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LI27630PA392

MASTER DEED

Paramount Estates CONDOMINIUM ASSOCIATION

(Act 59, Public Acts of 1978; as amended)  
PLAN # 377

This Master Deed made and executed on this 25th day of August, 1994, by A & R DEVELOPMENT INC., a Michigan corporation, whose address is 43166 Lochrisen, Suite 3313, Novi, Michigan 48375 (the "Developer") in accordance with the provisions of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended) (the "Act").

W I T N E S S E T H

WHEREAS Developer is the owner of land located in the Charter Township of Northville, County of Wayne, State of Michigan, described as follows:

That part of the N/E 1/4 of Section 17, T.1S., R.8E., Township of Northville, Wayne County, Michigan being more particularly described as beginning at a point distant due East, 1336.01 feet along the North line of said Section 17 and the centerline of Six Mile Road (width varies), from the N 1/4 corner of said Section 17; thence continuing along said North line due East 442.23 feet; thence S. 02° 52' 13" W., 1977.39 feet; thence N. 88° 55' 02" W., 440.50 feet; thence N. 02° 49' 47" E., 1968.99 feet to the point of beginning. Containing 870,151 square feet or 19.97 acres and subject to any easements or restrictions of record and the rights of the people on Six Mile Road.

94226128

91 SEP 23 PM 12:07  
FOREST E. YOUNG BLDG  
REGISTER OF DEEDS  
WAYNE COUNTY MI

WHEREAS, the Developer desires by recording this Master Deed, together with the Condominium Bylaws 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 as completely above, 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.

This is to certify that there are no tax liens or titles on this property and that taxes are paid for FIVE YEARS previous to date of this instrument EXCEPT

to 3c

SEP 23 1994

*Raymond J. Wojcik*  
WAYNE COUNTY TREASURER

EXAMINED AND APPROVED

DATE SEP 23-94

BY JUP-ALU

09-23-94 DANIEL P. LANE #1  
PLAT ENGINEER

2151 M

3000 TL

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

FIRST: 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 in limitation, the Articles of Incorporation and Rules and Regulations of Paramount Estates Condominium Association, a Michigan non-profit corporation, and deeds, mortgages, liens, land contracts, easements, and other instruments affecting the establishment of or transfer of interests in Paramount Estates as a condominium. Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

- (1) The "Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended.
- (2) "Association" means 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.
- (3) "By-Laws" means Exhibit "A" hereto, being the By-Laws setting forth the substantive rights and obligations of the co-owners and required by Section 3(8) of the Act to be recorded as part of the Master Deed. The By-Laws shall also constitute the corporate By-Laws of the Association as provided for under the Michigan Non-Profit Corporation Act.
- (4) "Common elements", where used without modification, shall mean both the general and limited common elements described in paragraph FOURTH hereof.

- (5) "Condominium documents" wherever used means and includes this Master Deed and Exhibits "A" and "B" hereto, the Articles of Incorporation and the Rules and Regulations, if any, of the Association.
- (6) "Condominium premises" means and includes the land, all improvements and structures thereon, and all easements, rights and appurtenances belonging to Paramount Estates as described above.
- (7) "Condominium", "condominium project" or "project" means Paramount Estates established in conformity with the provisions of the Act.
- (8) "Condominium Subdivision Plan" means Exhibit "B" hereto.
- (9) "Consolidating Master Deed" means the final amended Master Deed which shall describe Paramount Estates as a completed condominium project and shall reflect the entire land area added to the Condominium from time to time under paragraph NINTH and all condominium units and common elements therein, and which shall express percentages of value pertinent to each condominium unit as finally readjusted. Such Consolidating Master Deed, when recorded in the Office of the Wayne County Register of Deeds, shall supersede all previously recorded Master Deeds for Paramount Estates.
- (10) "Construction and sales period" means, for the purposes of the Condominium documents and the rights reserved to the Developer thereunder, the period commencing with the recording of the Master Deed and continuing as long as the Developer owns any unit which it offers for sale or for so long as the Developer is entitled to expand the project as provided in paragraph NINTH hereof, whichever is longer.
- (11) "Co-owner" means a person, firm, corporation, partnership, association, trust, or other legal entity or any combination thereof who or which owns one or more units in the condominium project. The term "owner", wherever used, shall be synonymous with the term "co-owner". "Co-owner" shall also include a land contract vendee.
- (12) "Developer" means A & R Development Inc., a Michigan corporation, which has made and executed this Master Deed, and its successors and assigns.
- (13) "First annual meeting" means the initial meeting at which nondeveloper co-owners are permitted to vote for the election of all Directors and upon all other matters

which properly may be brought before the meeting. Such meeting (i) may be held at any time, in the Developer's sole discretion, after fifty percent (50%) of the units which may be created are sold, and (ii) must be held within (a) 60 months from the date of the first unit conveyance, or (b) 120 days after seventy-five percent (75%) of all units which may be created are sold, whichever occurs first. The maximum number of units that may be added to the project pursuant to paragraph NINTH hereof shall be included in the calculation of the number of units which may be created.

- (14) "Transitional control date" means the date on which a Board of Directors of the Association takes office pursuant to an election in which the votes which may be cast by eligible co-owners unaffiliated with the Developer exceed the votes which may be cast by the Developer.
- (15) "Unit" means a single condominium unit in Paramount Estates, as described in paragraph FIFTH hereof and in Exhibit "B" hereto, and shall have the same meaning as "condominium unit" as defined in the Act. No unit shall be divided into more than one building site.
- (16) 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.

SECOND: The condominium project shall be known as Paramount Estates, Wayne County Condominium Subdivision Plan No. The engineering and architectural plans for the project (including all dwellings and other improvements to be constructed therein) were or will be approved by, and are or will be on file with, the Township of Northville, Wayne County, State of Michigan. The condominium project is established in accordance with the Act.

THIRD: The units contained in the Condominium, including the number, boundaries, dimensions, and area of each condominium unit therein, are set forth completely in the Condominium Subdivision Plan attached as Exhibit "B" hereto. Each unit has been created for residential purposes and each unit is capable of individual utilization on account of having its own access to a public street or a common element of the condominium project. Each co-owner in the condominium project shall have an exclusive right to his condominium 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 this Master Deed.

FOURTH: The common elements of the project described in Exhibit "B" attached hereto and the respective responsibilities for the maintenance, decoration, repair, or replacement thereof are as follows:

(1). The general common elements are:

(e) The water distribution system, sanitary sewer system, and storm drainage and retention system throughout the project, up to the exterior edge of each unit;

(f) Such other elements of the project not herein designated as general or limited common elements which are not located within the perimeter of a unit and which are intended for common use or necessary to the existence, upkeep and safety of the project.

(g) Some or all of the utility lines (including mains and service leads) and equipment described in paragraph FOURTH (1)(b), (c), (d) and (e) may be owned by the local municipal authority or by the company that is providing the pertinent utility service. Accordingly, such utility lines and equipment shall be general common elements only to the extent of the co-owners' interest therein, and the Developer makes no warranty whatever with respect to the nature or extent of such interest, if any.

(2). Limited common elements, if any, shall be subject to the exclusive use and enjoyment of the co-owner of the unit or units to which such limited common elements are appurtenant. Each unit is surrounded by land that is a limited common element equal in area to the residential construction set-back lines as required by the Zoning Ordinance for the Township of Northville, and as is described in Exhibit "B" hereto. No additional limited common elements have been designated as such in this Master Deed because there are no additional limited common elements in the first phase of this project and it is not anticipated that any additional limited common elements will be constructed by the Developer anywhere within the project as it hereafter may be expanded pursuant to paragraph NINTH hereof, although the Developer may create limited common elements as provided in such paragraph. If any additional limited common elements are included in the project at any time hereafter, they shall be shown on amendments to the Condominium Subdivision Plan.

(3) The respective responsibilities for the maintenance, decoration, repair, and replacement of the common elements are as follows:

(a) Association Responsibilities. The responsibility for performing the snowplowing of all common walks in the project, regardless of whether located within or without a condominium unit, shall be borne by the Association:

provided, however, that if a majority of all co-owners so agree in writing, the Association's liability with respect to the common walks shall be terminated, and the respective co-owners shall thereafter be responsible for the snowplowing of their respective portions of the common walks. In the event a majority of the co-owners do so agree, an affidavit to that effect shall be made by an officer of the Association and recorded in the office of the Wayne County register of Deeds and a copy thereof delivered to each co-owner. In no event shall any such election be made at any time during which the Developer owns a majority of the units in the project. If such work is performed upon a unit by the Association, the individual co-owner thereof shall reimburse the Association for all costs thereof within fifteen (15) days of billing or the Association shall have the right to recover its expenses in the same manner as established for the collection of assessments in Article II of the By-Laws. The costs of maintenance, repair, replacement and landscaping of all general common elements in the project shall be borne by the Association, including landscaping installed by the Developer that may be located within the public right-of-way, such as the entrance area on Circle Drive, subject to any provisions of the Condominium documents expressly to the contrary. The Association also shall have the maintenance responsibilities set forth in paragraph TENTH hereof.

