MASTER DEED OF KIRKWAY PLACE

THIS MASTER DEED is made and executed on the 16th day of October, 2003, by BECK NOVI LLC, a Michigan limited liability company, hereinafter referred to as “Developer,” whose address is 31300 Orchard Lake Road, Suite 100, Farmington Hills, Michigan 48334, pursuant to the provisions of the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended (hereinafter referred to as the “Act”).

WITNESSETH:

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

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

ARTICLE I
TITLE AND NATURE

The Condominium Project shall be known as KIRKWAY PLACE, Oakland County Condominium Subdivision Plan No. 1572. The architectural plans and specifications for the Project and any improvements will be filed with the City of Novi, Oakland County, Michigan to the extent required by the City’s ordinances. The Condominium Project is established in accordance with the Act. The Units contained in the Condominium, including the number, boundaries, dimensions and area of each Unit therein are set forth completely in the
Condominium Subdivision Plan attached as Exhibit "B" hereto, or as it may be amended, from time to time, as provided for herein. Each Unit shall be used 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 Unit and shall have undivided and inseparable rights to share with other Co-owners the Common Elements of the Condominium Project as are designated by the Master Deed.

ARTICLE II
LEGAL DESCRIPTION

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

Land located in the City of Novi, Oakland County, Michigan, and more particularly described as follows:

Part of the Northeast 1/4 of Section 20, T1N-R6E, City of Novi, Oakland County, Michigan, more particularly described as follows: Beginning at the East 1/4 Corner of said Section 20; thence along the East-West 1/4 line of said Section 20 and the North line of Greenwood Oaks No. 4, a subdivision as recorded in Liber 161 of Plats on Page 1 of the Oakland County Records, S86°18'50"W, 1339.34 feet; thence along the West line of the Southeast 1/4 of the Northeast 1/4 of said Section 20; N03°28'59"W, 1306.85 feet; thence N11°32'50"E, 31.80 feet; thence along the North line of Southeast 1/4 of the Northeast 1/4 of said Section 20; N86°34'40"E, 1307.12 feet; thence along the East line of said Section 20 and the centerline of Beck Road, S03°54'19"E, 1817.02 feet to the Point of Beginning, containing 40.43 acres, more or less and subject to the rights of the public over Beck Road. Also subject to any other easements or restrictions of record.

Tax Identification Number: 22-26-200-008

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 Corporate By-Laws and Rules and Regulations of Kirkway 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 KIRKYWAY PLACE, as a condominium. Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

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

C. "By-Laws" means Exhibit A hereto, which are the By-Laws required for the Condominium and also the By-Laws required for the Association pursuant to the Michigan Nonprofit Corporations Act.

D. "City" means the City of Novi, a Michigan municipal corporation, located in Oakland County, Michigan, and its successors, assigns and transferees.

E. "Common Elements" where used without modification, shall mean both the general and limited common elements described in Article IV hereto.

F. "Condominium Documents" wherever used means and includes this Master Deed and Exhibits "A" and "B" hereto, the Articles of Incorporation, By-Laws and Rules and Regulations, if any, of the Association.

G. "Condominium Premises" means and includes the land described in Article II, all improvements and structures thereon, and all easements, rights and appurtenances belonging to KIRKWAY PLACE as described above.

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

I. "Condominium Subdivision Plan" means Exhibit "B" attached hereto.

J. "Co-owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof, including Developer, who or which own one or more units in the Condominium Project. In the event of the conveyance of a Unit by land contract, the land contract vendee shall be the "Co-owners" of the Unit and shall bear sole liability for all obligations arising with respect to the Unit to the exclusion of the land contract vendee; provided that the Developer or an affiliate of the Developer may, in its sole discretion, retain the rights and obligations of a Co-owner with respect to any Unit sold under land contract by the Developer or an affiliate of the Developer by reserving such rights and obligations in the land contract entered into by Developer or Developer's affiliate. The foregoing provision regarding the rights and obligations of land contract vendees and vendees shall apply notwithstanding the definition of "Co-owner" set forth in Section 6 of the Act, as amended by Public Act 379 of 2000. The term "Owner", wherever used, shall be synonymous with the term "Co-owner".

K. "Developer" shall mean BECK NOVI LLC, a Michigan limited liability company, which has made and executed this Master Deed, and its successors and assigns. For the purpose of this Article III, Paragraph K, the term "Developer" shall not include any successor
developer(s), as defined in Section 135 of the Act, unless the Developer affirmatively assigns its rights as Developer in writing to such "successor developer(s)" in whole or in part.

L. "Development and Sales Period", for the purposes of the Condominium Documents and the rights reserved to Developer hereunder, shall be deemed to continue for so long as Developer continues to own any Unit in the Condominium Project.

M. "General Common Elements" means the Common Elements other than the Limited Common Elements.

N. "Limited Common Elements" means a portion of the Common Elements reserved in this Master Deed for the exclusive use of less than all of the Co-Owners.

O. "Residence" shall mean a single-family residential dwelling (including an attached garage) which is constructed within a Unit in accordance with the requirements of the Condominium Documents and all applicable laws and ordinances.

P. "Residential Builder" means any person licensed as a residential builder under Article 24 of the Occupational Code of Michigan, Public Act 299 of 1980, and who acquires title to one or more Units in the Condominium for the purpose of constructing a Residence on the Unit and subsequently reselling the Unit.

Q. "Structure" means any Residence, building, driveway, parking area, structure, dwelling, garage, shed, outbuilding, fence, wall, gazebo, hedge, in-ground swimming pool, antennas or satellite dish or any other improvement of a permanent or substantial nature constructed within the perimeter of a Unit.

R. "Transitional Control Date" means the date on which the 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.

S. "Unit" or "Condominium Unit" each mean that portion of the Condominium Project designed and intended for separate ownership and use as described on Exhibit "B" hereto.

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

ARTICLE IV
COMMON ELEMENTS

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

1. **Land, Easements and Structures** - The land and beneficial easements, if any, described in Article II herein, including the common open space and landscaped areas, the areas designated on the Plan as "wetlands" and "woodlands," the roads, the walkways and sidewalks, the entrance sign and guardhouse (if any), the brick wall, the gazebo, and the wood chip walking path (if any); provided that any and all land, walkways and other structures located within the Unit boundaries shall be not be included in the General Common Elements.

2. **Electrical Network** - The electrical wiring network throughout the Project, including primary and secondary service lines, intended to serve Residences constructed within the Units in the Project, up to, and not including, the electric meter for the Residence constructed within the perimeter of each Unit.

3. **Telephone Network** - The telephone wiring network throughout the Project up to the point of connection with the service pedestal installed within or to serve each Unit.

4. **Gas Service Network** - The gas line network throughout the Project up to, but not including, the gas meter for the Residence now or hereafter constructed within the perimeter of each Unit.

5. **Plumbing Network** - The plumbing network throughout the Project up to, but not including, the water meter for the Residence now or hereafter constructed within the perimeter of each Unit.

6. **Sanitary Sewer System** - The sanitary sewer system throughout the Project up to the point where the sanitary sewer service enters the Residence now or hereafter constructed within the perimeter of each Unit.

7. **Irrigation System** - The irrigation (sprinkler) system throughout the Project and any "meter pits" or underground facilities installed to accommodate meters and control valves which are part of and included in the irrigation system.

8. **Storm Water Drainage Facilities** - The surface and subsurface portions of the storm water drainage facilities, including all storm water drainage lines and related facilities and the storm water retention basins shown on the Condominium Subdivision Plan.

9. **Sump Pump Discharge System** - The sump pump discharge system(s) up to the connection with the sump pump contained within each Unit (but excluding the sump pump itself and any wiring connected therewith).

10. **Telecommunications/Cable Television Systems** - The telecommunications and cable television systems, if any, up to, but not including the connections to provide service to the Residence now or hereafter constructed within the perimeter of each Unit.
11. **Site Lighting** - The site lighting, if any, including all wiring, fixtures, posts and meters throughout the Project.

12. **Mailbox Stands** - The common mailbox stands that shall each contain from two to four individual mailboxes, with the individual mailboxes comprising Limited Common Elements as described below.

13. **General Common Elements Designated on Plan** - All elements of the Project designated as General Common Elements in Exhibit "B" to this Master Deed.

14. **Other General Common Elements** - Such other elements of the Project not herein designated as General or Limited Common Elements which are not enclosed within the boundaries of a Condominium Unit, which are not designated as Limited Common Elements in Exhibit "B" or in Section B of this Article and which are intended for common use or necessary to the existence, upkeep and safety of the Project.

**B. The Limited Common Elements are:**

1. **Mailboxes** - An individual mailbox contained in a General Common Element mailbox stand as described above shall be assigned to each Unit as a Limited Common Element for the sole use of the Co-owners of the Unit to which the mailbox is assigned.

2. ** Portions of Driveways** - The portions of the driveways for each Unit, to the extent that the driveways extend into the right-of-way of the road within the Condominium to reach the edge of the road as shown on the Condominium Subdivision Plan.

3. **Portions of Decks** - The portion of any deck which are constructed outside the boundary of a Unit.

Note: No construction or improvement of any kind will be permitted outside the boundary of a Unit without the prior written approval of the Board of Directors (and the Developer during the Development and Sales Period), and the City of Novi, if required by local ordinances; provided that the deck on any Unit may be constructed by the Developer during the Development and Sales Period so that it extends beyond the boundaries of the Unit without the approval of the Board of Directors. Upon receipt of such approvals from the City of Novi as may be required under the City's ordinances, the Developer may cause portions of the Residences to be constructed upon the Units to extend beyond the boundaries of the Units shown on the Condominium Subdivision Plan to accommodate the construction of a three-car garage as part of the Residence; provided that Developer shall cause the boundaries of such Units to be modified to include the entire Residence in the "as-built" Condominium Subdivision Plan to be recorded upon completion of the Project as provided in Article XI below.

**C. The respective responsibilities for the maintenance, repair and replacement of all Common Elements and Units shall be as follows:**
1. General Common Elements. The Association shall maintain, repair, and replace all General Common Elements, and the expense thereof shall be assessed to the Co-owners in proportion to the Percentages of Value stated in Article V, hereof, subject to any provision contained in the Condominium Documents expressly to the contrary with regard to responsibility for maintenance, repair and replacement of General Common Elements and the apportionment of the expenses thereof. The General Common Elements subject to maintenance by the Association shall include, but not be limited to:

(a) All roads, driveways, walkways, walking paths and the porches within the Condominium (including all driveways, walkways and porches within Units) (including snow removal);

(b) Any and all landscaped General Common Element areas within the Condominium, including the entranceway therein and the proposed brick walk;

(c) The site lighting, if any, including all wiring, fixtures, posts and meters related to such lighting;

(d) The common irrigation (sprinkler system) throughout the Condominium;

(e) The storm water drainage system throughout the Condominium, including any and all storm drainage easement areas and any and all detention or retention ponds;

(f) The common mailbox stands;

(g) The areas designated as wetlands and woodlands areas as shown on the Condominium Subdivision Plan; and

(h) Such sign as may be installed at the entrance to the Condominium from Beck Road and any guardhouse that may be installed at said entrance.

