten (10) days from the effective date of the "Term" of this Agreement.

VII. INDEMNIFICATION

Agent shall not be liable to the Association for any loss or damage not occasioned by Agent's own negligence or failure to comply with its obligations hereunder.

Notwithstanding the above, the Agent shall not be responsible to the Association, and the Association agrees to hold the Agent harmless and indemnify the Agent for loss, costs and expenses including reasonable attorneys fees, incurred or sustained by reason of any alleged errors of judgment, provided such judgment was made in good faith with respect to the best interests of the Association. Neither shall the Agent be held responsible to the Association for any loss, damage, detention or delay in furnishing materials or failure to perform its duties as herein provided when such is caused by fire, flood, strike, acts of civil or military authorities or by insurrection or riot, or by any other cause which is unavoidable or beyond the control of the Agent or any of its employees, contractors, or suppliers. Additionally, the Association agrees to indemnify Agent from and against:

A. Any and all liability, loss, costs and expenses including reasonable attorneys fees, incurred or sustained by reason of any injury to person or property in or about the managed property from any cause whatsoever, unless such injury shall have been occasioned by the negligence of the Agent or its failure to comply with its obligations hereunder; and

B. Any and all liability, damages, penalties, costs and expenses, including reasonable attorneys fees, incurred or sustained by reason of any act property performed by Agent pursuant to the instructions of the Association or occasioned by the occurrence of an emergency situation.
VIII. TERM OF AGREEMENT

This Agreement shall take effect on the ___ day of April, 19___, and shall remain in full force and after which time it shall be automatically renewed for additional terms of which one year each, unless terminated by either party in accordance with the provision of paragraph XIII hereof.

IX. PROGRAMS AND SERVICES

1. The collection of all monthly Association dues and Special Assessments as directed by the Board of Directors, making deposits in a timely manner in a special checking account that the Agent will establish in the name of the Association.

2. Payment from these funds of all approved charges incurred on the Association's behalf for the Maintenance and Management of the Association's property, including the setting aside, in interest-bearing instruments, the funds that the Association's Board of Directors approves for the future repair or replacement (Reserve).

3. Formulation of an Annual Budget and long range budgeting forecasts for major repairs or replacements.

4. Coordinate yearly audit with firm of your choice, including the filing of tax returns received from the auditor, and the Michigan Annual Report.

5. Establish a sound communication system with members of the Association including notices of By-Law infraction, and follow up of same.

6. Develop and distribute secondary purchaser packages, if applicable, including current rules and regulations, directories, coupon booklets, association documents and welcome letter in the name of the Association.

7. Distribute meeting notices, newsletters and other information as directed by the Board of Directors.

8. Monitor present insurance coverage and make recommendations for any future changes in said coverage.

9. The formulation of bid and proposals for services requiring contracts and the supervision of such contractors.

10. The individual members of the Board of Directors will receive a monthly financial report of all income and expenses and a status report of individual Co-owner accounts not later than the twentieth of the month following the transactions.

11. The Agent will attend, upon invitation, the monthly Board of Directors meeting and any annual general membership meeting of your Association and be available for Board consultation at any time.
12. Coordinate your annual meeting and election of officers, and attendance at same, including additional personnel, if necessary.

13. Develop a unit owner file system.

14. Filing of forms on behalf of your Association as required by the Federal Government and State of Michigan.

15. Supervision of on-site personnel, sub-contractors and casual labor.

16. Coordinate major repairs with contractors, utility companies or local government.

17. Inspection of grounds to ensure maintenance and beautification is satisfactory.

18. Consultation with Board of Directors at any time.

19. Recommendation for preventive maintenance programs and implementation of said programs.

20. Develop maintenance request forms and work order procedure.


22. Provide the Association with a 24 emergency answering service.

X. CONSENT FOR EXPENDITURES

In discharging its responsibilities, the Agent shall not make any expenditures nor incur any non-recurring contractual obligations exceeding $ 500.00 without prior consent of the Board of Directors, provided that no such consent will be required in the case of emergency conditions.

XII. RELATIONSHIP OF AGENT

Everything done by the Agent pursuant to this Agreement shall be done as Agent of the Association, in all obligations or expenses incurred hereunder shall be for the account, on behalf, and at the expense of the Association. Any payments to be made by the Agent hereunder shall be made out of such sums as are available in the account (s) of the Association, or as may be provided by the Association. The Agent shall not be obliged to make any advance or for the account of the Association, or to pay any sum, except out of funds held or provided as aforesaid, nor shall the Agent be obliged to incur any liability or obligation for the account of the Association without the assurance that the necessary funds for the discharge thereof will be provided.
XII. MISCELLANEOUS CHARGES

The following miscellaneous charges are not included under the monthly compensation listed in paragraph II above:

1. Postage at the going rate of $.29 per stamp plus envelope.

2. Printing at a rate of $.10 per 1/2 x 11 copy and $.15 per 11 x 14 copy.

3. Secondary Purchaser Package - $15.00 each

Additional services provided by the Agent shall be billed to the Association as incurred, in accordance with the following rates:

4. Additional Property Manager - $65.00 per hour

5. Accounting and Computer Operator - $25.00 per hour

6. Secretarial $15.00 per hour.

7. Contracting charges for major construction or improvements 2% of contract price.

8. Litigation support services provided by the Agent in support of litigation shall be billed according to the hourly rates of the personnel involved as set out above.

9. Special Assessment Bookkeeping charge $2.50 per unit

10. One time setup fee of $350.00 that will cover additional expense to Administration

XIII. TERMINATION

This Agreement shall be terminated and (except as to liabilities or claims which shall have occurred or arisen prior to such termination) all obligations hereunder shall cease upon the happening of any of the following:

A. If a Petition of bankruptcy is filed by either the Association or Agent, or if either shall make assignment for the benefit of creditors, or if either party avails itself of any insolvency laws, either party may terminate this Agreement by serving written notice to the other by Certified Mail.

B. By the Agent or Association, with cause upon thirty (30) days written notice to the other party. Upon termination, the parties hereto shall account to each other, in writing, with respect to all matters outstanding as of the effective date of termination and shall furnish security satisfactory to the other party against any outstanding obligations or liabilities which the Agent may have incurred hereunder.

Upon termination the contracting parties shall account to each other with respect to all matters outstanding as of the date of termination and the Association shall furnish the Agent security satisfactory to the Agent, against any outstanding obligations or liabilities which the Agent may have incurred hereunder. The Agent further agrees to surrender all records, books, financial instruments and all other records of the Association on the termination date of the contract.
XIV ASSIGNABILITY

The Agent may assign this Management Agreement upon written approval of the Association to any other person or entity as long as such Assignee shall undertake in writing to assume and perform the obligations of the Agent hereunder.

XV EFFECT OF AGREEMENT

This Agreement shall constitute the entire Agreement between the contracting parties and no variance or modifications thereof shall be valid and enforceable, except by Supplemental Agreement in writing executed and approved in the same manner as this Agreement. This Agreement shall be binding upon and shall inure to the benefit of the Association and the Agent and their respective Successors and Assigns. This Agreement may be executed in several counterparts, each of which shall be deemed an original but together constitute one and the same Instrument.

WITNESS:

ASSOCIATION:

By: [Signature]

Its: [Title]

BUITING PROPERTY MANAGEMENT INC.

By: [Signature]

Its: [Title]

[Handwritten Signatures]