- (b) Co-Owner Responsibilities. The co-owners individually shall be responsible for the maintenance, repair and replacement of limited common elements and improvements made within units and for all decoration, maintenance, repair, or replacement that (i) is expressly assigned to them by any provision of the Condominium documents, or (ii) is not expressly assigned to the Association by any provision of the Condominium documents; but none of the co-owners shall be responsible individually for decoration, maintenance, repair, or replacement of any general common elements except as specifically provided in Article VI, Section 14 of the By-Laws. In the event a co-owner fails to maintain, decorate, repair or replace any items for which he is responsible, the Association (and/or the Developer during the construction and sales period) shall have the right, but not the obligation, to take whatever action or actions it deems desirable to so maintain, decorate, repair or replace any of such limited common elements or improvements made within a unit, all at the expense of the co-owner of the unit. Failure of the Association (or the Developer) to take any such action shall not be deemed a waiver of the Association's (or the Developer's) right to take any such action at a

future time. All costs incurred by the Association or the Developer in performing any responsibilities under this paragraph FOURTH which are required, in the first instance to be borne by any co-owner, shall be assessed against such co-owner and shall be due and payable with his monthly assessment next falling due; further, the lien for nonpayment shall attach as in all cases of regular assessments and such assessments may be enforced by the use of all means available to the Association under the condominium documents and by law for the collection of regular assessments including, without limitation, legal action, foreclosure of the lien securing payment and imposition of fines.

FIFTH:

(1) Each unit of the condominium project is described in this paragraph with reference to the Condominium Subdivision Plan of Paramount Estates as surveyed by Albert Michalich & Associates, and attached hereto as Exhibit "B". Each unit shall consist of the space contained within the unit boundaries as shown on Exhibit "B" hereto and delineated with heavy outlines, together with all appurtenances thereto.

(2) The percentage value assigned to all units shall be equal. The determination that percentages of value should be equal was made after reviewing the comparative characteristics of each unit in the project and concluding that there are no material differences among the units insofar as the allocation of percentages of value is concerned. The percentage of value assigned to each unit shall be determinative of each co-owner's respective share of the common elements of the condominium project, the proportionate share of each respective co-owner in the proceeds and the expenses of administration and the value of such co-owner's vote at meetings of the Association. The total value of the project is one hundred percent (100%).

SIXTH: Notwithstanding any other provision in this Master Deed or the By-Laws or any other documents, the following provisions shall apply and may not be amended or deleted without the prior written consent of the holder of each first mortgage of a condominium unit of record:

(1) A first mortgagee, at its request, is entitled to written notification from the Association of any default by the co-owner of such condominium unit in the performance of such co-owner's obligations under the Condominium documents which is not cured within sixty (60) days.

(2) Any first mortgagee who obtains title to a unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage or deed (or assignment) in lieu of foreclosure shall

be exempt from any "right of first refusal" contained in the Condominium documents and shall be free to sell or lease such unit without regard to any such provision.

(3) Any first mortgagee who obtains title to a unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage or deed (or assignment) in lieu of foreclosure shall not be liable for such unit's unpaid dues or charges which accrue prior to the acquisition of title to such unit by the mortgagee (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 condominium unit).

(4) Unless at least two-thirds (2/3) of the first mortgagees (based upon one (1) vote for each mortgage owned) and co-owners (other than the sponsor, developer or builder) of the individual condominium units have given their prior written approval, the Association shall not be entitled to:

(a) by act or omission seek to abandon or terminate the condominium project;

(b) change the pro rata interest or obligations of any condominium unit for the purpose of (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro rata share of ownership of each unit in the common elements;

(c) partition or subdivide any condominium unit;

(d) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the common elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the condominium project shall not be deemed a transfer within the meaning of this clause;

(e) use hazard insurance proceeds for losses to any condominium property (whether to units or to common elements) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in case of substantial loss to the units and/or common elements of the condominium project:

provided, however, if there is now or hereafter provision in addition to, expansion or contraction of the condominium project then a change in the pro rata interest or obligations of an individual unit for (i) the purpose of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro rata share of ownership of each unit in the common elements will be permitted provided that the provision pursuant to which the Condominium is



subject for addition. expansion or contraction complies with the following limitations:

(a) unit owners have a minimum percentage undivided interest in the common elements, and a corresponding maximum interest subject to diminution to no less than such minimum, each such percentage interest being stated in the Master Deed;

(b) the conditions on which any change in such percentage of undivided interest in common elements may take place are fully described in the Master Deed, together with a description of the real property which will become subject to the Condominium if such alternative percentage interest becomes effective; and

(c) no change in the percentage interests in the common elements may be effected pursuant to such provision more than six (6) years after the date the Master Deed becomes effective.

(5) Each first mortgagee has the right to examine the books and records of the Association and the condominium project.

(6) No condominium unit owner, or any other party, shall have priority over any rights of first mortgagees of condominium units pursuant to their mortgages in the case of a distribution to condominium unit owners of insurance proceeds or condemnation awards for losses to or a taking of condominium units and/or common elements.

(7) Any agreement for professional management of the condominium regime or any other contract providing for services which exists between the Association and the Developer or affiliates of the Developer is voidable by the Board of Directors of the Association on the transitional control date or within ninety (90) days thereafter, and on thirty (30) days' written notice at any time thereafter without cause or payment of a termination fee.

SEVENTH: In the event the Condominium is partially or totally damaged or destroyed or partially taken by eminent domain, the repair, reconstruction or disposition of the property shall be as provided by the By-Laws attached hereto as Exhibit "A".

EIGHTH: There shall be easements to, through and over the entire project, including all of the land, structures, buildings, and improvements therein, for the continuing maintenance and repair of all utilities in the Condominium. In the event any improvements located on one unit encroach upon another unit or upon a common element, easements shall exist for the maintenance of such encroachment for so long as such encroachment exists and for maintenance, repair and replacement thereof following damage or destruction. The Board of Directors of the Association may grant easements over or through or dedicate any portion of any general

common element of the Condominium for utility, roadway or safety purposes.

NINTH: There shall be easements to and in favor of the Association, and its officers, directors, agents, and designees, in, on and over all units and common elements in the project for access to the units and the exterior of each of the residential dwellings that is constructed within the project to permit the maintenance, repair, replacement, and/or decoration thereof in accordance with the terms hereof. Except as otherwise expressly provided herein, and in the absence of performance by the respective co-owners involved, the Association shall be responsible for performing the routine decoration and maintenance of the exteriors, including roofs, of all residential dwellings constructed in the project, all fences enclosing or partially enclosing courtyards and patio areas and any portion of a unit that consists primarily of grass and that is not enclosed by a fence or is otherwise inaccessible to lawn maintenance equipment; provided, however, that if a majority of all co-owners so agree in writing, the Association's liability with respect to maintenance responsibilities as set forth hereinabove may be discontinued. In the event a majority of the co-owners do so agree, an affidavit to that effect shall be made by an officer of the Association and recorded in the office of the Wayne County Register of Deeds, and a copy thereof delivered to each co-owner. In no event shall any such election be made at any time during which the Developer owns a majority of the units in the project. If such work is performed upon a unit by the Association, the individual co-owner thereof shall reimburse the Association for all costs thereof within fifteen (15) days of billing or the Association shall have the right to recover its expenses in the same manner as established for the collection of assessments in Article II of the By-Laws. In no event shall the Association be liable for the decoration, maintenance, repair, or replacement of any portion of the interior of any such dwelling. There also shall exist easements to and in favor of the Association, and its officers, directors, agents and designees, in, on and over all units and common elements of the project for access to and maintenance of those common elements of the project for which the Association may from time to time be responsible. The Association shall in no event be obligated to repair any dwelling or other improvement located within or appurtenant to a unit to the extent the repair is necessitated on account of any occurrence with respect to which a co-owner is required under the Condominium documents to maintain insurance coverage, nor shall the Association be obligated to make any capital expenditures or to perform any maintenance or repair of dwellings or improvements or to perform any maintenance or repair thereon other than routine maintenance and repair of a type generally required on an ongoing basis throughout the project.