2. Units: Co-owner Maintenance Responsibilities. It is anticipated that a separate Residence and Limited Common Elements will be constructed within each of the Units depicted on the Plan. Except as specifically set forth herein, responsibility for and the costs of maintenance, decoration, repair and replacement of the Residence and all other improvements constructed within each Unit and all Limited Common Elements appurtenant to the Unit shall be borne by the Co-owner of that Unit; provided, however, that the exterior appearance of any Residence and all other improvements, to the extent visible from any other Unit or Common Element, or as otherwise provided herein or in the Bylaws, shall be subject at all times to the approval of the Developer (or the Association, as the case may be) as more fully set forth in Article VI of the By-Laws. The Residences and other improvements within each Unit shall conform in all respects to the architectural and building specifications and use restrictions provided in the By-Laws, this Master Deed, the rules and regulations, if any, of the Association and the applicable ordinances of the City of Novi. The maintenance, decoration, repair and replacement responsibility
for the Co-owners of each Unit, with respect to their Units, shall include, by way of example, but shall not be limited to the construction, repair, replacement and maintenance of the following items:

(a) The interior surfaces of all Residences, attached garages and any other structure or improvement, including all walls, windows, doors, sliding glass doors, door frames, ceilings, floors, glass, screens and hardware (including garage door openers), constructed within the Unit.

(b) The air conditioner compressor and pad constructed within the Unit.

(c) The exterior lighting on the Residence and garage constructed within the Unit.

(d) Each meter for natural gas, water and electricity installed within the Unit to the extent that the meter is not maintained by the provider of the metered service.

(e) The roof, garage door and front door of any Residence constructed within the Unit.

(f) The fence or gate surrounding any enclosed area such as a courtyard, porch or patio appurtenant to the Unit.

(g) The Co-owners of each Unit shall be responsible for the replacement of all improvements and structures, including the Residence, constructed within their individual Unit in the event of the complete or partial destruction thereof as provided in Article IV (Insurance) and Article V (Reconstruction or Repair) of the attached By-Laws.

3. Units and Limited Common Elements: Association Maintenance Responsibilities: With respect to all Units in the Project, except as provided in paragraph 2 above, the Association shall perform or cause to be performed maintenance of (1) the exterior, wood trim and siding of Residences, including attached garages; (2) all landscaping within the Unit; (3) porches, if any; (4) all portions of driveways and walkways situated within the Unit; (5) portions of the driveway; and (5) decks. The costs of the foregoing maintenance functions shall be borne by the Association and treated as expenses of administration payable through the assessments imposed by the Association. The cost of maintaining, repairing and replacing the individual Limited Common Element mailboxes for each Unit shall also be borne by the Association. Unless otherwise stated herein, the common expenses associated with the maintenance, repair or replacement of a Limited Common Element, if any, shall be specially assessed against the Unit or Units to which the Limited Common Element was assigned at the time the expenses were incurred.

4. Limited Common Elements: Each Co-owner shall maintain, repair and replace all Limited Common Elements. If any, appurtenant to the Co-owner’s Unit to the
extent that the Association is not responsible for the maintenance, repair or replacement of such item. In connection with any amendment made by the Developer pursuant to Article VIII, Article IX, Article X or Article XI hereof, Developer may designate additional Limited Common Elements that are to be maintained, decorated, repaired and replaced at the Co-owner’s expense or, in proper cases, at the Association’s expense.

5. **Damage Caused by Co-owner.** The cost of repair of damage to a Limited or General Common Element caused by a Co-owner, or family member or invitee of a Co-owner, shall be assessed against the Co-owner.

D. Any maintenance, repair or replacement (the cost of which is to be the responsibility of the Co-owner, as defined above), may, if not performed by the Co-owner on a timely basis, be performed by or under the direction of the Association and the cost may be assessed against such individual Co-owner.

E. Each Co-Owner shall be responsible for the payment of utilities attributable to his individual Unit. The Association shall be responsible for payment of utilities, including water usage, required to support General Common Elements such as the common irrigation system and the common site lighting, if any common site lighting should be installed.

F. No Co-owner shall use his 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 Unit or the Common Elements.

**ARTICLE V**

**UNIT DESCRIPTION AND PERCENTAGE OF VALUE**

A. Each Unit in the Condominium Project is described in this Paragraph with reference to the Condominium Subdivision Plan of KIRKWAY PLACE prepared by Boss Engineering, and attached hereto as Exhibit "B". Each Unit shall consist of the land contained within the Unit boundaries as shown on the Condominium Subdivision Plan attached as Exhibit "B" and delineated with heavy outlines and, except as otherwise provided herein, the improvements constructed therein, including the Residence. There are thirty (30) Units in the Condominium as established by the recording of this Master Deed.

B. The percentage of value assigned to each Unit is equal. 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 expenses of administration, and the value of each Co-owner’s vote at meetings of the Association of the Co-owners. The total value of the Project is one hundred (100%) percent. The percentage of the value allocated to each Unit may be changed only with the prior written approval of each institutional holder of a first mortgage lien on any Unit in the Project and with the unanimous consent of all of the Co-owners expressed in an amendment to this Master Deed, duly recorded, except as provided otherwise herein.
ARTICLE VI
EASEMENTS AND ENCUMBRANCES

A. Easements for Maintenance of Encroachments: In the event any portion of a Unit encroaches upon a Common Element or if a Common Element encroaches upon another 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. The foregoing easement shall not, however, be construed to permit any encroachment by a Common Element or Unit upon another Unit or upon the airspace or subsurface contained in or the other Unit as shown in the Condominium Subdivision Plan. 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.

B. Easements and Right to Dedicate Retained by Developer. The Developer reserves the right to dedicate the roads within the Project to the public. The Developer also reserves the right to dedicate to the public a right of way of such width as may be requested or required by the local public authority over any or all of the roads in the Project and such additional right of way as may be required along Beck Road. Any such dedications may be made by the Developer without the consent of any Co-owner, mortgagee or other person and shall be evidenced by appropriate amendments to this Master Deed and the Condominium Subdivision Plan hereof, recorded in the Oakland County Records. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendments or amendments of this Master Deed to effectuate the foregoing dedication.

Although Developer has reserved the right to dedicate the roads within the Project to public use, the Developer undertakes no obligation whatsoever to dedicate such roads or rights of way and the City of Novi has no obligation whatsoever to accept the dedication of such roads for public use, maintenance and repair. In fact, the Developer intends to install the roads within the Condominium as private roads to be maintained as General Common Elements by the Association. With respect to such private roads, the Developer hereby grants non-exclusive, perpetual easements over, under and across the private roads within the Condominium and the adjacent right-of-way ( totaling 60 feet in width) to the City of Novi and any other appropriate governmental entity for ingress and egress and for the purpose of developing, establishing, constructing, repairing and maintaining the water supply system and sanitary sewer system to be installed and maintained within the Condominium in any size, form, shape or capacity consistent with the use of the private roads for ingress and egress. Pursuant to the easement granted herein, the City of Novi and any other appropriate governmental entity shall have the right to operate, maintain, repair, and replace such sanitary sewer and water service lines as may be extended across the private road and adjacent right-of-way to provide those services to the Units within the Condominium. The Developer hereby grants a non-exclusive, perpetual easement over the private roads within the Condominium to the City of Novi and any other appropriate governmental entity for ingress and egress of any and all emergency vehicles.
including without limitation, ambulances, police cars and fire engines. The scope of the easement granted herein shall include ingress and egress over the roads in the Condominium by the U.S. Postal Service and private delivery services for the delivery of mail.

Developer reserves the right at any time to grant additional easements for utilities (including, without limitation, sanitary sewer, water, electrical, gas and cable services and storm water drainage and facilities) over, under and across the Condominium (including the setback areas located within each Unit) to appropriate governmental agencies or public utility companies and to transfer title to such 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/or Exhibit “B” hereto. 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 unconditionally consented to such amendments to this Master Deed as may be required to effectuate the foregoing grant of easement or transfer of title.

The rights reserved to the Developer pursuant to this Article VI, Paragraph B specifically include the right to enter into agreements, including easements and conveyances by deed, with the City of Novi and any other governmental agency for the purpose of establishing the storm water retention basins installed within the Condominium and the large well area included therein as a regional storm water retention or detention basin. All Co-owners and mortgagees of Units and other persons interested or to become interested in the Project shall be deemed to have consented to the disbursement to the Developer of any and all consideration paid by the City of Novi or any other governmental agency for the establishment of any portion of the Condominium as a regional storm water retention or detention basin or any part thereof, provided that this right to payments on the part of the Developer shall only apply to payments tendered by the City of Novi or any other governmental agency during the ten (10) years following the recording of this Master Deed. Any party acquiring an interest in the Condominium or any Unit thereof shall be deemed to have irrevocably waived any and all claims to any payment tendered during the aforesaid ten year period to the Developer by the City of Novi or any other governmental agency in connection with the establishment of any part of the Condominium as part or all of a regional storm water retention or detention basin.

The Developer shall have the right to assign all of its rights hereunder to the Association (including any Board of Directors acting prior to the First Annual Meeting). Except for the right to receive payment of any consideration for the establishment of portions of the Condominium as a regional detention basin as described immediately above, the Developer’s rights hereunder shall be automatically assigned to the Association upon the expiration of the Development and Sales Period.

C. Easements for Access to Sump Pumps, Irrigation Valves and Meters: Developer hereby reserves for the benefit of itself, its successors and assigns, a perpetual, non-exclusive easement for ingress and egress to and from all Units for the purpose of obtaining access to the sump pumps and irrigation valves (if any) within the Units in the event of an emergency or other need where immediate access to such sump pump(s) and irrigation valves is/are necessary.
Developer further reserves for the benefit of itself, its successors and assigns, a perpetual, non-exclusive easement over and under such portions of Units not occupied by a Residence or its structure for the installation and maintenance of such underground facilities as Developer may elect to install to accommodate meters and control valves installed as part of the irrigation system for the Project. Once the Developer turns control of the Association over to the Co-owners, the Association, through its duly authorized officers, agents and/or representatives, shall have the right to gain access to such Units for the purposes set forth herein.

D. Authority to Sign Petitions for Special Assessment Districts. Upon approval by an affirmative vote of not less than fifty one (51%) percent of all Co-owners, in number and in value, the Association shall be vested with the power and authority to sign petitions requesting establishment of a special assessment district pursuant to provisions of applicable Michigan statutes for improvement of public roads within or adjacent to the Condominium. In the event that a special assessment road improvement project is established pursuant to applicable Michigan law, the collective costs assessable to the Condominium as a whole shall be borne equally by all Co-owners.

E. Access to Units by the Association. There shall be easements to and in favor of the Association, and its officers, directors, agents, and designees (and the Developer prior to the First Annual Meeting), in, on, and over all Units, for access to the Units and the exterior of each of the Residences and appurtenances that are constructed within each Unit to conduct any activities authorized or required to be performed by the Association pursuant to this Master Deed or the Condominium By-Laws. The scope of this easement shall include access to and entry upon Units by the Association and its contractors and agents to the extent necessary or convenient for the performance of the maintenance, repair, and replacement responsibilities imposed upon the Association in Article IV of this Master Deed. Entry into the interior of Residences and attached garages is only permitted by this easement to the extent required to carry out repair or maintenance responsibilities with respect to pump pumps or irrigation valves as described above in Paragraph C of this Article VI. Such entry is further governed by Article VI, Section 31 of the Bylaws.

F. Easements in favor of City of Novi. A portion of the Condominium is encumbered by an easement for the benefit of the City of Novi that was recorded on December 5, 1977 in Liber 7082, Pages 526 and 529, Oakland County Records. The easement is shown on the Condominium Subdivision Plan and was granted for highway purposes and public utilities. The Developer has or will grant twenty foot (20') wide easements for sanitary sewer lines and twenty foot (20') wide easements for water mains as shown on the Condominium Subdivision Plan attached hereto as Exhibit B.

