

Liber-34689 Page-1 — 53 / NCL
201415217 10/23/2001

Bernard J. Youngblood, Wayne Co. Register of Deeds

\$4.00 REHOMONITATION

Receipt #91559

RECORDED

BERNARD J. YOUNGBLOOD, REGISTER OF DEED
WAYNE COUNTY, MI

\$165.00 DEED.

NORTHVILLE HOLLOW CONDOMINIUM

MASTER DEED

This Master Deed is made and executed on this 5th day of October, 2001, by Robertson Sheldon, L.L.C., a Michigan limited liability company, hereinafter referred to as the "Developer", whose post office address is 6905 Telegraph Road, Suite 200, Bloomfield Hills, Michigan 48301-3159, in pursuance of the provisions of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended).

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

NOW, THEREFORE, the Developer does, upon the recording hereof, establish Northville Hollow Condominium as a Condominium Project under the Act and does declare that Northville Hollow Condominium shall, after such establishment, be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any other manner utilized, subject to the provisions of the Act, and to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this Master Deed, the Bylaws and the Condominium Subdivision Plan, all of which shall be deemed to run with the land and shall be a burden and a benefit to the Developer and any persons acquiring or owning an interest in the Condominium Premises and their respective successors and assigns. In furtherance of the establishment of the Condominium Project, it is provided as follows:

ARTICLE I

TITLE AND NATURE

The Condominium Project shall be known as Northville Hollow Condominium, Wayne County Condominium Subdivision Plan No. 632. The Condominium Project is established in accordance with the Act. The Units contained in the Condominium, including the number, boundaries, dimensions and area of each Unit therein, are set forth completely in the Condominium Subdivision Plan attached as Exhibit B hereto. Each Unit is capable of individual utilization on account of having its own entrance from and exit to a Common Element of the Condominium Project. Each Co-owner in the Condominium Project shall have an exclusive right to his Unit and shall have undivided and inseparable rights to share with other Co-owners the Common Elements of the Condominium Project.

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

No. 0195 R. J. Young Date 10/23/01
WAYNE COUNTY TREASURER Clerk C. Leyman

V5 10-03-01

EXAMINED AND APPROVED
DATE 10/19/01
BY D.P. A/L/01

DANIEL P. LANE
PLAT ENGINEER

ARTICLE II

LEGAL DESCRIPTION

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

Part of the Southeast 1/4 of Section 15, T1S, R8E, Northville Township, Wayne County, Michigan; being described as: commencing at the South 1/4 corner of Section 15; thence N87°37'56"E., 60.00 feet along the South line of said Section 15 to a point on the easterly right-of-way line of Sheldon Road (120 feet wide) and the southerly extension thereof; thence N01°50'18"W 832.18 feet along said East right-of-way line to the Point of Beginning; thence continuing along said right-of-way line, N01°50'18"W., 860.96 feet to a point "A"; thence continuing N01°50'18"W., 60 feet to the center of unnamed stream, a Middle Rouge River tributary; thence along the centerline of said stream approximately 1840 feet; thence S74°00'53"W., 67 feet to a point "B"; said unnamed stream being defined by the following intermediate traverse line; beginning at the abovementioned Point "A"; thence S74°00'00"E., 130.00 feet; thence N50°00'00"E., 177.00 feet; thence S32°00'00"E., 323.00 feet; thence S.37°00'00"E., 252.00 feet; thence S.06°00'00"W., 187.00 feet; thence S.38°00'00"E., 165.00 feet; thence S.73°51'51"E., 259.89 feet to the above mentioned point "B"; thence S74°00'53"W., 230.00 feet; thence N.69°25'54"W., 393.21 feet; thence S.63°19'00"W., 333.74 feet to the Point of Beginning and containing 11.2 acres, and including the land between the intermediate traverse line and the centerline of unnamed stream.

Together with and subject to a certain Planned Unit Development recorded in Liber 29691, Page 417, as amended, Declaration of Storm Sewer Easement recorded in Liber 30196, Page 6852, and Bike Path Maintenance Agreement dated September 20, 2001; and further together with and subject to all easements and restrictions of record and all governmental limitations.