TENTH. The Developer further reserves the right at any time to grant easements for utilities over, under and across the

condominium premises to appropriate governmental agencies or public utility companies and to transfer title to utilities to governmental agencies or to utility companies. Any such easement or transfer of title may be made by the Developer without the consent of any co-owner, mortgagee or other person and shall be evidenced by an appropriate amendment to this Master Deed and to Exhibit "B" hereto, recorded in the Wayne County Records. All of the co-owners and mortgagees of units and other persons interested or to become interested in the project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments of this Master Deed as may be required to effectuate the foregoing grant of easement or transfer of title.

**ELEVENTH.** The Association, acting through its lawfully constituted Board of Directors (including any Board of Directors acting prior to the transitional control date) shall be empowered and obligated to grant such easements, licenses, rights-of-entry, and rights-of-way over, under and across the condominium premises for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the Condominium or for the benefit of any other land described in paragraph NINTH hereof; subject, however, to the approval of the Developer during the construction and sales period. No easement created under the Condominium documents may be modified nor may any of the obligations with respect thereto be varied without the consent of each person benefitted thereby.

**TWELFTH:** The Developer, the Association and all public or private utilities shall have such easements over, under, across, and through the condominium premises, including all units and common elements, as may be necessary to fulfill any responsibilities of maintenance, repair, decoration, or replacement which they or any of them are required or permitted to perform under the Condominium documents or by law. These easements include, without limitation, the right of the Association to obtain access during reasonable hours.

**THIRTEENTH:** Except as provided in preceding paragraphs as set forth above, the condominium project shall not be terminated or any of the provisions of this Master Deed or Exhibits attached hereto amended unless done in compliance with the following provisions:

(1) Prior to the first annual meeting of members of the Association, the Developer may (without the consent of any co-owner or 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" as do not materially affect any rights of any co-owners in the project or impair the security of any mortgagee, including but not limited to amendments for the purpose of maintaining this Master Deed in compliance with the Act and 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.

(2) After the first annual meeting of members of the Association, the Association may (acting through a majority of its Board of Directors and without the consent of any co-owner or 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" as do not materially affect any rights of any co-owners in the project or impair the security of any mortgagee, including, but not limited to, amendments for the purpose of maintaining this Master Deed in compliance with the Act and 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.

(3) If there is no co-owner other than the Developer, the Developer with the consent of any interested mortgagee, may unilaterally terminate the condominium project or amend the Master Deed. A termination or amendment under this section shall become effective upon the recordation thereof if executed by the Developer.

(4) If there is a co-owner other than the Developer, then the condominium project shall be terminated only by the unanimous agreement of the Developer, unaffiliated co-owners of condominium units to which all of the votes in the Association appertain and the mortgagees of all of the mortgages covering the condominium units.

(5) Agreement of all of the co-owners and mortgagees to the termination of the Condominium shall be evidenced by their execution of the termination agreement or of ratifications thereof and the termination shall become effective only when the agreement is so evidenced of record.

(6) Upon recordation of an instrument terminating condominium project, the property constituting the condominium project shall be owned by the co-owners as tenants in common in proportion to their respective undivided interests in the common elements immediately before recordation. As long as the tenancy in common lasts, each co-owner or the heirs, successors or assigns thereof shall have an exclusive right of occupancy of that portion of the property which formerly constituted the condominium unit.

(7) Upon recordation of an instrument terminating a condominium project, any rights the co-owners may have to the assets of the Association shall be in proportion to their respective undivided interests in the common elements immediately before recordation, except that common profits shall be distributed in accordance with the Condominium documents and the Act.

(8) The Condominium documents may be amended by the Developer, on behalf of itself, and on behalf of the Association, for a proper purpose without the consent of co-owners, mortgagees and other interested parties, including changes deemed necessary to comply with the Act and the modification of sizes of unsold condominium units, as long as the amendments do not materially alter or change the rights of the co-owners, mortgagees or other interested parties.

(9) The Condominium documents may be amended for a proper purpose, other than as set forth above, even if the amendment will materially alter or change the rights of the co-owners, mortgagees or other interested parties, with the prior written consent of two-thirds (2/3) of the first mortgagees (based upon one (1) vote for each mortgage owned) and co-owners (other than the Developer) of the individual condominium units. A co-owner's condominium unit dimensions or the nature or extent of any appurtenant limited common elements or the responsibility for maintenance, repair and replacement thereof may not be modified in any material way without his consent and that of his mortgagee.

(10) A person causing or requesting an amendment to the Condominium documents shall be responsible for costs and expenses of the amendment except for amendments based upon a vote of a prescribed majority of co-owners or based upon the Advisory Committee's decision, the costs of which are expenses of administration.

(11) A Master Deed amendment, including the Consolidating Master Deed, dealing with the addition, withdrawal or modification of units or other physical characteristics of the project shall comply with the standards prescribed in the Act for preparation of an original Condominium Subdivision Plan for the project.

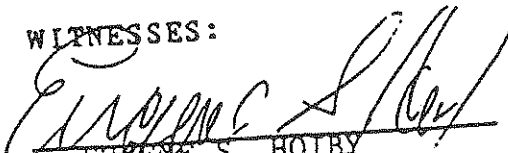
(12) During the construction and sales period, paragraphs EIGHTH through this paragraph THIRTEENTH shall not be amended, nor shall the provisions hereof be modified by any other amendment to this Master Deed, without the written consent of the Developer.

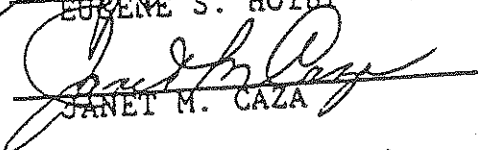
FOURTEENTH. Any or all of the rights and powers granted or reserved to the Developer in the Condominium documents or by law, including the power to approve or disapprove any act, use or proposed action or any other matter or thing, may be assigned by it

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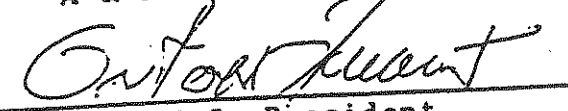
to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing duly recorded in the office of the Wayne County Register of Deeds.

WITNESSES:

  
EUGENE S. HOIBY

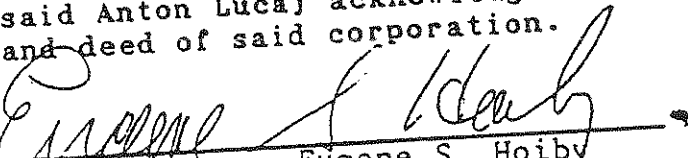
  
JANET M. CAZA

A & R DEVELOPMENT INC.

  
ANTON LUCAJ, President

STATE OF MICHIGAN    )  
                              ) SS.  
COUNTY OF WAYNE    )

On this 25th day of AUGUST, 1994, before me appeared Anton Lucaj, to me personally known, who, being by me sworn, did say that he is the President of A & R Development Inc. a Michigan corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said Anton Lucaj acknowledged said instrument to be the free act and deed of said corporation.

  
Notary Public Eugene S. Hoiby  
Wayne County, Michigan  
My commission expires: 10/5/98

Prepared by and Return to:  
EUGENE S. HOIBY & ASSOCIATES  
EUGENE S. HOIBY  
29444 W. Six Mile Road  
Livonia, Michigan 48152  
313/525-3950

L127630PA406

EXHIBIT A  
PARAMOUNT ESTATES  
BY-LAWS

ARTICLE I  
ASSOCIATION OF CO-OWNERS

Paramount Estates, a residential site condominium project located in the Township of Northville, Wayne County, Michigan, shall be administered by an association of co-owners which shall be a non-profit corporation, hereinafter called the "Association," organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the common elements, easements and affairs of the condominium project in accordance with the Condominium documents and the laws of the State of Michigan. These By-Laws shall constitute both the By-Laws referred to in the Master Deed and required by Section 3(8) of the Act and the By-Laws provided for under the Michigan Non-Profit Corporation Act. Each co-owner shall be entitled to membership, and no other person or entity shall be entitled to membership. The share of a co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his 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

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

Section 1. Assessments for Common Elements. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the common elements or the administration of the condominium project shall constitute expenditures affecting the administration of the project, and all

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sums received as the proceeds of or pursuant to any policy of insurance securing the interest of the co-owners against liabilities or losses arising within, caused by, or connected with the common elements or the administration of the condominium project shall constitute receipts affecting the administration of the condominium project within the meaning of Section 54(4) of the Act.