G. Conservation Easements. The wetland and woodland areas shown on the Condominium Subdivision Plan and the adjacent wetland buffer areas are all subject to a Conservation Easement granted to the City of Novi that requires the preservation of those areas in their natural state and prohibits the disturbance of those areas in the absence of prior written approval and/or permits from the City of Novi. As of the date hereof, the aforesaid Conservation Easement has been executed by the Developer and delivered to the City of Novi for signature, by the appropriate City officials and for recording in the Oakland County Records upon the return
of a fully executed original of the document to the Developer. The Conservation Easement provides for the enforcement of remedies by the City against the Developer, one or more Co-owners and/or the Association for violations of the terms of the Conservation Easement. (Pursuant to the Conservation Easement granted to the City, the designated woodlands, the designated wetlands and a twenty-foot wide buffer area immediately adjacent to the designated wetland areas are all subject to regulation by the City pursuant to the terms and conditions of the Conservation Easement.) The Developer further reserves the right to encumber the wetland and woodland areas shown on the plan with such conservation easements as may be required by the Michigan Department of Environmental Quality ("MDEQ") in conformance with conditions and obligations imposed by the MDEQ in connection with the issuance of any and all permits required from that agency in connection with the development of the Condominium.

H. City Remedies for Maintenance Failures and Defects. The Developer, prior to the Transitional Control Date, and the Association thereafter shall have the authority and responsibility, at its expense to operate, maintain, repair, manage, and improve the General Common Elements in the Condominium, the cost of which shall be included in the administrative expenses of the Association. The Association and, prior to the Transitional Control Date, the Developer shall have the responsibility to preserve and maintain all private storm water detention and retention facilities constructed or installed within the Condominium and all private roadways and walkways, including driveways and stub streets located within the Condominium, to ensure that they continue to function as intended. The Association and, prior to the Transitional Control Date, the Developer shall have the responsibility to preserve and maintain all open space located within the General Common Elements of the Condominium. The Developer (prior to the Transitional Control Date) and the Association shall establish a regular and systematic program of maintenance for the General Common Elements to ensure that the physical condition and intended function of such areas and facilities shall be perpetually preserved and maintained.

If the Association or the Developer at any time fail to carry out their maintenance and preservation responsibilities as set forth in the paragraph immediately above or if the General Common Elements within the Condominium are not maintained and preserved in a reasonable order and condition, the City may serve written notice of the Association and, if appropriate, the Developer, setting forth the deficiencies in maintenance or preservation. The notice shall also set forth a demand that the deficiencies be cured within a stated, reasonable time period and the date, time and place of the hearing before City Council or such other Council, body or official designated by the City Council, for the purpose of allowing the Association or the Developer to be heard as to why the 'City' should not proceed with the maintenance or preservation that has not been undertaken. At the hearing, the time for curing the deficiencies and the hearing itself may be extended or continued to a date Certain. If, following the date of hearing, the City Council or other body or official designated to conduct the hearing, shall determine that maintenance and preservation have not been undertaken within the time specified in the notice, the City shall thereupon have the power and authority, but no obligation, to enter upon the General Common Elements of the Condominium and perform such maintenance and preservation as shall be reasonably determined by the City to be appropriate. The costs of performing and financing such maintenance or preservation work, including the cost of notices by the City and reasonable legal fees incurred by the City, plus an
administrative fee of twenty-five percent (25%) of the total of all costs and expenses incurred, shall be paid by the Association, and a pro rata share of such amounts shall constitute a lien on each and every Unit in the Condominium. The City may require payment of such monies prior to the commencement of the work. If such costs and expenses have not been paid within forty-five (45) days of a billing to the Association (or the Developer, prior to the Transitional Control Date), a pro rata share of all unpaid amounts, may be assessed against each Unit on the delinquent tax roll of the City and shall be deemed to be and subject to collection as delinquent real property taxes in accordance with the laws enacted for the collection of delinquent real property taxes. In the discretion of the City, such costs and expenses may be collected by suit initiated against the Association and in such event, the Association shall pay all court costs and reasonable attorney fees incurred by the City in connection with such suit.

ARTICLE VII
DEVELOPER’S RIGHT TO USE FACILITIES

Developer, its successors and assigns, agents and employees may maintain such offices, model units, reasonable parking, storage areas and other facilities on the premises of the Condominium Project as it deems necessary to facilitate the development and sale of the Project or other projects that may require such usage. Developer shall have such access to, from and over the Project as may be reasonable to enable the development and sale of the Condominium Project. Developer shall restore the facilities to habitable status upon termination of such use. Developer, in its sole discretion, is entitled to extend the rights described in this Article VII to one or more Residential Builders; provided that any such Residential Builder shall be required to restore the facilities it is permitted to use to habitable status upon termination of use by the Residential Builder.

ARTICLE VIII
CONVERTIBLE AREAS

A. Designation of Convertible Areas. The Common Elements and all Units have been designated on the Condominium Subdivision Plan as Convertible Areas (“Convertible Areas”) within which the Units and Common Elements may be modified and within which Units may be expanded, moved, deleted and created as provided in this Article VIII. Developer reserves the right, but not the obligation, to convert the Convertible Areas.

B. Time Limitation and Nature of Changes. Developer reserves the right, in its discretion, during a period ending six (6) years from the date of recording of this Master Deed, to modify the size, location, and configuration of any Unit that it owns in the Condominium, and to make corresponding changes to the Common Elements, subject to the requirements of local ordinances and building authorities. The changes may include (by way of illustration, and not limitation) the deletion of Units from the Condominium and the substitution of General and Limited Common Elements therefor or the extension of a Unit into an area designated as part of a General Common Element or the extension of an area designated as General Common Element into an area originally designated as part of a Unit. Subject to the provisions of Article V above, the maximum number of units in the Condominium shall not exceed thirty (30) Units.
C. Limitations on Use. All improvements constructed or installed within the Convertible Areas described above shall be restricted exclusively to residential use and to such Common Elements as are compatible with residential use. There are no other restrictions upon such improvements except those which are imposed by state law, local ordinances or building authorities.

D. Required Consents. No consent from any Co-owner shall be required to convert the Convertible Areas. All of the Co-owners and Mortgagees and other persons interested or to become interested in the Condominium from time to time shall be deemed to have irrevocably and unanimously consented to such conversion of the Convertible Areas and any amendments or amendments to this Master Deed to effectuate the conversion and to any reallocation of Percentages of Value of existing Units which Developer may determine necessary in connection with such amendment or amendments. All such interested persons irrevocably appoint the Developer or its successors, as agent and attorney for the purpose or execution of such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be effected without the necessity of recapitulating the entire Master Deed or the Exhibits thereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits hereto. Nothing herein contained, however, shall in any way, obligate Developer to convert the Convertible Areas. These provisions give notice to all Co-owners, Mortgagees and other persons acquiring interests in the Condominium that such amendments of this Master Deed may be made and recorded, and no further notice of such amendment shall be required.

E. Reallocation of Percentages of Value. All modifications to Units and Common Elements made pursuant to this Article VIII 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 and in which the Percentages of Value set forth in Article V hereof shall be proportionately reallocated, if the Developer deems it to be applicable, in order to preserve a total value of 100% for the entire Condominium resulting from such amendments to this Master Deed. The precise determination of the reallocations in Percentages of Value shall be made within the sole judgement of Developer. Such reallocations, however, shall reflect a continuing reasonable relationship among Percentages of Value based upon the original method and formula described in Article V of this Master Deed. 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 and define the Units and Common Elements being made by such amendments. In connection with any such amendments, Developer shall have the right to change the nature of any Common Element previously included in the Condominium for any purpose reasonably necessary to achieve the purposes of this Article VIII.

F. City Approval. In the event that the exercise of the rights reserved in this Article VIII should cause or involve a modification to the General Common Element open space areas or the Units within the Condominium, the prior written approval of the City shall be obtained; provided that such approval shall not be unreasonably withheld or delayed.
ARTICLE IX
SUBDIVISION, CONSOLIDATION
AND OTHER MODIFICATIONS OF UNITS

Notwithstanding any other provision of the Master Deed or the Bylaws, Units in the
Condominium may be subdivided, consolidated, modified and the boundaries relocated, in
accordance with Sections 48 and 49 of the Act and this Article. Such changes in the affected
Unit or Units shall be promptly reflected in a duly recorded amendment or amendments to this
Master Deed.

A. By Developer: Developer reserves the sole right during the Development and
Sales Period and without the consent of any other Co-owner or any mortgagee of any Unit to
take the following action:

1. Subdivide Units. Developer may subdivide or re-subdivide any Units which
it owns and, in connection therewith, install utility conduits and connections and any other
improvements reasonably necessary to effect the subdvision, any or all of which may be
designated by the Developer as General or Limited Common Elements; provided that
such installation shall not disturb any utility connections serving Units other than
temporarily. Such subdivision or re-subdivision of Units shall be given effect by an
appropriate amendment or amendments to this Master Deed in the manner provided by
law, which amendment or amendments shall be prepared by and at the sole discretion
of Developer, its successors or assigns.

2. Consolidate Contiguous Units. Developer may consolidate, under single
ownership two or more Units. Such consolidation of Units shall be given effect by an
appropriate amendment or amendments to this Master Deed in the manner provided by
law, which amendment or amendments shall be prepared by and at the sole discretion
of the Developer, its successors or assigns.

3. Relocate Boundaries. Developer may relocate any boundaries between
adjoining Units, separated only by Unit perimeters or other Common Elements not
necessary for the reasonable use of Units other than those subject to the boundary
relocation. The relocation of such boundaries shall be given effect by an appropriate
amendment or amendments to this Master Deed in the manner provided by law, which
amendment or amendments shall be prepared by and at the sole discretion of the
Developer, its successors or assigns.

4. Amendments to Effectuate Modifications: In any amendment or
amendments resulting from the exercise of the rights reserved to Developer above, each
portion of the Unit or Units resulting from such subdivision, consolidation or relocation of
boundaries shall be separately identified by number. Such amendment or amendments
to the Master Deed shall also contain such further definitions of General or Limited
Common Elements as may be necessary to adequately describe the Units in the
Condominium Project as so modified. 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.

5. **Conformity with Laws and Ordinances; City Approval.** All actions taken
under this Article IX must comply with all applicable laws and ordinances. Any action
taken under this Article IX must also receive the prior written approval of the City;
provided that such approval shall not be unreasonably withheld or delayed.

B. **Limited Common Elements.** Limited Common Elements shall be subject to
assignment and reassignment in accordance with Section 39 of the Act and in furtherance
of the rights to subdivide, consolidate or relocate boundaries described in this Article.

ARTICLE X
CONTRACTION OF CONDOMINIUM

A. As of the date this Master Deed is recorded, the Developer does not intend to
dedicate to public use the roads and road right-of-ways shown on the Condominium Plan.
However, in the event that the Developer should elect to do so, the Developer reserves the right
to withdraw from the Condominium that portion of the land described in Article II that consists of
the Condominium roads and road right-of-ways as the same are shown on the Condominium
Plan. At the option of the Developer, within a period ending no later than six (6) years from the
date of recording this Master Deed, the land included in the Condominium may be contracted
to withdraw from the Condominium any roads and road right-of-ways dedicated to public use.
The Developer further reserves the right to contract from the Condominium during the same six
year period such portions of the storm water detention/retention basins or wetlands located
within the Condominium as may be established as a regional storm water retention or detention
facility maintained by the City or such other governmental agency.

B. In connection with such contract; Developer unconditionally reserves the right
to withdraw from the Condominium that portion of the land described in Article II that is
dedicated to public use as a road and/or road right-of-way. The withdrawal of such land
pursuant to this Article X shall be effected by an amendment of the Master Deed as provided
in Paragraph E below and by conveyances and acceptances of the roads and road right-of-ways
in the Condominium and/or the storm water retention and detention areas and/or wetlands to
the City of Novi or other appropriate governmental unit with appropriate jurisdiction.

C. Apart from satisfying any governmental conditions to dedication of the road and
road right-of-ways or to the conveyance of land for inclusion in a regional storm water retention
or detention facility, there are no restrictions on Developer's right to contract the Condominium
as provided in this Article X. In any event, no contract of the Condominium pursuant to this
Article X shall be effected in a manner that is in conflict with the terms and conditions of the
Conservation Easement granted to the City as described above in Article VI, Paragraph G.

D. Developer unconditionally reserves the right to contract the Condominium by
withdrawing from the Condominium any portion of the land described in Article II that is
designated in this Master Deed as a General or Limited Common Element or one or more Units.
owned by the Developer when and if the Developer in its sole discretion determines the development of the Condominium would be best served by so contracting the Condominium. Pursuant to this paragraph D; provided that the number of Units remaining in the Condominium shall not be less than fifteen (15).

E. The consent of any Co-owner or holder of a mortgage interest in a Unit shall not be required to contract the Condominium for any or all of the purposes described in this Article X or to dedicate the roads and road right-of-ways to public use. All of the Co-owners and Mortgagees and other persons interested or to become interested in the Condominium from time to time shall be deemed to have irrevocably and unconditionally consented to such contraction of the Condominium and any amendment or amendments to this Master Deed to effectuate the contraction. All Co-owners and holders of mortgage interests in Units hereby irrevocably appoint the Developer or its successors, or assigns, as agent and attorney for the purpose of execution of such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be effected without the necessity of rerecording an entire Master Deed or the Exhibits thereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits thereto. Nothing contained herein, however, shall impose any obligation on the Developer to contract land from the Condominium or dedicate portions thereof to public use, nor does any provision herein impose any obligation on the City or any other governmental agency to accept any dedication of roads or other facilities or land to public use. These provisions give notice to all Co-owners, Mortgagees and other persons acquiring interests in the Condominium that such amendments of this Master Deed may be made and recorded, and no further notice of such amendments shall be required.

ARTICLE XI
AMENDMENT

This Master Deed and the Condominium Subdivision Plan (Exhibit "B" to said Master Deed) may be amended with the consent of sixty-six and two-thirds (66 2/3%) percent of the Co-owners and of the Unit mortgagees (allowing one vote for each mortgage held) except as hereinafter set forth:

A. No Unit dimensions may be modified without the consent of the Co-owner of such Unit, nor may the nature or extent of Limited Common Elements or the responsibility for maintenance, repair or replacement thereof be modified without the written consent of the Co-owner of any Unit to which the same are appurtenant.

B. The Developer may, without the consent of any Co-owner of any other person, amend this Master Deed and the Plans 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 By-Laws attached hereto as Exhibit "A", including, but not limited to, amendments for the purpose of facilitating conventional mortgage loan financing for existing or prospective Co-owners and to enable the purchase of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association and/or any other agency of the federal government or the State of Michigan, or modifying the type or size of any unsold Unit, and their appurtenant Limited
Common Elements, adding or deleting unsold Units from the Project, or creating additional Limited Common Elements; or assigning or re-assigning Common Elements.

C. Except as elsewhere provided herein, 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 mortgagee.

D. Anything contained herein to the contrary notwithstanding, the Developer hereby reserves the right to amend the Master Deed in order to exercise the rights reserved in Article VII regarding conversion of portions of the Condominium Project and in Article IX regarding the subdivision, consolidation or modification of Units, all without the consent of the Co-owners or of any mortgagee of a Unit. The Developer shall, in any event, have the right to prepare and record such Amendment to Master Deed as may be required for the recording of an "as-built" Condominium Subdivision Plan in compliance with the rules promulgated under the Act.

E. Articles V through X, both inclusive, and this Article XI 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 so long as the Developer continues to offer any Unit in the Project for sale.

F. The Condominium Project may not be terminated, vacated, revoked or abandoned without the written consent of ninety-five (95%) percent of all Co-owners and all mortgagees (allocating one vote for each mortgage held).

G. Notwithstanding anything to the contrary in this Master Deed or By-Laws, there shall be no amendment or termination of Paragraphs (B), (G) or (H) of Article VI of this Master Deed or any other provision hereof that affects or limits the rights of the City as provided in this Master Deed or the exhibits hereto (including the By-Laws), without first obtaining the review and approval of the City; provided that such review and approval shall not be unreasonably delayed or denied.

**ARTICLE XII**

**FLOOD-PLAIN**

Portions of the Condominium are located within a 100-year flood plain as shown on the Condominium Subdivision Plan. The flood plain accepts storm water overflow from Tributary C to the Navi-Lyon Drain, which is located near the Condominium. The elevation of the aforesaid flood plain is approximately 957.0 feet, through much of the central portion of the Condominium. No construction activity or disturbance of the areas lying within the flood plain can take place without first obtaining a permit from the Michigan Department of Environmental Quality ("MDEQ") and if also required, from the City of Novi and/or Oakland County.
ARTICLE XIII
SECURITY

Developer does not undertake any obligation to provide security for the Co-owners of KIRKWAY PLACE, including, without limitation, security or guard service at the entranceway off of Beck Road. If Developer, in its sole discretion, elects to provide security or guard service, the cost thereof will become a cost of administration of the Project and reflected in the Association's budget.

IN WITNESS WHEREOF, Developer has caused this Master Deed to be executed the day and year first above written.

WITNESS:

SIGNED BY:

BECK NOVI LLC, a Michigan limited liability company:

By: 
Stuart Michaeelson
Its: Manager

And:

By: Sherr Development Corporation, a Michigan corporation; Manager

By: Michael Shapiro
Its: Treasurer

STATE OF MICHIGAN )
COUNTY OF OAKLAND ) SS.

The foregoing instrument was acknowledged before me this 15th day of October, 2003, by Stuart Michaeelson, Manager of Beck Novi LLC, a Michigan limited liability company, on behalf of the company.

[Notaries continued on next page.]
STATE OF MICHIGAN )
COUNTY OF OAKLAND )

The foregoing instrument was acknowledged before me this 15th day of October, 2003, by Michael Shapiro, Treasurer of Sherr Development Corporation, a Michigan corporation, a Manager of Beck Novi LLC, a Michigan limited liability company, on behalf of the company.

Notary Public

Oakland County, Michigan
My Commission Expires:

MASTER DEED DRAFTED BY AND WHEN RECORDED RETURN TO:

George W. Day, Esq.
Jackler, Gould, Bean, Uptal & Elzerman
Second Floor, 121 West Long Lake Road
Bloomfield Hills, MI 48304-2719
(248) 642-0500

J.30692000000182.WPD
EXHIBIT "A"
CONDOMINIUM BY-LAWS

KIRKWAY PLACE

ARTICLE I
ASSOCIATION OF CO-OWNERS

Kirkway Place, a residential Condominium Project located in the City of Novi, Oakland 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 By-Laws shall constitute both the By-Laws referred to in the Master Deed and required by Section 8 of the Act and the By-Laws 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 shares of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit. 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 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

Section 1. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and personal property taxes based thereon shall be treated as expenses of administration.

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

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

(a) The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the
forthcoming year which may be required for the proper operation, management and maintenance of the Condominium 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 must be established in the budget and must be funded by regular monthly payments as set forth in Section 4 below rather than by special assessments. At a minimum, the reserve fund shall be equal to ten (10%) percent of the Association’s current annual budget on a noncumulative basis. The minimum standard required by this Section may prove to be inadequate for this 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. Upon adoption of an annual budget by the Board of Directors, copies of said budget shall be delivered to each Co-owner and the assessment of said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-owner shall not affect the liability of any Co-owner for any existing or future assessments. Should the Board of Directors, at any time determine, in the sole discretion of the Board of Directors: (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium, (2) to provide replacements of existing Common Elements, (3) to provide additions to the Common Elements not exceeding $5,000 annually, or (4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary.

(b) Special assessments, in addition to those required in (a) above may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to, (1) assessments for capital improvements for additions of a cost exceeding $5,000 per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 6 hereof, (3) assessments to purchase a Unit for use as a resident manager’s Unit, or (4) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subparagraph (b) (but not including those assessments referred to in subparagraph 3(a) above which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of not less than sixty (60%) percent of all Co-owners.

Section 4. All assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners equally without increase of decrease for the existence of any rights to the use of limited Common Elements appurtenant to a Unit. Annual assessments as determined in accordance with Article II, Section 3(k) above shall be payable by Co-owners in twelve (12) equal monthly installments, commencing with acceptance of a deed to a Unit or with acquisition of fee simple title to a Unit by any other means, or with acquisition of a beneficial interest in a Unit. The Board of Directors of the Association may elect to collect the annual assessment in quarterly, semi-annual or annual installments, instead of in monthly installments. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. Assessments in default shall bear interest at the rate of seven (7%) percent per annum until paid in full. Each Co-owner (whether one or more persons) shall be, and
remains, personally liable for the payment of all assessments pertinent to his Unit which may be levied while such Co-owner is the owner thereof.

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

Section 6. The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. Each Co-owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the qualified right to elect to foreclose such lien either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each 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 cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Project acknowledges that, at the time of acquiring title to such Unit, he was notified of the provisions of this Section and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose, by advertisement, the lien for nonpayment of assessments, and a hearing on the same prior to the sale of the subject Unit. Notwithstanding the foregoing, neither a judicial foreclosure action, nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or their last known address of a written notice that one or more installments of the annual assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the servient's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorneys' fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of record. Such affidavit shall be recorded in the Office of the Register of Deeds in the County in which the Project is located prior to the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the lien (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the representative designated above and shall inform such representative that he may request a judicial hearing by bringing suit against the Association. The expenses incurred in collecting unpaid assessments, including interest, costs, attorney's fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on his Unit. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against his Unit, the Association shall have the right
to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to a Co-owner in default upon seven (7) day's written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to utilize any of the general Common Elements of the Project and shall not be entitled to vote at any meeting of the Association so long as such default continues. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him.

Section 7. 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 8. During the period up to the time of the First Annual Meeting of Members held in accordance with the provisions of Article IX, Section 2 hereof, the Developer of the Condominium, even though a member of the Association, shall not be responsible for payment of the monthly Association assessment. The Developer, however, shall during the period up to the time of the First Annual Meeting 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 completed Units in the Condominium. In no event shall Developer be responsible for payment, until after said First Annual Meeting, 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. After the First Annual Meeting, Developer shall be responsible for payment of the full monthly Association maintenance assessment for all completed Units owned by it. Developer shall not be responsible at any time for payment of said monthly assessment or payment of any expenses whatsoever with respect to any Unit notwithstanding the fact that such Unit may have been included in the Master Deed. "Completed Unit" shall mean a Unit with respect to which a certificate of occupancy has been issued by the local public authority. "Occupied Unit" shall mean a Unit used as a residence.

Section 9. 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. Pursuant to the provisions of Section 111 of the Act, the Purchaser of any Condominium Unit may request a statement of the Association as to the outstanding 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. The written statement from the Association shall also disclose the amounts of any interest, late charges, fines, costs and/or attorney fees due and owing with respect to the Unit (the "Related Costs"). Upon the payment of the sums set forth in the Association's written statement within the period stated, the Association's lien for assessments and Related Costs 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 Related Costs the lien securing same fully enforceable against such Purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments and Related Costs constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record.