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

(a) Budget. 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 shall be established in the budget and must be funded by regular monthly payments as set forth in Section 3 below rather than by special assessments. At a minimum the reserve fund shall be equal to ten percent (10%) of the Association's current annual budget on a noncumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular project, the Board of Directors should carefully analyze the condominium project to determine if a greater amount should be set aside or if additional reserve funds should be established for other purposes from time to time and, in the event of such a determination, the Board of Directors shall be empowered to establish such greater or other reserves without co-owner approval. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each co-owner and the assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each co-owner shall not affect or in any way diminish the liability of any co-owner for any existing or future assessments. Should the Board of Directors at any time decide, 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 \$10,000.00 annually for the entire condominium project (adjusted for increases in the Consumers Price Index used by the United States Department of Labor, Bureau of Vital Statistics, Metropolitan Detroit area, since the date of recording of



the initial Master Deed): or (4) that an emergency exists, then the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Board of Directors also shall have the authority, without co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 3 hereof. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof.

(b) Special Assessments. Special assessments, in addition to those required in subparagraph (a) above, may be made by the Board of Directors from time to time and approved by the co-owners as hereinafter provided to meet other requirements of the Association, including, but not limited to: (1) assessments for additions to the common elements of a cost exceeding \$10,000.00 per year for the entire condominium project (adjusted for increases in the Consumers Price Index used by the United States Department of Labor, Bureau of Vital Statistics, Metropolitan Detroit area, since the date of recording of the initial Master Deed): (2) assessments to purchase a unit upon foreclosure of the lien for assessments described in Section 5 hereof: or (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subparagraph (b) (but not including those assessments referred to in subparagraph (a) above, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than sixty percent (60%) of all co-owners. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof.

3. Apportionment of Assessments and Penalty for Default. Unless otherwise provided herein or in the Master Deed, all assessments levied against the co-owners to cover expenses of administration shall be apportioned among and paid by the co-owner in accordance with the percentage of value allocated to each unit in paragraph FIFTH of the Master Deed, without increase or decrease for the existence of any rights to use of limited common element appurtenant to a unit. Any other unusual common expense benefiting less than all of the units, or any expenses incurred as a result of the conduct of less than all those entitled to occupy the Condominium project, or their tenants or invitees, shall be specifically assessed against the unit or units involved.

accordance with such reasonable rules and regulations as shall be adopted by the Board of Directors of the Association. Annual assessments as determined in accordance with Article II, Section 2(a) above shall be payable by co-owners in twelve (12) equal monthly installments, commencing with the acceptance of a deed to or a land contract vendee's interest in a unit, or with the acquisition of fee simple title to a unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment.

Each installment in default for ten (10) or more days shall bear interest from the initial due date thereof at the rate of seven percent (7%) per annum, plus such additional interest rate surcharge as the Board of Directors shall approve, until each installment is paid in full. Provided, however, that the interest rate surcharge combined applying to delinquent amounts shall not exceed the limit set by usury laws in the State of Michigan. The Association may, pursuant to Article XIX, Section 4 hereof, levy fines for late payment of assessments in addition to such interest. Each co-owner (whether one (1) or more persons) shall be, and remain, personally liable for the payment of all assessments pertinent to his unit which may be levied while such co-owner is the owner thereof. Payments on account of installments of assessments in default shall be applied as follows: First, to cost of collection and enforcement of payment, including actual attorney's fees (not limited to statutory fees); second, to any interest charges and fines for late payment on such installments; third, to installments in default in order of their due dates.

Section 4. Waiver of Use or Abandonment of Unit. No co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the common elements or by the abandonment of his unit.

#### Section 5. Enforcement.

(a) Remedies. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any co-owner in the payment of any installment of the annual assessment levied against his unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to a co-owner in default upon seven (7) days' written notice to such co-owner of its intention to do so. A co-owner in default shall not be entitled to utilize any of the general common elements of the project

and shall not be entitled to vote at any meeting of the Association so long as such default continues: provided, however, this provision shall not operate to deprive any co-owner of ingress or egress to and from his unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the unit from the co-owner thereof or any persons claiming under him and, if the unit is not occupied, to lease the unit and collect and apply the rental therefrom to any delinquency owed to the Association. All of these remedies shall be cumulative and not alternative and shall not preclude the Association from exercising such other remedies as may be available at law or in equity.

(b) Foreclosure Proceedings. Each co-owner, and every other person who from time to time has any interest in the project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each co-owner and every other person who from time to time has any interest in the project shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each co-owner of a unit in the project acknowledges that, at the time of acquiring title to such unit, he was notified of the provisions of this subparagraph 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.

(c) Notice of Action. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent co-owner(s) at his 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: (1) the affiant's capacity to make the affidavit; (2) the statutory and other authority for the lien; (3) the amount outstanding (exclusive of interest, costs, attorney's fees, and future assessments); (4) the legal description of the subject unit(s); and (5) the name(s) of the co-owner(s) of record. Such affidavit shall be recorded in the office of the Register of Deeds in the county in which the project is located prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the delinquent co-owner and shall inform him that he may request a judicial hearing by bringing suit against the Association.

(d) Expenses of Collection. The expenses incurred in collecting unpaid assessments, including interest, costs, actual 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.

Section 6. Liability of Mortgagee. Notwithstanding any other provision of the Condominium documents, the holder of any first mortgage covering any unit in the project which acquires title to 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 acquires title to 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 7. Developer's Responsibility for Assessments. The Developer of the Condominium, although a member of the Association, shall not be responsible at any time for payment of the monthly Association assessments. The Developer, however, shall at all times pay all expenses of maintaining the units that it owns, including the dwellings and other improvements located thereon, together with a proportionate share of all current expenses of

administration actually incurred by the Association from time to time except expenses related to maintenance and use of the units in the project and of the dwellings and other improvements constructed within or appurtenant to the units that are not owned by Developer. For purposes of the foregoing sentence, the Developer's proportionate share of such expenses shall be based upon the ratio of all units owned by the Developer at the time the expense is incurred to the total number of units then in the project. In no event shall Developer be responsible for payment of any assessments for deferred maintenance, reserves for replacement, for capital improvements, or other special assessments, except with respect to units owned by it on which a completed residential dwelling is located. Further, the Developer shall in no event be liable for any assessment levied in whole or in part to purchase any unit from the Developer or to finance any litigation or other claim against the Developer, any cost of investigating and preparing such litigation or claim, or similar related costs. A "completed residential dwelling" shall mean a dwelling with respect to which a certificate of occupancy has been issued by the Township of Northville.

Section 8. Property Taxes and Special Assessments. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

Section 9. Personal Property Tax Assessment of Association Property. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the co-owners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 10. Mechanic's Lien. A mechanic's lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 142 of the Act.

Section 11. Statement as to Unpaid Assessments. The purchaser of any unit may request a statement of the Association as to the amount of any unpaid Association assessments thereon, whether regular or special. Upon written request to the Association, accompanied by a copy of the executed purchase agreement, pursuant to which the purchaser holds the right to acquire a unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of such unit shall render any unpaid assessments and the lien securing the same fully enforceable.

against such purchaser and the unit itself to the extent provided for the Act. Under the Act, unpaid assessments constitute a lien upon the unit and the proceeds of the sale thereof prior to all claims except real property taxes and first mortgages of record.

### ARTICLE III

#### ARBITRATION

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

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

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

### ARTICLE IV

#### INSURANCE

Section 1. Extent of Coverage. The Association shall, to the extent appropriate given the nature of the general common elements of the project, carry "all risk" property coverage and liability insurance, fidelity coverage, and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the general common elements of the condominium project, and such insurance shall be carried and administered in accordance with the following provisions:

(a) Responsibilities of Association. All such insurance shall be purchased by the Association for the benefit of the Association and the 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) Insurance of Common Elements. All general common elements of the condominium project shall be insured against fire and other perils covered by a standard extended coverage endorsement, if appropriate, in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association.

(c) Premium Expenses. All premiums for insurance purchased by the Association pursuant to these By-Laws shall be expenses of administration.

(d) Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association and the co-owners and their mortgagees, as their interests may appear: provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these By-Laws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied to 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 two-thirds (2/3) of all of the institutional holders of first mortgages on units in the project have given their prior written approval.

Section 2. Authority of Association to Settle Insurance Claims. Each co-owner, by ownership of a unit in the condominium project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of "all risk" property coverage, vandalism and malicious mischief, liability insurance, fidelity coverage and workmen's compensation insurance, if applicable, pertinent to 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 their 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. Responsibility of Co-Owners. Each co-owner shall be obligated and responsible for obtaining "all risk" property

coverage and vandalism and malicious mischief insurance with respect to his residential dwelling and all other improvements constructed or to be constructed within the perimeter of his condominium unit, and for his personal property located therein or thereon or elsewhere on the condominium project. 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 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 from time to time 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 obtain such insurance on behalf of such co-owner and the premiums therefore 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 also shall be obligated to obtain insurance coverage for his personal liability for occurrences within the perimeters of his unit or the improvements located thereon, and also for alternative living expenses in the event of fire. The Association shall under no circumstances have any obligation to obtain any of the insurance coverage described in this Section 3 or any liability to any person for failure to do so.