ARTICLE III

ARBITRATION

Section 1. 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 Co-owners and the Association shall, upon the election and written consent of the parties to any such disputes, claims or grievances and written notice to the Association, be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding. At the exclusive option of the Association, a contract to settle by arbitration shall be executed by the Developer with respect to any claim that might be the subject of a civil action against the Developer, which claim arises out of or relates to the Common Elements of the Condominium Project if the amount of the claim is $10,000.00 or less. At the exclusive option of a Co-owner, any claim which might be the subject of a civil action against the Developer which involves an amount less than $2,500.00 and arises out of or relates to a Co-owner’s Unit or the Project, shall be settled by binding arbitration. 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. 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 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. The Association shall, to the extent appropriate in light of the nature of the General Common Elements of the Project, and such common amenities or areas as may be located outside of the Condominium, but placed under the management and control of the Association, carry fire and extended coverage, vandalism and malicious mischief and liability insurance (in a minimum amount to be determined by the Developer or the Association in its
discretion, but in no event less than $500,000 per occurrence). Officers' and directors' liability insurance, and workmen's compensation insurance, if applicable, and any other insurance the Association may deem applicable, desirable or necessary, pertinent to the ownership, use and maintenance of the General Common Elements and such insurance shall be carried and administered in accordance with the following provisions:

(a) All such insurance shall be purchased by the Association for the benefit of the Association, the Developer 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.

(b) All General Common Elements of the Condominium Project and common amenities or common areas under the control of the Association, whether or not located within the Project, shall be insured against fire (if applicable) and other perils covered by a standard extended coverage endorsement, if applicable and appropriate, in an amount equal to the current insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association. The Association shall not be responsible, in any way, for maintaining insurance with respect to Limited Common Elements.

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

(d) Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association and the Co-owners and their mortgagees, as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Project unless all of the institutional holders of first mortgages on Units in the Project have given their prior written approval.

Section 2. Each Co-owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in 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 and the General Common Elements appurtenant thereto, with such insurer as may, from time to time, provide such insurance for the Condominium Project. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.
Section 3. Each Co-owner shall be obligated and responsible, for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to the buildings and all other improvements constructed or to be constructed within the perimeter of his or her Unit and the personal property located therein or thereon or elsewhere on the Condominium Project. There is no responsibility on the part of the Association to insure any of such improvements whatsoever. All such insurance shall be carried by each Co-owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs. Each Co-owner shall deliver certificates of insurance to the Association not less than annually to evidence the continued existence of all insurance required to be maintained by the Co-owner hereunder. In the event of the failure of a Co-owner to obtain such insurance or to provide evidence thereof to the Association, the Association may, but shall have no obligation to obtain such insurance on behalf of such Co-owner and the premiums therefor shall constitute a lien against the Co-owner’s Unit which may be collected from the Co-owner in the same manner that Association assessments may be collected in accordance with Article II hereof. Each Co-owner shall be obligated to obtain insurance coverage for his personal liability for occurrences within the perimeter of his Unit or the improvements located thereon (naming the Association and the Developer as additional insured thereunder) and also for any other personal insurance coverage that the Co-owner wishes to carry. Such insurance shall be carried in such minimum amounts as may be specified by the Developer and thereafter by the Association and each Co-owner shall furnish evidence of such coverage to the Association or the Developer annually.

The Association shall under no circumstances have any obligation to obtain any of the insurance coverage described in this Section 3 or any liability to any person for failure to do so. The Association may, however, through its Board of Directors, undertake the responsibility for obtaining the insurance described in this Section 3, or any portion thereof, exclusive of insurance covering the contents located within a Co-owner’s residence, and the cost of the insurance shall be included as an expense item in the Association budget. All Co-owners shall be notified of the Board’s election to obtain the insurance at least sixty (60) days prior to its effective date when notification shall include a description of the coverage and the name and address of the insurer. Each Co-owner shall also be provided a certificate of insurance as soon as it is available from the insurer. Co-owners may obtain supplementary insurance but in no event shall any such insurance coverage undertaken by a Co-owner permit a Co-owner to withhold payment of the share of the Association assessment that relates to the equivalent insurance carried by the Association. The Association also shall not reimburse Co-owners for the cost of premiums resulting from the early cancellation of an insurance policy. To the extent a Co-owner does or permits anything to be done or kept on his Unit that will increase the rate of insurance 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 shall be charged to the Co-owner responsible for such activity or condition.

Section 4. The Association and all Co-owners shall use their best efforts to cause all property and liability insurance carried by the Association or any Co-owner to contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.
Section 5. Each individual Co-owner shall indemnify and hold harmless every other Co-owner, the Developer and the Association for all damages and costs, including attorneys' fees, which such other Co-owners, the Developer or the Association may suffer as a result of defending any claim arising out of or within such individual Co-owner's Unit and shall carry insurance to secure this indemnity if so required by the Developer (and thereafter the Association). This Section 5 shall not, however, be construed to give any insurer any subrogation right or other right or claim against any individual Co-owner.

ARTICLE V
RECONSTRUCTION OR REPAIR

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

(a) If the damaged property is a General Common Element the damaged property shall be rebuilt or repaired unless all of the Co-owners and all of the institutional holders of mortgages on any Unit in the Project unanimously agree to the contrary.

(b) If the damaged property is a Unit or any improvements thereon, the Co-owner of such Unit shall determine whether to rebuild or repair the damaged property, subject to the rights of any mortgagee or other person or entity having an interest in such property, and subject to the approval of any Co-owner's decision not to rebuild or repair by the Association. In the event that an election is made to rebuild or repair the damaged property, the Association and the Co-owner shall be responsible for the reconstruction and/or repair of such portions of the Unit as described in the Master Deed. The Co-owner of a Unit shall in any event remove all debris and restore his Unit and the improvements thereon to a clean and sightly condition satisfactory to the Association and in accordance with the provisions of Article VI hereof as soon as reasonably possible following the occurrence of the damage. In the event that a Co-owner has failed to repair, restore, demolish or remove the improvements on the Co-owner's Unit under this Section, the Association shall have the right (but not the obligation) to undertake reasonable repair, restoration, demolition or removal and shall have the right to place a lien on the Unit for the amounts expended by the Association for that purpose which may be foreclosed as provided for in these Bylaws.

Section 2. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the original plans and specifications for any damaged improvements located within the Unit unless the Co-owners shall unanimously decide otherwise.

Section 3. 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 place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are
Insufficient, 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 4. If damage to the General Common Elements adversely affects the appearance of the Project, the Association shall proceed with replacement of the damaged property without delay.

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

(a) In the event of any taking of all or any portion of a Unit or any improvements thereon 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, notwithstanding any provision of the Act to the contrary. If a Co-owner's entire Unit is taken by eminent domain, such Co-owner and his mortgagee shall, after acceptance of the condemnation award therefor, be divested of all interest in the Condominium Project.

(b) If there is any taking of any portion of the General Common Elements, 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 50% 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) 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 Board of Directors without the necessity of execution or specific approval thereof by any Co-owner.

(d) In the event any Unit in the Condominium, or any portion thereof, or the Common Elements or any portion thereof, becomes 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.

(e) To the extent not inconsistent with the foregoing provisions, Section 133 of the Act shall control upon any taking by eminent domain.

Section 6. 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.

Section 7. If any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC"), Federal National Mortgage Association ("FNMA"), Government National Mortgage Association ("GNMA"), the Michigan State Housing Development Authority ("MSHDA"), or insured by the Veterans Administration ("VA"), Department of Housing and Urban Development ("HUD"), Federal Housing Association ("FHA"), or any private or public mortgage insurance program, then the Association shall give the aforementioned parties written notice, at such address as they 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 Ten Thousand and 00/100 ($10,000.00) Dollars in amount or damage to a Condominium Unit or dwelling covered by a mortgage purchased, held or insured by them exceeds One Thousand and 00/100 ($1,000.00) Dollars.

ARTICLE VI
RESTRICTIONS

Section 4. No Unit in the Condominium shall be used for other than single-family residence purposes and the Common Elements shall be used only for purposes consistent with the use of single-family residences. A family shall mean one person or a group of two or more persons related by bonds of consanguinity, marriage or legal adoption, provided that notwithstanding the foregoing, a Unit may serve as the residence of two persons who are not of the same family and their respective children or parents. Neither the Units nor the Common Elements shall be used in violation of applicable zoning ordinances of the City of Novi or other applicable laws or regulations. No business, trade, profession or commercial activity of any kind shall be conducted within any Unit, Residence or structure within the Condominium. The operation of a "family day care home" or other day care facility within the Condominium or any Unit therein is specifically prohibited.

Section 2. A Co-owner may lease his 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 Board of Directors of the Association in the same manner as specified in Section 3 of this Article VI. 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 written lease, the initial term of which is at least one (1) year. 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.

Section 3. The leasing of Units within the Condominium shall be subject to the following provisions:

(a) A Co-owner, including the Developer, desiring to rent or lease a Condominium Unit, shall disclose that fact in writing to the Association at least ten (10) days before leasing the Condominium Unit and shall supply the Association with a copy
of the exact lease agreement for its review for its compliance with the Condominium Documents. This notice provision and the one-year term requirement imposed in Section 2 above shall not apply to Units leased by the Developer to individuals who have entered into a binding purchase agreement for a Unit and who are waiting to close and move into the Residence constructed thereon.

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

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

1. The Association shall notify the Co-owner by certified mail advising of the alleged violation by tenant.

2. 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.

3. 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-Co-owner and tenant or non-Co-owner occupant for breach of the conditions of the Condominium Documents. The relief set forth in this action may be a summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages caused by the Co-owner or tenant in connection with the Condominium Unit.

(d) When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to the tenant occupying a Co-owner’s Condominium Unit. Under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they become due and pay them to the Association. The deductions shall not be a breach of the rental agreement or lease by the tenant. If the tenant, after being notified, fails or refuses to remit rent otherwise due the Co-owner to the Association, then the Association may take the following actions:

1. The Association may issue a statutory notice to quit for non-payment of rent to the tenant and shall have the right to enforce that notice by summary proceeding.

2. The Association may initiate proceedings for eviction and money damages as described in subparagraph (c)(3) above following the tenant’s failure to remit rent otherwise due within fifteen (15) days after issuance of notice by the Association to the tenant by certified mail.
(e) These leasing provisions may not be revised prior to the Transitional Control Date without the Developer's prior written consent. No amendment to these leasing provisions made by the Association after the Transitional Control Date shall limit or affect the Developer's right to lease Units owned by the Developer.

Section 4. No residence or other improvements shall be constructed, erected, installed or located on any Unit except as approved by the Developer (during the Development and Sales Period) or by the Association (after the Development and Sales Period). No building shall be constructed, erected, installed or permitted to remain on any Unit other than one single-family, detached Residence with an attached private garage for not less than two (2) cars. No residence or other structure shall be more than two (2) stories above grade in height.

Section 5. Except as may be permitted by and in the sole discretion of both the appropriate officials of the City of Novi and the Developer (during the Development and Sales Period) or the Association (after the Development and Sales Period), no residence, building or other structure shall be placed, erected, altered or located on any Unit in violation of the front, side and rear setback standards imposed by the ordinances of the City of Novi in effect at the time of the improvement. Notwithstanding the foregoing, Co-owners may install rear decks that encroach into the rear yard setbacks of their respective Units, provided that any and all required approvals for such encroachment have been obtained from appropriate officials of the City of Novi and so long as the deck is installed in compliance with all applicable ordinances of the City of Novi.

Section 6. "Liveable Floor Area" as used in this Section 6 shall mean the area included within the outer surfaces of exterior walls but shall not include any garage, basement, chimney, deck, entrance, porch, open or enclosed porch, patio or breezeway (even if attached to the main dwelling), terrace, attic, or finished walkout area below the finished floor grade. Residences constructed within the Units in the Condominium shall have a minimum Liveable Floor Area of 1,650 square feet.

Section 7. The Co-owners of each Unit shall be responsible for maintaining the surface drainage grades of their Unit as established by the Developer. Each Co-owner covenants that he will not change the surface grade of his Unit in a manner that will materially increase or decrease the storm water flowing onto or off of his Unit and that he will not block, pond or obstruct surface water. The Board of Directors of the Association shall enforce this covenant and may enter upon the Units in the Condominium to correct any violations of this covenant and charge the cost of the corrective action to the Co-owners of the Unit in violation. Such costs shall be a lien upon the Unit in violation.

Section 8. The Co-owners of each Unit shall be responsible for maintaining the footing drains installed within their respective Units and for assuring that the footing drains are clear of obstructions and installed in accordance with the utility plans prepared in connection with the development of the Condominium. If any Co-owner fails to maintain the footing drains within his Unit or fails to properly install them as part of the storm drainage system of the Condominium, the Association may enter upon the Unit in violation of this requirement and perform all necessary connections, repairs and maintenance of the footing drains. The cost of such
corrective work shall be charged to the Co-owners of the Unit in violation and shall be a lien upon that Unit.

Section 9. No Residence, garage or other structure or improvement may be constructed or maintained over or on any easements within the Unit, provided, however, that after utilities have been installed within any such easements, such areas may be sodded. All other planting or improvements of any type over or on said easements shall be allowed only upon prior written approval by the Developer during the Development and Sales Period or the Association (after the Development and Sales Period), and only so long as the permitted planting or improvements do not interfere with, obstruct, hinder or impair the drainage plan of the Condominium and so long as access is granted, without charge or liability for damages, to the beneficiaries of the easement for the maintenance of the utilities and underground drainage lines installed within the easement and/or for the installation of additional facilities.

Section 10. No external air conditioning unit shall be placed in or attached to a window or wall of any Residence or other structure. No compressor or other component of an air conditioning system, heat pump or similar system shall be visible from the private roads located in the front of a Unit. To the extent reasonably possible, external components of air conditioning systems, heat pumps or similar systems shall be located so as to minimize any disruption of or negative impact on adjoining Units in terms of noise or appearance. Such components shall be installed, to the maximum extent possible, in the rear of the Residence constructed within the Unit and in no event shall such components be installed in a location that violates the applicable ordinances of the City of Novi. The Developer during the Development and Sales Period or the Association (after the Development and Sales Period) shall have conclusive authority to determine whether a system complies with these requirements.

Section 11. No Co-Owner shall install or erect any sort of antenna (including dish antennas) upon any General Common Element. Co-owners shall have the right to install (i) not more than one antenna designed to receive television broadcast signals and (ii) not more than one dish antenna measuring one meter (39 inches) or less in diameter or diagonally and designed to receive direct broadcast satellite services or video programming from multichannel multipoint distribution (wireless cable) providers within their Units; provided that any such antenna shall be installed behind the Residence constructed within the Unit in a location that is to the maximum extent possible, shielded from view from the road located in front of the Residence, while still permitting reception of an acceptable quality signal. The Association (or the Developer during the Development and Sales Period) shall have the right to impose rules requiring that any installed antenna be painted in a specified color so that the antenna blends into its surroundings. Any Co-owner installing or causing the installation of an antenna pursuant to this provision shall be responsible for retaining such building permit as may be required from the City of Novi with respect to such installation.

Section 12. A basketball hoop or backboard may be installed to the rear or side of a Residence or garage, but only if the hoop or backboard is not visible from the road located in front of the Residence or from any Residence constructed within a adjacent Unit. If no Residence has been constructed upon one or more adjoining Units at the time a Co-owner proposes to install a basketball hoop or backboard within his Unit, the determination as to whether the hoop or backboard will be visible from a future Residence constructed upon an
adjoining Unit will be made by the owners in the adjoining Units at the time the installation is proposed (including the Developer in the event that the Developer retains title to one or more of the adjoining Units). Any dispute between the Co-owners of adjoining Units regarding the location of a basketball hoop or backboard shall be submitted to the Association for resolution.

Section 13. No permanent, free standing flagpoles shall be permitted to be placed, constructed or maintained upon any Unit. Flag displays which are temporarily affixed or attached to any Residence shall be permitted but shall require the prior written approval of the Developer (during the Development and Sales Period) or the Association (after the Development and Sales Period). It is the intent of this provision that temporary flag displays mounted over a door or window should not be otherwise restricted except as to size, location and placement of the flag. In no event shall any flag display be of a permanent nature or excessive in size and all flags shall be taken indoors after dark. This provision shall not be construed to prohibit the display of a single United States flag, of a size not greater than three feet by five feet in accordance with Section 56(a) of the Act.

Section 14. All unimproved Units (or Units without Residences constructed upon them) must remain free of debris, litter and trash and must be cleaned up regularly. All grass and weeds on any unimproved Unit must be mowed at least once monthly or more often if required by the Developer. During periods of construction within a Unit, all debris, construction debris, unusable materials, litter and trash must be cleaned up and removed weekly or more often if required by the Developer (during the Development and Sales Period) or by the Association (after the Development and Sales Period).

Section 15. All exterior lighting, including lamps, posts and fixtures for any Residence, garage or other structure must receive prior written approval from the Developer (during the Development and Sales Period) or by the Association (after the Development and Sales Period). All exterior garage lights must be installed to a photocell which will facilitate the light being on from dusk until dawn of each day.

Section 16. No trailer, tent, shack, barn, tree house, tool storage shed or any temporary structure, building or outbuilding shall be constructed or maintained within the Condominium. No temporary occupancy shall be permitted in an unfinished Residence (except for temporary occupancy permitted in advance of completion of specific weather delayed items in accordance with the applicable ordinances and regulations of the City of Moville). The installation and maintenance on a Unit of any shelter or building used for the storage of construction materials during the construction of the Residence on the Unit must receive the prior written approval of the Developer (during the Building and Sales Period) or the Association (after the Development and Sales Period) and any such shelter or building must be removed from the Unit upon the enclosure of the Residence under construction. No old or unused buildings shall be brought on any Unit or any Common Element within the Condominium. No accessory buildings shall be permitted within any Unit.

Section 17. No fence, wall or hedge of any kind may be installed or maintained on or within a Unit without the prior written approval of the Developer (during the Development and Sales Period) or the Association (after the Development and Sales Period). This provision shall
not prevent the installation of retaining walls subject to the prior written approval of the Developer during the Development and Sales Period.

Section 18. All driveways shall be constructed in accordance with one of the three following standards, provided that Developer shall have the right to construct or approve the construction of driveways to an equal or better standard:

(a) Driveways may be constructed of a minimum six (6") inches of 21AA aggregate with a minimum of two and one-half (2 1/2") inches of asphalt laid in two courses or phases; the first course being at least one and one-half (1 1/2") inches deep and the second course being at least one (1") inch deep; or

(b) Driveways may be constructed of a minimum five (5") inches of deep strength asphalt laid in two courses or phases; the first course being at least three and one-half (3 1/2") inches deep and the second course being at least one and one-half (1 1/2") inches deep; or

(c) Driveways may be constructed of a minimum four (4") inches of concrete.

Section 19. No above ground, fires standing or in-ground swimming pools shall be permitted. A hot tub may be installed within a Unit in connection with the installation of a deck subject to the prior approval of the Developer during the Development and Sales Period.

Section 20. All public utilities such as water main, sanitary sewers, storm sewers, gas mains, electric and telephone local distribution lines, cable television lines, and all connections to the same, either private or otherwise, shall be installed underground. However, above-ground transformers, pedestals and other above-ground electric and telephone utility installations and distribution systems and surface drainage channels and facilities, as well as street lighting stanchions, shall be permitted.

Section 21. In connection with the construction of any residence or other improvement upon a Unit, all Co-owners shall comply with all applicable ordinances of the City of Novi.

Section 22. No Co-owner shall make any alterations to the exterior appearance of his Unit or make changes in any of the Common Elements, limited or general, without the express written approval of the Developer (during the Development and Sales Period) or the Association (after the Development and Sales Period). The Developer or the Association may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium. The Association through its Board of Directors may appoint an Environmental Standards Committee and may delegate to it responsibility for establishing rules relating to the appearance of Units and common areas and any and all of the approvals required by the Association pursuant to the various Sections of this Article VI. Even after approval, a Co-owner shall be responsible for all damages to all other Units and their contents or to the Common Elements resulting from any alteration undertaken by that Co-owner.

Section 23. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, limited or general, nor shall anything be done which
may be or become an annoyance or a nuisance to the Co-owners of the Condominium, nor shall any unreasonably noisy activity be carried on in any Unit or on the Common Elements. No Co-owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition.

Section 24. No Co-owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows or other similar dangerous weapons, projectiles or devices anywhere on or about the Condominium Premises.

Section 25. No animal, except normal household pets, shall be kept within or upon any Unit or upon the Condominium Premises. Domestic household pets may be maintained by any Co-owner within his Co-owner's Unit subject to and in strict compliance with such reasonable rules and regulations as may be adopted by the Association and each Co-owner's right to maintain such pets shall be subject to termination if such Co-owner fails to comply with the Section 25 of Article VI or such rules or regulations as may be adopted by the Association pertaining to pets. Any pets permitted to be kept in the Condominium shall have such care and restraint as not to be obnoxious or account of noise, odor or unsanitary conditions. No savage or dangerous animal shall be kept. No animal may be permitted to run loose upon the Common Elements and 'any animal shall at all times be kept on a leash and attended by some responsible person while on the Common Elements. Any person who causes or permits an animal to be brought or kept on the Condominium property shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the Condominium property.

Section 26. The Common Elements, limited or general, shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind except as provided in duly adopted rules and regulations of the Association. Trash receptacles shall be maintained inside each individual garage 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. Automobiles may only be washed in areas approved by the Association. In general, no activity shall be carried on nor condition maintained by a Co-owner either in his Unit or upon the Common Elements, which spoils the appearance of the Condominium.

Section 27. Sidewalks, yards, landscaped areas, driveways, roads, and parking areas shall not be obstructed in any way, nor shall they be used for purposes other than those for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or benches may be left unattended on or about the Common Elements.

Section 28. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers, motorcycles or vehicles other than automobiles, mini-vans or pick-up trucks may be parked or stored upon the premises of the
Condominium and no vehicle permitted within the Condominium by this provision shall be parked or stored within the Condominium in violation of any applicable City ordinance. Commercial vehicles and trucks shall not be parked in or about the Condominium unless while making deliveries or pickups in the normal course of business. Each Co-owner shall park his car(s) in the garage attached to his individual Unit, and shall park any additional car(s) only in the driveway specifically designated as a limited Common Element appurtenant to each Co-owner’s Unit. Vehicles shall not be parked on a regular basis overnight in driveways. Campers and similar vehicles may not be kept on the Condominium Premises for a period exceeding twenty-four (24) hours except with the express written approval of the Board of Directors or its designee. Co-owners shall, if the Association shall require, register with the Association all cars maintained on the Condominium Premises. Any non-assigned parking areas (as shown on Exhibit “B” to the Master Deed, or as may be determined by the Association from time to time), shall be reserved for general use of guests and invitees of the members.

Section 29. With the sole exception of the Developer’s right to place signs or other advertising devices during the sales and marketing period, no signs or other advertising devices shall be displayed which are visible from the exterior of a Unit or of the Common Elements, including “For Sale” signs, provided that the Association, through its Board of Directors, shall have the right to authorize the temporary maintenance of “For Sale” signs in accordance with rules and regulations adopted by the Board with regard to the size, content and color of such signs.

Section 30. Reasonable rules and regulations consistent with the Act, the Master Deed and these By-Laws, concerning the operation and the use of the Common Elements may be made and amended from time to time by any Board of Directors of the Association; including the First Board of Directors (or its successors elected by the Developer). Copies of all such rules and regulations and amendments thereto shall be furnished to all Co-owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each Co-owner. Any such rule or regulation or amendment may be revoked at any time by the affirmative vote of more than fifty (50%) percent of all Co-owners, except that the Co-owners may not revoke any rule or regulation or amendment over the objection of the Developer during the Development and Sales Period.