Section 4. Waiver of Right of Subrogation. The Association and all 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.

## ARTICLE V

### RECONSTRUCTION OR REPAIR

Section 1. Repair in Accordance with Master Deed. Any such reconstruction or repair shall be substantially in accordance with the Master Deed unless the co-owners shall unanimously decide otherwise.

Section 2. Timely Reconstruction and Repair. 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 3. Eminent Domain. The following provisions shall control upon any taking by eminent domain:

- (a) Taking of Unit or Improvements Thereon. 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 thereof, be divested of all interest in the condominium project.

(b) Taking of General Common Elements. 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 interest in the common elements, and the affirmative vote of at least two-thirds (2/3) of the co-owners in number and in value shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

(c) Continuation of Condominium After Taking. In the event the condominium project continues after taking by eminent domain, then the remaining portion of the condominium project shall be re-surveyed and the Master Deed amended accordingly and, if any unit shall have been taken, then paragraph FIFTH of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining units based upon the continuing value of the Condominium of one hundred percent (100%). Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution of specific approval thereof by any co-owner.

(d) Notification of Mortgagees. In the event any unit in the Condominium, or any portion thereof, or the common elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Association shall so notify each institutional holder of a first mortgage lien on any units in the condominium.

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

## ARTICLE VI

### RESTRICTIONS

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

Section 1. Residential Use. No unit in the Condominium shall be used for other than single-family residential purposes as defined by the Township of Northville Zoning Ordinance, and the common elements shall be used only for purposes consistent with single-family residential use.

Use of units shall also be restricted in the following manner:

(a) Building Size and Height: No building or structure shall exceed two stories and 35 feet in height and all buildings or structures shall be constructed within the perimeters of a unit. No roof shall be pitched less than 10/12ths. All buildings and structures shall be in conformity with the following minimum size standards as to living area measured by the external walls:

- (1) One Story/Ranch: 2.400 square feet
- (2) Two Story: 2.800 square feet

Garages, porches and breezeways shall not be included in computing minimum size requirements. No part of a single story or ranch structure that is below ground level shall be included in computing minimum size requirements. No part of any other structure that is more than one-half below ground level, including walkout basements, shall be included in computing minimum size requirements. All buildings shall be constructed by a licensed contractor and completed within one (1) year from the date of issuance of a building permit by the Northville Township Building Department. All unused building materials and temporary construction shall be removed from the premises within thirty (30) days after substantial completion of the structure. The portion of the surface of the earth which is disturbed by excavation and other construction work shall be finish graded and seeded or covered with other landscaping as soon as the construction work and weather permit.

(b) Garages: All single family dwellings shall have two-car attached garages, and with written approval from the Developer, or the Association as hereinafter provided in Section 3, may have three-car attached garages. Carports and detached garages shall not be erected, placed or permitted to remain on any unit.

(c) Temporary Structures: No old or used structure, of any kind, shall be placed upon any unit. No temporary structure of any character such as a tent, camper, trailer, shack, barn, and/or other out-building of any design whatsoever shall be erected or placed upon any unit prior to construction of the main residence, nor shall any such structure be occupied as living quarters at any time. This provision shall not prevent the use of temporary structures

incidental to and during construction of the main residence provided that such temporary structures shall be removed from the premises immediately upon completion of the main residence.

(d) Accessory Buildings: No accessory building or other out-building shall be permitted on any unit unless it is approved by the Developer, or the Association, as hereinafter provided in Section 3. the Developer, or the Association, in the exercise of its discretion, may permit the erection of structures shall as swimming pool accessory buildings or greenhouses. Notwithstanding the Developer's, or the Association's approval, such structures, except swimming pools, shall be architecturally compatible with the main residence, be constructed of similar materials, and shall not exceed 200 square feet in size.

(e) Swimming Pools: All swimming pools shall be below ground, except children's play pools, hot tubs and jacuzzi tubs, although above ground pools may be installed with the prior written consent from the Board of Directors and subject to such restrictions as it may place upon their use and location.

(f) Fences: Perimeter fences along unit lines shall not be permitted. Perimeter fences around swimming pools shall be required to be constructed in accordance with all applicable building codes. The lineal footage of ornamental or decorative fences shall not exceed 10% of the unit's perimeter, shall not be located within the front set-back of the structure to be located on each unit, and shall not exceed five feet in height except around swimming pools and tennis courts. All fencing and/or screening shall be made of materials which are architecturally compatible with the main residence, specifically excluding cyclone fencing, snow fencing and plywood.

(g) Antenna: No radio, television or other antenna or aerial shall be permitted on any unit other than the type commonly used for domestic residential purposes. Any antenna shall be installed on the main residence and not on a separate pole or tower. Dish-type antennae shall not be permitted nor shall any antenna or aerial exceeding eight feet in height above the roof ridge line on any dwelling.

## Section 2. Leasing and Rental.

(a) Right to Lease. A co-owner may lease his unit and the improvements thereon for the same purposes set forth in Section 1 of this Article VI provided that a written disclosure of such lease transaction is submitted to the Board

of Directors of the Association in the manner specified in subsection (b) below. With the exception of a lender in possession of a unit following a default in a first mortgage, foreclosure, or deed or other arrangement in lieu of foreclosure, no co-owner shall lease less than an entire unit and the improvements thereon, and no tenant shall be permitted to occupy except under a lease the initial term of which is at least six (6) months unless specifically approved in writing by the Association. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium documents. The Developer may lease any number of units and the improvements thereon in its discretion.

(b) Leasing Procedures. The leasing of units and improvements thereon shall conform to the following provisions:

- (1) A co-owner, including the Developer, desiring to rent or lease a unit and the improvements thereon shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a potential lessee and, at the same time, shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium documents. If the Developer desires to rent units before the transitional control date, it shall notify either the Advisory Committee or each co-owner in writing.
- (2) Tenants and non-owner occupants shall comply with all of the conditions of the Condominium documents, and all leases and rental agreements shall so state.
- (3) If the Association determines that the tenant or non-owner occupant has failed to comply with the conditions of the Condominium documents, the Association shall take the following action:
  - i. The Association shall notify the co-owner by certified mail advising of the alleged violation by the tenant.
  - ii. The co-owner shall have fifteen (15) days after receipt of such notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.
  - iii. If, after fifteen (15) days, the Association believes that the alleged breach is not cured

or may be repeated. it may institute on its behalf or derivatively by the co-owners on behalf of the Association. if it is under the control of the Developer. an action for eviction against the tenant or non-owner occupant and simultaneously for money damages in the same action against the co-owner and tenant or non-owner occupant for breach of the conditions of the Condominium documents. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and the co-owner liable for any damages to the common elements caused by the co-owner or tenant in connection with the unit or the condominium project.

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

Section 3. Architectural Control. No dwelling, structure or other improvement shall be constructed within a condominium unit or elsewhere within the condominium project. nor shall any exterior modification be made to any existing dwelling, structure or improvement. unless plans and specifications therefor containing such detail as the Developer may reasonably request have first been approved by the Developer. Construction of any dwellings or other improvements must also receive any necessary approvals from the local public authority. The Developer shall have the right to refuse to approve any such plans or specifications or grading or landscaping plans which are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing upon such plans and specifications it shall have the right to take into consideration the suitability of the proposed exterior materials and exterior colors which shall blend in with existing residences and the natural surroundings. the site upon which it is proposed to be constructed and the degree of harmony thereof with the proposed to be constructed and the degree of harmony thereof with the Condominium as a whole and the area of future development described in the Master Deed. A minimal level of landscaping shall be required in conjunction with the approval of building plans. The purpose of this Section is to assure the continued maintenance of the Condominium as a beautiful and harmonious residential development. and shall be binding upon both the Association and upon all co-owners. Further. the restrictions hereby placed upon

the premises shall not be construed or deemed to create negative reciprocal covenants, easement described in the Master Deed or any portion thereof unless, until and only to the extent such land is included in this project by Master Deed amendment. The Developer's discretion, be assigned to the Association or other successor to the Developer. The Developer may construct any improvements upon the condominium premises that it may, in its sole discretion, elect to make without the necessity of prior consent from the Association or any other person or entity, subject only to the express limitations contained in the Condominium documents.