Section 31. The Association or its duly authorized agents shall have access to each Unit and any limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agents shall also have access to each Unit and any limited Common Elements appurtenant thereto at all times, without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit. It shall be the responsibility of each Co-owner to provide the Association means of access to his Unit and any limited Common Elements appurtenant thereto during all periods of absence, and in the event of the failure of such Co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to his Unit and any limited Common Elements appurtenant thereto caused thereby or for repair or replacement of any doors or windows damaged in gaining such access.
Section 32. 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. The Association reserves the right to remove any landscaping that does not comply with this provision at the expense of the Co-owner whose Unit is adjacent to or near such removed landscaping.

Section 33. All window treatments in the Project which are visible from the outside of the Unit shall have a neutral solid color backing. In addition, no unsightly condition shall be maintained upon any deck and only furniture and equipment consistent with ordinary deck use shall be permitted to remain there during seasons when decks are reasonably in use and no furniture or equipment of any kind shall be stored on decks during seasons when such areas are not reasonably in use.

Section 34. Each Co-owner shall maintain his Unit and any Limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other elements in any Unit which are appurtenant to or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by him, his family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association, in which case there shall be no such responsibility (unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

Section 35. As shown on the Condominium Subdivision Plan, a portion of the General Common Element land within the Condominium comprises wetland protected by federal, state or local law. Under the provisions of the Goemaere-Anderson Wetland Protection Act, Public Act No. 203 of 1979, and the City's ordinance, any disturbance of a protected wetland by depositing material in it, dredging or removing material from it, or draining water from the wetland may be done only after a permit has been obtained from the Michigan Department of Environmental Quality (or its administrative successor) and/or the City of Novi. (Pursuant to the City's Zoning Ordinance, a 25-foot wide buffer area immediately adjacent to the wetland may not be disturbed in the absence of a permit issued by the City.) The penalties specified in the Goemaere-Anderson Wetland Protection Act are substantial. In order to assure no inadvertent violations of the Goemaere-Anderson wetland protection Act and/or local ordinances occur, no Co-owner may disturb the wetland or wetland buffer area situated within the Condominium without first obtaining: (1) written authorization of the Association; (2) any necessary local permits; and (3) any necessary state permits. The Developer shall not be required to obtain the Association's prior approval for any activity during the Development and Sales Period. The Association may assess fines and penalties as provided for in these bylaws for violation of this Section.

Section 36. A significant portion of the General Common Element land within the Condominium is located within a flood plain and subject to conservation easements as shown.
on the Condominium Subdivision Plan. No construction activity or disturbance of the areas lying within the floodplain and/or the areas subject to the conservation easements shall be permitted unless first approved by a permit issued by the Michigan Department of Environmental Quality and by permits issued by the City of Novi.

Section 37. No fertilizers may be used by any Co-owner which may, in the estimation of the Association acting through its Board of Directors, damage any wetlands located on or near the Condominium. The Association may ban fertilizers which may damage any such wetlands from use in the Condominium.

Section 38. The Developer shall be responsible for clearing trees from the Condominium site to the extent permitted and required to construct the Residences within the Units in the Condominium. Any and all trees that remain after such construction shall be preserved to the maximum extent possible and shall only be removed with the prior written consent of both the Association and the City of Novi. Trees located within the areas subject to the Conservation Easement described in Article VI, Paragraph 6 of the Master Deed shall only be removed if and to the extent permitted by the terms of the Conservation Easement. (The Conservation Easement generally prohibits the removal of trees from within the easement areas identified in that document, except for dead or diseased trees as defined by the City's Woodland Ordinance.)

Section 39. Portions of the General Common Element and within the Condominium will comprise storm water detention or retention areas. No Co-owner shall cause or permit any portion of such storm water detention or retention areas to be altered or disturbed in any way nor shall any Co-owner interfere with the proper maintenance of such areas by the Association and its contractors or agents.

Section 40. 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 Development and Sales Period as defined in the Master Deed, 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. The Developer shall have the right to enforce these By-laws and the provisions of the Condominium Documents throughout the duration of the Development and Sales Period, if the Association or any Co-owner fails or refuses to fulfill its or his obligation to maintain, repair or replace or landscape any portion of the Condominium Premises during the Development and Sales Period, the Developer (or its assignee) shall have the right, but not the obligation, to perform that obligation and to charge the costs incurred in connection with the performance of the obligation to the Association as an expense of administration.

ARTICLE VII
MORTGAGÉS, MORTGAGE INSURERS
AND MORTGAGE GUARANTORS

Section 1. Any Co-Owner who mortgages his Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgagé of Units." The Association may, at the written request of a mortgagee of any such Unit, report any unpaid assessments due from the Co-owner of such Unit. The Association shall give to the holder of any first mortgage covering any Unit in the Project written
notification of any default in the performance of the obligations of the Co-owner of such Unit that is not cured within sixty (60) days.

Section 2. 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. 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.

Section 4. Any of the rights in the Condominium Documents (as described in the Master Deed) which are granted to first mortgagees shall also be extended to insurers and guarantors of such mortgagees, provided that they have given the Association notice of their interests. However, when voting rights are attributed to a mortgagee, only one vote may be cast per mortgagee as to the mortgage in question, regardless of the number of mortgagees, assignees, insurers and guarantors interested in the mortgage.

Section 5. All holders of first mortgages and insurers and guarantors thereof who have requested notices are entitled to timely written notice of: (a) any amendment affecting a unit in which they have an interest, (b) any amendment affecting a change in the general common elements, or limited common element appurtenant to a unit in which they have an interest, (c) a material change in the voting rights or use of a unit in which they have an interest, (d) any proposed termination of the condominium, (e) any condemnation or casualty loss which affects a material portion of the condominium or a unit in which they have an interest or (f) any lapse, cancellation or material modification of any insurance policy maintained by the Association.

ARTICLE VIII
VOTING

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

Section 2. No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association unless he or she has presented evidence of ownership of a Unit in the Condominium Project to the Association. 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 VIII below or by a proxy given by such individual representative. Except as provided in Article XI, Section 2 of these By-Laws, no Co-owner, other than the Developer, shall be entitled to vote at a meeting of the Association prior to the date of the First Annual Meeting held in accordance with Section 2 of Article IX. The Developer shall be entitled to vote during the period before the First Annual Meeting notwithstanding the fact that the Developer may own no Units at some time or from time to time during that period. At and after the First Annual Meeting, the Developer shall be entitled to one vote for each Unit that it owns.
Section 3. 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. 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. Votes may be cast only in person or in 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. A majority, except where otherwise provided herein, shall consist of more than fifty (50%) percent of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinafore set forth.

ARTICLE IX
MEETINGS

Section 1. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Co-owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Sturgis Code of Parliamentary Procedure, Robert's 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. The First Annual Meeting of members of the Association may be convened only by the Developer and may be called at any time after more than fifty (50%) percent of the Units in the Condominium have been sold and the purchasers thereof qualified as members of the Association, as determined by the Developer, in its sole discretion. 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 Board of Directors, and at least ten (10) days' written notice thereof shall be given to each Co-owner;

Section 3. Annual meetings of the members of the Association shall be held on such date as may be determined by the Board of Directors within each succeeding calendar year after the calendar year in which the First Annual Meeting is held, at such time and place as shall be determined by the Board of Directors, provided, however, that the second annual meeting shall not be held sooner than 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 XI of these By-Laws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

Section 4. It shall be the duty of the President to call a special meeting of the Co-owners as directed by resolution of the Board of Directors 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. 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 VIII, Section 3 of these By-Laws 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. 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. 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. 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 (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of 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. 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 or a similar record of the proceedings of meetings of members, when signed by the President or Secretary, shall be presumed faithfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE X
ADVISORY COMMITTEE

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 which may be created in the Project whenever 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 of the non-developer Co-owners petition the Board of Directors for an election to select the Advisory Committee, then an election for such purpose shall be held. The purpose of the Advisory Committee shall be to facilitate communications between the temporary Board of Directors and the 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 or the Association. The Developer may remove and replace (at its discretion and at any time) any member of the Advisory Committee who has not been elected thereto by the Co-owners.
ARTICLE XI
BOARD OF DIRECTORS

Section 1. The Board of Directors shall be comprised of three (3) members, all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association, except for the first Board of Directors. Directors shall serve without compensation.

Section 2. Election of Directors.

(a) 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 Co-owners to the Board. Elections for non-developer Co-owner Directors shall be held as provided in subsections (b) and (c) below.

(b) 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 in number of the Units that may be created, one of the three (3) Directors shall be selected by non-Developer Co-owners. When the required number of conveyances has been reached, the Developer shall notify the non-Developer Co-owners and request that they hold a meeting and elect the required Director. Upon certification by the Co-owners to the Developer of the Director so elected, the Developer shall then immediately appoint such Director to the Board to serve until the first Annual Meeting of members unless he is removed pursuant to Section 7 of this Article or he 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 in number of the Units that may be created, the non-Developer Co-owners shall elect all Directors on the Board, except that the Developer shall have the right to designate at least one (1) Director as long the Units that remain to be created and conveyed equal at least ten (10%) of all Units in the Project. Whenever the required 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 fifty four (54) months after the first conveyance of legal or equitable title to a non-Developer Co-owner of a Unit in the Project, the non-Developer Co-owners have the right to elect a number of members of the Board of Directors equal to the percentage of Units they own, and 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 all assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in...
subsection (1). Application of this subsection does not require a change in the size of the Board 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 (2), 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 Subsection (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 subsection shall not eliminate the right of the Developer to designate one (1) Director as provided in Subsection (1).

(4) At the First Annual Meeting, two (2) Directors shall be elected for a term of two (2) years and one (1) Director shall be elected for a term of one (1) year. At such meeting all nominees shall stand for election as one slate and the two (2) persons receiving the highest number of votes shall be elected for a term of two (2) years and the one (1) person receiving the next highest number of votes shall be elected for a term of one (1) year. At each annual meeting held thereafter, either two (2) Directors or one (1) Director shall be elected depending upon the number of Directors whose terms expire. After the First Annual Meeting, the term of office of each Director shall be two (2) years, except for the one (1) Director elected for a one-year term at the First Annual Meeting. 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 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 IX, Section 3 hereof.

Section 3. The Board of Directors shall have the power 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.

Section 4. In addition to the foregoing duties imposed by these By-Laws 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 General 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 of 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 in number and in value;

(h) To make rules and regulations in accordance with Article VI of these By-Laws;

(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; and

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

Section 5. 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 or which is not terminable by the Association upon ninety (90) days written notice thereof to the other party and no such contract shall violate the provisions of Section 55 of the Act.

Section 6. Vacancies 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. 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 qualified to vote 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 VIII, 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 anytime 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. 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 to legally constitute such meeting, providing a majority of the whole Board shall be present.

Section 9. 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 of the Board of Directors may be called by the President on three (3) days' notice to each 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. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meetings of the Board shall be deemed a waiver of notice of him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors.
If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting to a subsequent time upon twenty four (24) hours prior written notice delivered to all Directors not present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the act 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: The actions of the first Board of Directors of the Association or any successors thereto, selected 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. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

ARTICLE XII
OFFICERS

Section 1. 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 officers except that of President and Vice President may be held by one (1) person.

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

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

(c) 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 he or she shall, in general, perform all duties incident to the office of the Secretary.
(d) 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. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his or her successor elected at any regular meeting of the Board of Directors, or at any special meeting 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. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Directors.

ARTICLE XIII

SEAL

The 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 XIV

FINANCES

Section 1. 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. 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. Funds of the Association shall be initially deposited in such bank or savings association as may be designated by the Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time. The funds may be invested from time to time in accounts or deposit certificates of such bank or savings association as are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or their current statutory successors and may also be invested in interest bearing obligations of the United States Government.

ARTICLE XV
INDEMNIFICATION OF OFFICERS AND DIRECTORS

Every Director and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including actual and reasonable counsel fees and amounts paid in settlement, incurred by or imposed upon him 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 may be a party or in which he may become involved by reason of his being or having been a Director or officer of the Association, whether or not he is a Director or officer at the time such expenses are incurred, except for acts of willful and wanton misconduct or gross negligence; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the Director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled. At least ten (10) days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all Co-owners thereof. Further, the Board of Directors is authorized to carry officers' and directors' liability insurance covering acts of the officers and Directors of the Association in such amounts as it shall deem appropriate.

ARTICLE XVI
AMENDMENTS

Section 1. Amendments to these By-Laws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or may be proposed by one third (1/3) or more of the Co-owners by instrument in writing signed by them.

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

Section 3. These By-Laws 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 By-Laws unless such amendment would materially alter or change the
rights of such mortgagees, in which event the approval of sixty six and two thirds (66-2/3%) percent of the mortgagees shall be required, with each mortgagee to have one vote for each first mortgage held.

Section 4. Prior to the Transitional Control Date, these By-Laws 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. Any amendment to these By-Laws shall become effective upon recording of such amendment in the office of the Oakland County Register of Deeds.

Section 6. A copy of each amendment to the By-Laws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these By-Laws 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.

Section 7. No amendment to these By-Laws will conflict with City of Novi ordinances or conditions of approval for the development of the Condominium.

ARTICLE XVII
COMPLIANCE

The Association of Co-owners and all present or future Co-owners, tenants, future tenants, or any other persons acquiring an interest in or using the facilities of the Project in any manner are subject to and shall comply with the Act, as amended, and the mere acquisition, occupancy or rental of any Unit or an interest therein or the utilization 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 XVIII
DEFINITIONS

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

ARTICLE XIX
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. 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
Section 2. 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 attorney's fees.

Section 3. 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 (but not into any Residence or related garage), where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing of 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. The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless in accordance with the provisions of Article XX thereof.

Section 5. 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. 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. 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 XX
ASSESSMENT OF FINES

Section 1. The violation by any Co-owner, occupant or guest of any provisions of the Condominium Documents including any duly adopted rules and regulations shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, 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 personal actions or the actions of his family.
guests, tenants or any other person admitted through such Co-owner to the Condominium, Premises.

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

(a) 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 By-Laws:

(b) The offending Co-owner shall have an opportunity to appear before the Board and offer evidence in defense of the alleged violation. The appearance before the Board 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) Failure to respond to the notice of violation constitutes a default.

(d) 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 Board shall, by majority vote of a quorum of the Board, decide whether a violation has occurred. The Board's decision is final.

Section 3. 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 Board as recited above, the following fines shall be levied:

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

(b) Second Violation. A fine of Seventy-Five Dollars ($75.00).

(c) Third Violation. A fine of One Hundred Dollars ($100.00).

(d) Fourth Violation and Subsequent Violations. A fine of One Hundred and Fifty Dollars ($150.00) for each violation.

The Association, acting through its Board of Directors, may increase or decrease the fine schedule set forth above by Board resolution after giving prior written notice to the Co-owners of the proposed change. The resolution and a proof of notice shall then be recorded in Oakland County Records and the new schedule shall be effective upon recording.

Section 4. 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 Documents including, without limitation, those described in Article
II and this Article XX of these By-Laws.

ARTICLE XXI
JUDICIAL ACTIONS AND CLAIMS

Actions on behalf of and against the Co-owners shall be brought in the name of the
Association. Subject to the express limitations on actions in these Bylaws and in the
Association's Articles of Incorporation, the Association may assert, defend or settle claims on
behalf of all Co-owners in connection with the Common Elements of the Condominium. As
provided in the Articles of Incorporation of the Association, the commencement of any civil action
(other than one to enforce these Bylaws or collect delinquent assessments) shall require the
approval of a majority in number and in value of the Co-owners, and shall be governed by the
requirements of this Article. The requirements of this Article will ensure that the Co-owners are
fully informed regarding the prospects and likely costs of any civil actions actually filed by the
Association. These requirements are imposed in order to reduce both the cost of litigation and
the risk of improvident litigation, and in order to avoid the waste of the Association's assets in
litigation where reasonable and prudent alternatives to the litigation exist. Each Co-owner shall
have standing to sue to enforce the requirements of this Article. The following procedures and
requirements apply to the Association's commencement of any civil action other than an action
to enforce these Bylaws or to collect delinquent assessments.

Section 1. The Association's Board of Directors shall be responsible in the first
instance for recommending to the Co-owners that a civil action be filed, and supervising and
directing any civil actions that are filed.

Section 2. Before an attorney is engaged for purposes of filing a civil action on behalf
of the Association, the Board of Directors shall call a special meeting of the Co-owners ("litigation
evaluation meeting") for the express purpose of evaluating the merits of the proposed civil
action. The written notice to the Co-owners of the date, time and place of the litigation evaluation
meeting shall be sent to all Co-owners not less than twenty (20) days before the date of the
meeting and shall include the following information copied onto 8-1/2" x 11" paper:

(a) A certified resolution of the Board of Directors setting forth in detail the
concerns of the Board of Directors giving rise to the need to file a civil action and further
certifying that:

(i) it is in the best interests of the Association to file a lawsuit;

(ii) that at least one member of the Board of Directors has personally
made a good faith effort to negotiate a settlement with the putative defendant(s)
on behalf of the Association, without success;

(iii) litigation is the only prudent, feasible and reasonable alternative; and
(iv) the Board of Directors' proposed attorney for the civil action is of the written opinion that litigation is the Association's most reasonable and prudent alternative.

(b) A written summary of the relevant experience of the attorney ("litigation attorney") the Board of Directors recommends to represent the Association in the proposed civil action, including the following information: (i) the number of years the litigation attorney has practiced law; and (ii) the name and address of every condominium and homeowner association for which the attorney has filed a civil action in any court, together with the case number, county and court in which each civil action was filed.

(c) The litigation attorney's written estimate of the amount of the Association's likely recovery in the proposed lawsuit, net of legal fees, court costs, expert witness fees and all other expenses expected to be incurred in the litigation.

(d) The litigation attorney's written estimate of the cost of the civil action through a trial on the merits of the case ("total estimated cost"). The total estimated cost of the civil action shall include the litigation attorney's expected fees, court costs, expert witness fees, and all other expenses expected to be incurred in the civil action.

(e) The litigation attorney's proposed written fee agreement.

(f) The amount to be specially assessed against each Unit in the Condominium to fund the estimated cost of the civil action both in total and on a monthly per Unit basis, as required by Section 6 of this Article.

Section 3. If the lawsuit relates to the condition of any of the Common Elements of the Condominium, the Board of Directors shall obtain a written independent expert opinion as to reasonable and practical alternative approaches to repairing the problems with the Common Elements, which shall set forth the estimated costs and expected viability of each alternative. In obtaining the independent expert opinion required by the preceding sentence, the Board of Directors shall conduct its own investigation as to the qualifications of any expert and shall not retain any expert recommended by the litigation attorney or any other attorney with whom the Board of Directors consults. The purpose of the independent expert opinion is to avoid any potential confusion regarding the condition of the Common Elements that might be created by a report prepared as an instrument of advocacy for use in a civil action. The independent expert opinion will ensure that the Co-owners have a realistic appraisal of the condition of the Common Elements, the likely cost of repairs to or replacement of the same, and the reasonable and prudent repair and replacement alternatives. The independent expert opinion shall be sent to all Co-owners with the written notice of the litigation evaluation meeting.

Section 4. The Association shall have a written fee agreement with the litigation attorney, and any other attorney retained to handle the proposed civil action. The Association shall not enter into any fee agreement that is a combination of the retained attorney's hourly rate and a contingent fee arrangement unless the existence of the agreement is disclosed to the Co-owners in the text of the Association's written notice to the Co-owners of the litigation evaluation meeting.
Section 5. At the litigation evaluation meeting the Co-owners shall vote on whether to authorize the Board of Directors to proceed with the proposed civil action and whether the matter should be handled by the litigation attorney. The commencement of any civil action by the Association (other than a suit to enforce these Bylaws or collect delinquent assessments) shall require the approval of a majority in number and in value of the Co-owners. Any proxies to be voted at the litigation evaluation meeting must be signed at least seven (7) days prior to the litigation evaluation meeting. Notwithstanding any other provision of the Condominium Documents, no litigation shall be initiated by the Association against the Developer until such litigation has been approved by an affirmative vote of seventy-five (75%) percent of all members of the Association in number and value obtained after a litigation evaluation meeting held specifically for the purpose of approving such action.

Section 6. All legal fees incurred in pursuit of any civil action that is subject to Sections 1 through 10 of this Article shall be paid by special assessment of the Co-owners ("litigation special assessment"). The litigation special assessment shall be approved at the litigation evaluation meeting (or at any subsequent duly called and noticed meeting) by a majority in number and in value of all Co-owners in the amount of the estimated total cost of the civil action. If the litigation attorney proposed by the Board of Directors is not retained, the litigation special assessment shall be in an amount equal to the estimated total cost of the civil action, as estimated by the attorney actually retained by the Association. The litigation special assessment shall be apportioned to the Co-owners in accordance with their respective percentage of value interests in the Condominium and shall be collected from the Co-owners on a monthly basis. The total amount of the litigation special assessment shall be collected monthly over a period not to exceed twenty four (24) months.

Section 7. During the course of any civil action authorized by the Co-owners pursuant to this Article, the retained attorney shall submit a written report ("attorney's written report") to the Board of Directors every thirty (30) days setting forth:

(a) The attorney's fees, the fees of any experts retained by the attorney, and all other costs of the litigation during the thirty (30) day period immediately preceding the date of the attorney's written report ("reporting period").

(b) All actions taken in the civil action during the reporting period, together with copies of all pleadings, court papers, and correspondence filed with the court or sent to opposing counsel during the reporting period.

(c) A detailed description of all discussions with opposing counsel during the reporting period, written and oral, including, but not limited to settlement discussions.

(d) The costs incurred in the civil action through the date of the written report as compared to the attorney's estimated total cost of the civil action.

(e) Whether the originally estimated total cost of the civil action remains accurate.
Section 8. The Board of Directors shall meet monthly during the course of any civil action to discuss and review:

(a) the status of the litigation;
(b) the status of settlement efforts, if any; and
(c) the attorney's written report.

Section 9. If, at any time during the course of a civil action, the Board of Directors determines that the originally estimated total cost of the civil action or any revision thereof is inaccurate, the Board of Directors shall immediately prepare a revised estimate of the total cost of the civil action. If the revised estimate exceeds the litigation special assessment previously approved by the Co-owners, the Board of Directors shall call a special meeting of the Co-owners to review the status of the litigation, and to allow the Co-owners to vote on whether to continue the civil action and increase the litigation special assessment. The meeting shall have the same quorum and voting requirements as a litigation evaluation meeting.

Section 10. The attorneys' fees, court costs, expert witness fees and all other expenses of any civil action filed by the Association ("litigation expenses") shall be fully disclosed to Co-owners in the Association's annual budget. The litigation expenses for each civil action filed by the Association shall be listed as a separate line item captioned "litigation expenses" in the Association's annual budget.

ARTICLE XXII
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 entities 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, upon the expiration of the Development and Sales Period. The immediately preceding sentence dealing with the termination of certain rights and powers granted or reserved to the Developer is intended to apply, irrespectively 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).

37.
ARTICLE XXIII:
SEVERABILITY

In the event that any of the terms, provisions or covenants of these By-Laws 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.