Section 4. Changes in Common Elements. Except as provided in Article VI, Section 3 above with respect to the Developer, no co-owner shall make changes in any of the common elements without the express written approval of the Board of Directors of the Association, and the Township of Northville, if applicable.

Section 5. Activities. No immoral, improper, unlawful or offensive activity shall be carried on in any unit or upon the common elements, nor shall anything be done which may be or become an annoyance, or a nuisance to the co-owners of the Condominium. No unreasonably noisy activity shall occur in or on the common elements or in any unit at any time, and disputes among co-owners arising as a result of this provision which cannot be amicably resolved shall be arbitrated by the Association. No co-owner shall do or permit anything to be done or keep or permit to be kept in his 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 insurance premiums resulting from any such activity. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: any activity involving the use of firearms, air rifles, pellet guns, B-B guns, bows and arrows, or other similar dangerous weapons, projectiles or devices.

Section 6. Pets. Subject to the provisions of this Section 6, co-owners shall be entitled to keep pets of a domestic nature within their units. No pet or animal may be kept or bred for any commercial purpose. Pets shall have such care and restraint so as not to be purpose. Pets shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. In the event a co-owner's pet causes unnecessary and unreasonable disturbance or annoyance to other co-owners, one or more, and such co-owner files a written complaint with the Association specifying the cause of such disturbance or annoyance, the Board of Directors, after notice and opportunity for hearing before the Board to the co-owner keeping the pet, may, if it determines that such pet is in fact causing unnecessary and unreasonable disturbance or annoyance, require the co-owner to remove the pet from his unit and the Condominium or impose such other restrictions on the keeping of such pet as are reasonable.

No pet or animal may be permitted to run loose at any time upon the common elements, and any animal shall at all times be leashed and attended by some responsible person while on the common elements. No dog houses, dog runs or tethering of dogs shall be allowed on any unit in the Condominium. No savage or dangerous animal shall be kept, and any co-owner who causes any animal to be brought or kept upon the condominium premises shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as the result of the presence of such animal on the premises, whether or not the Association has given its permission therefor. Each co-owner shall be responsible for collection and disposition of all fecal matter disposed by any pet maintained by such co-owner. No dog which barks and can be heard on any frequent or continuing basis shall be kept in any unit or on the common elements. The Association may charge all co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II of these By-Laws in the event that the Association determines such assessment necessary to defray the maintenance cost of the Association of accommodating animals within the Condominium. The Association may, without liability to the owner thereof, remove or cause to be removed any animal from the Condominium which it determines to be in violation of the restrictions imposed by this Section. The Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper. In the event of any violation of this Section, the board of Directors of the Association may assess fines for such violation in accordance with these By-Laws and in accordance with duly adopted rules and regulations of the Association.

Section 7. Aesthetics. Neither the common elements nor the condominium unit outside of the dwelling and garage constructed thereon shall be used for storage of supplies, materials, personal property, or trash or refuse of any kinds, except as provided in duly adopted rules and regulations of the Association. Garage doors shall be kept closed at all times except as may be reasonably necessary to gain access to or from any garage. No unsightly condition shall be maintained on any patio, porch or deck, only furniture and equipment consistent with the normal and reasonable use of such areas shall be permitted to remain there during seasons when such areas are reasonably in use, and no furniture or equipment of any kind shall be stored thereon during seasons when such areas are not reasonably in use. Trash receptacles shall be maintained in areas designated therefor at all times and shall not be permitted to remain elsewhere on the common elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. Neither the common elements nor the condominium unit outside of the dwelling and garage constructed thereon shall be used in any way for the drying, shaking or airing of clothing or other fabrics, unless with the prior written approval of the Board of Directors. No barbecue grills, vegetable

gardens or wood piles may be placed in front of the rear line of the dwelling constructed within a unit without the prior written consent of 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 is detrimental to the appearance of the Condominium.

Section 8. Vehicles. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, motorcycles, all-terrain vehicles, snowmobiles, snowmobile trailers, or vehicles other than automobiles or vehicles used primarily for general personal transportation purposes may be parked or stored upon the condominium premises, unless parked in the garage with the door closed. No inoperable vehicles of any type may be brought or stored upon the condominium premises, unless parked in the garage either temporarily or permanently. Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) except while making deliveries or pickups in the normal course of business. Co-owners shall, if the Association shall require, register with the Association all cars maintained on the condominium premises. Use of motorized vehicles anywhere on the general common elements is absolutely prohibited.

Section 9. Advertising. No signs or other advertising devices of any kind shall be displayed which are visible from the exterior of a unit or on the common elements, including "For Sale" signs, without written permission from the Association and, during the construction and sales period, from the Developer. Such "For Sale" signs shall not exceed five square feet in area on each side.

Section 10. Rules and Regulations. It is intended that the Board of Directors of the Association may make rules and regulations from time to time to reflect the needs and desires of the majority of the co-owners in the Condominium. Reasonable rules and regulations consistent with the Act, the Master Deed and these By-Laws concerning 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) prior to the transitional control date. Copies of all such rules and regulations and amendments thereto shall be furnished to all co-owners and shall become affective thirty (30) days after mailing or delivery thereof to the designated voting representative of each co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty percent (50%) of all co-owners in number and in value. Such rules may not be applied to limit the Developer's construction, sales or rental activities.

Section 11. Right of Access of Association. The Association or its duly authorized agents shall have access to each unit and any improvements thereon 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 have access to each unit and any improvements thereon at all times without notice as may be necessary to make emergency repairs to prevent damage to the common elements or to another unit or to the improvements thereon. In the event of an emergency requiring access to a unit or to the improvements thereon, 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 or any improvements thereon caused thereby or for repair or replacement of any doors or windows damaged gaining such access.

Section 12. Landscaping. No co-owner shall perform any landscaping or remove, trim or plant any trees, shrubs or flowers or place any ornamental materials within five (5) feet of the exterior boundary line of the limited common element appurtenant to his unit or upon the general common elements without the prior written approval of the Association. Each co-owner shall have the responsibility to maintain the grounds of his unit and the limited common element appurtenant thereto, including the mowing of grass, removal of weeds, and proper trimming of bushes and trees. IF the Association shall receive complaints from other co-owners regarding lack of maintenance of the grounds of a unit, then, and in that event, it shall have the right and duty to have such maintenance of the grounds of the unit performed as the Board of Directors shall determine as being reasonable, and the charges therefore shall become a lien upon the unit and collected in the fashion as set forth in Article II of these By-Laws.

Section 13. Common Element Maintenance. Sidewalks, yards, landscaped areas, driveways, pathways, and open spaces shall not be obstructed nor shall they be used for purposes other than that for which they are reasonably and obviously intended. No bicycles, vehicles, chairs, or other obstructions may be left unattended on or about the common elements, or they may be removed and disposed of at the discretion of the Association.

Section 14. Co-Owner Maintenance. Each co-owner shall maintain his unit, the limited common elements appurtenant thereto and the improvements thereon in a safe, aesthetically pleasing, 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, drainage courses or other utility conduits and systems and any other common elements within any unit which are appurtenant to or which may affect any other unit. Each co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the common elements by him or his family, guests, agents, or invitees, unless such damages or costs are covered by insurance carried by the Association (in which case there shall be no such responsibility unless reimbursement to

the Association is limited by virtue of a deductible provision, in which case the responsible co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association may be assessed to and collected from the responsible co-owner in the manner provided in Article II hereof.

Section 15. Reserved Rights of Developer.

(a) Prior Approval by Developer. During the construction and sales period, no hedges, trees or substantial plantings or landscaping shall be installed, removed or trimmed until plans and specifications, acceptable to the Developer, showing the nature, kind, shape, height, grading or landscaping plan of the area to be affected shall have been submitted to and approved in writing by the Developer, and a copy of said plans and specifications, as finally approved, lodged permanently with the Developer.

(b) Developer's Rights in Furtherance of Development and Sales. None of the restrictions contained in this Article VI shall apply to the commercial activities or signs or billboards, if any, of the Developer during the construction and sales period or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation, as the same be amended from time to time. Notwithstanding anything to the contrary elsewhere herein contained, the Developer shall have the right throughout the entire construction and sales period to maintain a sales office, a business office, a construction office, model units, storage areas, and reasonable parking incident to the foregoing and such access to, from and over the project as may be reasonable to enable development and sale of the entire project by the Developer. The Developer shall restore the areas so utilized to habitable status upon termination of use.

(c) Enforcement of By-Laws. The condominium project shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private residential community for the benefit of the co-owners and all persons interested in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace, and landscape in a manner consistent with the maintenance of such high standards, then the Developer, or any entity to which it may assign this right, at its option, may elect to maintain, repair and/or replace any common elements and/or to do any landscaping required by these By-Laws and to charge the cost thereof to the Association as an expense of administration. The Developer shall have the right to enforce these By-Laws throughout the construction and sales period notwithstanding that it may no longer own a unit in the Condominium, which right of enforcement shall include (without limitation) an

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action to restrain the Association or any co-owner from any activity prohibited by these By-Laws.

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(c) Enforcement of By-Laws. The condominium project shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private residential community for the benefit of the co-owners and all persons interested in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace, and landscape in a manner consistent with the maintenance of such high standards, then the Developer, or any entity to which it may assign this right, at its option, may elect to maintain, repair and/or replace any common elements and/or to do any landscaping required by these By-Laws throughout the construction and sales period notwithstanding that it may no longer own a unit in the Condominium, which right of enforcement shall include (without limitation) an action to restrain the Association or any co-owner from any activity prohibited by these by-Laws.

## ARTICLE VII

### MORTGAGES

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

Section 2. Insurance. The Association shall notify each mortgagee appearing in said book of the name of each company insuring the general common elements against fire, perils covered by extended coverage, and against vandalism and malicious mischief, public liability, and fidelity coverage, and the amount of such coverage to the extent that the Association is obligated by the terms of these By-Laws to obtain such insurance coverage, as well as of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

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

Section 4. Notice. Whenever a notice requirement appears in these By-Laws for the benefit of a mortgagee which requires a response in support of or against a proposal submitted by the Association, the mortgagee shall respond within thirty (30) days of receipt of said notice or the lack of response thereto shall be deemed as approval of the proposal.

## ARTICLE VIII

### VOTING

Section 1. Vote. Except as limited in these By-Laws, each co-owner shall be entitled to one vote for each condominium unit owned.

Section 2. Eligibility to Vote. No co-owner other than the Developer shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a unit in the condominium project to the Association. Except as provided in Article XI, Section 2 of these By-Laws, no co-owner, other than the Developer, shall be entitled to vote prior to the date of the first annual meeting of members held in accordance with Section 2 of Article IX. The vote of each co-owner may be cast only the individual representative designated by such co-owner in the notice required in Section 3 of this Article VIII or by a proxy given by such individual representative. The Developer shall be the only person entitled to vote at a meeting of the Association until the first annual meeting of members and shall be entitled to vote during such period notwithstanding the fact that the Developer may own no units at some time or from time to time during such period. At and after the first annual meeting, the Developer shall be entitled to one vote for each unit which it owns.

Section 3. Designation of Voting Representative. Each co-owner shall file a written notice with the Association designating

the individual representative who shall vote at meetings of the Association on behalf of such co-owner. Such notice shall state the name and address of the individual representative designated, the number or numbers of the condominium unit or units owned by the co-owner, and the name and address of each person, firm, corporation, partnership, association, trust, or other entity who is the co-owner. Such notice shall be signed and dated by the co-owner. The individual representative designated may be changed by the co-owner at any time by filing a new notice in the manner herein provided.

Section 4. Quorum. The presence in person or by proxy of 30% of the co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

Section 5. Voting. Votes may be cast only in person or by a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

Section 6. Majority. A majority, except where otherwise provided herein, shall consist of more than 50% of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth of designated voting representatives present in person or by proxy, or by written vote, if applicable, at a given meeting of the members of the Association.

## ARTICLE IX

### MEETINGS

Section 1. Place of Meeting. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the 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, Roberts Rules of Order or some other generally recognized manual of parliamentary procedure when not otherwise in conflict with the Condominium documents or the laws of the State of Michigan.

Section 2. First Annual Meeting. The first annual meeting of members of the Association may be convened only by the Developer and may be called at any time after more than fifty percent (50%) of the units in Paramount Estates (determined with reference to the recorded Consolidating Master Deed) have been sold and the purchasers thereof qualified as members of the Association. In no event, however, shall such meeting be called later than one hundred twenty (120) days after the conveyance of legal or equitable title to nondeveloper co-owners of seventy-five percent (75%) in number of all units that may be created or sixty (60) months after the first conveyance of legal or equitable title to a nondeveloper co-owner of a unit in the project, whichever first occurs. The Developer may call meetings of members for information 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. The phrase "units that may be created" as used in this paragraph and elsewhere in the Condominium documents refers to the maximum number of units which the Developer is permitted under the Condominium documents to include in the Condominium.

Section 3. Annual Meetings. Annual meetings of members of the Association shall be held in the month of October of each succeeding year after the year in which the first annual meeting is held, on such date and 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 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. Special Meetings. It shall be the duty of the President to call a special meeting of the co-owners as directed by resolution of the 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. Notice of Meetings. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purposes 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. Adjournment. If any meeting of co-owners cannot be held because a quorum is not in attendance, the co-owners who are present may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 7. Order of Business. The order of business at all meetings of the members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) appointment of inspectors of election (at annual meetings or special meetings held for the purpose of electing Directors of officers); (g) election of Directors (at annual meeting or special meetings held for such purposes); (h) unfinished business; and (i) new business. Meetings of members shall be chaired by the most senior officer of the Association present at such meeting. For purposes of this Section, the order of seniority of officers shall be President, Vice President, Secretary, and Treasurer.

Section 8. Action Without Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in Section 5 for the giving of notice of meetings of members. Such solicitations shall specify (a) the number of responses need to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which the ballots 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 number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

Section 9. Consent of Absentees. The transactions at any meeting of members, either annual or special, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present either in person or by proxy and if, either before or after the meeting, each of the members not present in person or by proxy signs a written waiver of notice or a consent to the holding of such meeting or an

approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 10. Minutes. Presumption of Notice. Minutes or a similar record of the proceedings of meetings of members, when signed by the President or the Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meetings 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 that may be created, whichever first occurs, the Developer shall be established and perpetuated in any manner the Developer deems advisable, except that if more than fifty percent (50%) of the nondeveloper co-owners petition the Board of Directors for an election to select the Advisory Committee, then an election of such purpose shall be held. The purpose of the Advisory Committee shall be to facilitate communications between the temporary Board of Directors and the nondeveloper co-owners and to aid in the transition of control of the Association from the Developer to the other co-owners. The Advisory Committee shall cease to exist automatically when the nondeveloper co-owners have the voting strength to elect a majority of the Board of Directors of the Association. The Developer may remove and replace, at its discretion 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. Number and Qualification of Directors. The first Board of Directors designated by the incorporator shall be composed of three (3) persons, and such first Board of Directors shall manage the affairs of the Association until a successor Board of Directors is elected at the first annual meeting of members of the Association convened at the time required by Article IX, Section of these By-Laws. At such first annual meeting of members of the Association, the Board of Directors shall be increased in size from three (3) persons to five (5) persons. The members of the Board of Directors must be members of the Association or officers, partners, trustees, employees, or agents of members of the Association. Directors shall serve without compensation.



Section 2. Election of Directors.

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

(b) Appointment of Nondeveloper Co-Owners to Board Prior to First Annual Meeting. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to nondeveloper co-owners of twenty-five percent (25%) in number of the units that may be created, one (1) out of the three (3) Directors shall be selected by nondeveloper co-owners. When the required percentage of conveyances has been reached, the Developer shall notify and elect the required Director. Upon certification to the Developer by the co-owners 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 nondeveloper co-owners of seventy-five percent (75%) in number of the units that may be created, the nondeveloper co-owners shall elect all directors on the Board, except that the Developer shall have the right to designate at least one Director as long as the units that remain to be created and sold equal at least ten percent (10%) of all units that may be created in the project. When the seventy-five percent (75%) 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 sixty (60) months after the first conveyance of legal or equitable title to a nondeveloper co-owner of a unit in the project, the nondeveloper 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 nondeveloper 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 nondeveloper co-owners under subsection (b) results in a right of nondeveloper 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 nondeveloper 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 director as provided in subsection (1).
- (4) At the first annual meeting of members, three Directors shall be elected for a term of two years and two Directors shall be elected for a term of one year. At such meeting, all nominees shall stand for election as one slate, and the three persons receiving the highest number of votes shall be elected for a term of one year. At each annual meeting held thereafter, either three or two Directors whose terms expire. After the first annual meeting, the term of office (except for the two Directors elected for one year at the first annual meeting) of each Director shall be two years. The Directors shall hold office until their successors have been elected and hold their first meeting.
- (5) Once the co-owners have acquired the right hereunder to elect a majority of the Board of Directors, annual meetings of co-owners to elect Directors and conduct other business shall be held in accordance with the provisions of Article IX, Section 3 hereof.

Section 3. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by the Condominium documents or required thereby to be exercised and done by the co-owners.

Section 4. Other Duties. 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 common elements thereof and to enforce the provisions of the Condominium documents.

(b) To levy, collect and disburse assessments against and from the members of the Association and to use the proceeds thereof for the purposes of the Association, to enforce assessments through liens and foreclosure proceedings when appropriate and to impose late charges for nonpayment of said assessments.

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

(d) To rebuild improvements to the common elements after casualty, subject to all of the other applicable provisions of the Condominium documents.

(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 or obligations of the Association.

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

(h) To make reasonable rules and regulations governing the use and enjoyment of the Condominium by co-owners and

their tenants, guests, employees, invitees, families and pets and to enforce such rules and regulations by all legal methods, including without limitation, imposing fines and late payment charges, or instituting eviction or legal proceedings.

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

(j) To make rules and regulations and/or to enter into agreements with institutional lenders the purposes of which are to enable unit co-owners to obtain mortgage loans which are acceptable for purchase by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, and/or any other agency of the Federal Government or the State of Michigan.

(k) To levy, collect and disburse fines against and from the members of the Association after notice and hearing thereon and to use the proceeds thereof for the purposes of the Association.

(l) To assert, defend or settle claims on behalf of all co-owners in connection with the common elements of the condominium project. The Board shall provide at least a ten (10) day written notice to all co-owners on actions proposed by the Board with regard thereto.

Section 5. Management Agent. The Board of Directors shall employ a professional management agent for the Association (which may be the Developer or any person or entity related thereto) at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 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 one (1) year or which is not terminable by the Association, without cause and with no termination fee, upon thirty (30) days' written notice thereof to the other party, and no such contract shall violate the provisions of Section 55 of the Act.

Section 6. Vacancies. Vacancies in the Board of Directors which occur after the transitional control date caused by any reason other than the removal of a Director by a vote of the

members of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum, except that the Developer shall be solely entitled to fill the vacancy of any Director whom it is permitted in the first instance to designate. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the members of the Association. Vacancies among nondeveloper co-owner elected Directors which occur prior to the transitional control date may be filled only through election by nondeveloper co-owners and shall be filled in the manner specified in Section 2(b) of this Article.

Section 7. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Directors may be removed without cause by the affirmative vote of more than fifty percent (50%) in number and in value of all of the co-owners and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal thirty percent (30%) 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 any time or from time to time in its sole discretion. Likewise, any Director selected by the non-developer co-owners to serve before the first annual meeting may be removed before the first annual meeting in the same manner set forth in this paragraph for removal of Directors generally.

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

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

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like

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

## ARTICLE 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. Legal Action. Failure to comply with any of the terms or provisions of the Condominium documents shall be grounds for relief, which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or a combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved co-owner or co-owners.

Section 2. Recovery of Costs. In any proceeding arising because of an alleged default by a co-owner, the Association, if successful, shall be entitled to recover the costs of the proceedings 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. Removal and Abatement. The violation of any of the provisions of the Condominium documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the common elements into any unit when reasonably necessary and summarily remove or abate, at the expense of the co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium documents. The Association shall have no liability to any co-owner arising out of the exercise of its removal and abatement power authorized herein.

Section 4. Assessment of Fines. The violation of any of the

notice on the written request of two (2) Directors.

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

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

Section 13. First Board of Directors. The actions of the first Board of Directors of the Association or any successors thereto selected or elected before the transitional control date shall be binding upon the Association so long as such actions are within the scope of the powers and duties which may be exercised generally by the Board of Directors as provided in the Condominium documents.

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

## ARTICLE XII

### OFFICERS

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

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(a) President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of 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 may in his discretion deem appropriate to assist in the conduct of the affairs of the Association.

(b) Vice President. The Vice President shall take the place of the President and perform his 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 members of the Board to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

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

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

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

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

Section 4. Duties. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be



authorized by the Board of Directors.

### ARTICLE XIII

#### SEAL

The 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 and the words "corporate seal", and "Michigan".

### ARTICLE XIV

#### FINANCE

Section 1. Records. The Association shall keep detailed books of account showing all expenditures and receipts of administration and which shall specify the maintenance and repair expenses of the common elements and any other expenses incurred by or on behalf of the Association and the 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 that such audit 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. If an audited statement is not available, any holder of a first mortgage on a unit in the project shall be allowed to have an audited statement prepared at its own expense.

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

Section 3. Bank. Funds of the Association shall be initially deposited in such bank or savings association as may be designated by the Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by

resolution of the Board of Directors from time to time. The funds may be invested from time to time in accounts or deposit certificates of such bank or savings association as are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and may also be invested in interest-bearing obligations of the United States Government.

#### ARTICLE 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 counsel fees, reasonably incurred by or imposed upon him in connection with any proceedings to which he may be a party or in which he may become involved by reason of his being or having been a Director or officer of the Association, whether or not he is a Director or officer at the time such expenses are incurred, except in such cases wherein the Director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of his duties: provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the Director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled. At least ten (10) days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all co-owners thereof. 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. Proposal. 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. Meeting. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of these By-Laws.

Section 3. Voting by Board of Directors. These By-Laws may be amended by an affirmative vote of a majority of the Board of

Directors, provided that such amendments do not materially alter or change the rights of co-owners, mortgagees or other interested parties, and to keep these By-Laws in compliance with the Act.

Section 4. Voting by Co-Owners. 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 two-thirds (2/3) 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 two-thirds (2/3) of the mortgagees shall be required, with each mortgagee to have one vote for each mortgage held. Consent for the Township of Northville shall be obtained if any public interest is affected. A person causing or requesting an amendment to the Condominium documents shall be responsible for costs and expenses of the amendment except for amendments based upon a vote of a prescribed majority of co-owners or based upon the Advisory Committee's decision, the costs of which are expenses of administration.

Section 5. By Developer. Prior to the first annual meeting of members, these By-Laws must be recorded in the Office of the Wayne County Register of Deeds, and they may be amended prior to that meeting by the first Board of Directors upon proposal of amendments by the Developer, without approval from any person, to keep these By-Laws in compliance with the Act and to make such other amendments to these By-Laws as shall not increase or decrease the benefits or obligations or materially affect the rights of any member of the Association.

Section 6. When Effective. Any amendment to these By-Laws shall become effective upon the recording of such amendment in the office of the Wayne County Register of Deeds.

Section 7. Binding. 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 8. Notice. Eligible mortgage holders, those holders of a first mortgage on a unit who have requested the Association to notify them on any proposed action that requires the consent of a specified percentage of eligible mortgage holders, also shall have the right to join in the decision making about certain amendments to the Condominium documents.

## ARTICLE XVII

### COMPLIANCE

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

## ARTICLE 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. Legal Action. Failure to comply with any of the terms or provisions of the Condominium documents shall be grounds for relief, which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved co-owner or co-owners.

Section 2. Recovery of Costs. In any proceeding arising because of an alleged default by a co-owner, the Association, if successful, shall be entitled to recover the costs of the proceedings 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. Removal and Abatement. The violation of any of the provisions of the Condominium documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the common elements or into any unit when reasonably necessary and summarily remove or abate, at the expense of the co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium documents. The Association shall have no liability to any co-owner arising out of the exercise of its removal and abatement power authorized herein.

Section 4. Assessment of Fines. The violation of any of the

provisions of the Condominium documents by any co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all co-owners in the same manner as prescribed in said Article IX. Section 5 of these By-Laws. Thereafter, fines may be assessed only upon notice to the offending co-owners as prescribed in Article IX. Section 5, and after an opportunity for such co-owner to appear before the Board no less than seven (7) days from the date of the notice and offer evidence in defense of the alleged violation. All fines duly assessed may be collected in the same manner as provided in Article II of these By-Laws. No fine shall be levied for the first violation. No fine shall exceed Twenty-Five Dollars (\$25.00) for the second violation. No fine shall exceed Twenty-Five Dollars (\$25.00) for the second violation, Fifty Dollars (\$50.00) for the third violation, or One Hundred Dollars (\$100.00) for any subsequent violation.

Section 5. Non-Waiver of Right. The failure of the Association or of any co-owner to enforce any right, provision, covenant, or condition which may be granted by the Condominium documents shall not constitute a waiver of the right of the Association or of any such co-owner to enforce such right, provision, covenant, or condition in the future.

Section 6. Cumulative Rights, Remedies and Privileges. All rights, remedies and privileges granted to the Association or any co-owner or co-owners pursuant to any terms, provisions, covenants or conditions of the aforesaid Condominium documents shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising the same from exercising such other additional rights, remedies or privileges as may be available to such party at law or in equity.

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

## ARTICLE XX

### 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:

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

#### ARTICLE XXI

#### 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 Condominium documents or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.