ARTICLE III

DEFINITIONS

Certain terms are utilized not only in this Master Deed and Exhibits A and B hereto, but are or may be used in various other instruments such as, by way of example and not limitation, the Articles of Incorporation and rules and regulations of the Northville Hollow 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 Northville Hollow Condominium as a condominium. Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

Section 1. Act. The "Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended.

Section 2. Association. "Association" means Northville Hollow Condominium Association, which is the non-profit corporation organized under Michigan law of which all Co-owners shall be members, which corporation shall administer, operate, manage and maintain the Condominium.

Section 3. Bylaws. "Bylaws" means Exhibit A hereto, being the Bylaws setting forth the substantive rights and obligations of the Co-owners and required by Section 3(8) of the Act to be recorded as part of the Master Deed. The Bylaws shall also constitute the corporate bylaws of the Association as provided for under the Michigan Nonprofit Corporation Act.

Section 4. Common Elements. "Common Elements", where used without modification, means both the General and Limited Common Elements described in Article IV hereof.

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

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

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

Section 8. Condominium Subdivision Plan. "Condominium Subdivision Plan" means Exhibit B hereto.

Section 9. Consolidating Master Deed. "Consolidating Master Deed" means the final amended Master Deed which shall describe Northville Hollow Condominium as a completed Condominium Project and shall reflect the entire land area in the Condominium that may be removed or added to the Condominium from time to time under Articles VII and VIII hereof, and all Units and Common Elements therein, as constructed, and which shall express percentages of value pertinent to each Unit as finally readjusted. Such Consolidating Master Deed, if and when recorded in the office of the Wayne County Register of Deeds, shall supersede the previously recorded Master Deed for the Condominium and all amendments thereto. In the event the Units and Common Elements in the Condominium are established in substantial conformance with the proposed Condominium Subdivision Plan attached as Exhibit B to the Master Deed, the Developer shall be able to satisfy the foregoing obligation by the filing of a certificate in the office of the Wayne County Register of Deeds confirming that the Units and Common Elements "as built" are in substantial conformity with the proposed Condominium Subdivision Plan and no Consolidating Master Deed need be recorded.

Section 10. Co-owner or Owner. "Co-owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which owns one or more Units in the Condominium Project. The term "Owner", wherever used, shall be synonymous with the term "Co-owner".

Section 11. Developer. "Developer" means Robertson Sheldon, L.L.C., a Michigan limited liability company, which has made and executed this Master Deed, and its successors and assigns. Both successors and assigns shall always be deemed to be included within the term "Developer" whenever, however and wherever such term is used in the Condominium Documents. Developer as used herein shall not, however, include the term "Successor Developer" as defined in Section 135 of the Act.

Section 12. Development and Sales Period. "Development and Sales Period", for the purposes of the Condominium Documents and the rights reserved to the Developer thereunder, means the period commencing with the recording of the Master Deed and continuing as long as the Developer (I)

has a right to expand the Condominium pursuant to Article VIII below, (ii) owns any Unit which it offers for sale, (iii) there remains any residence to be constructed on Units that it owns, or (iv) it owns or holds an option or other enforceable purchase interest in land for residential development within a five (5) mile radius of the Condominium Premises, whichever last occurs.

Section 13. First Annual Meeting. "First Annual Meeting" means the initial meeting at which non-developer Co-owners are permitted to vote for the election of all Directors and upon all other matters which properly may be brought before the meeting. Such meeting is to be held (a) in the Developer's sole discretion after 50% of the Units which may be created are sold, or (b) mandatorily within (i) 54 months from the date of the first Unit conveyance, or (ii) 120 days after 75% of all Units which may be created are sold, whichever first occurs.

Section 14. Transitional Control Date. "Transitional Control Date" means the date on which a Board of Directors of the Association takes office pursuant to an election in which the votes which may be cast by eligible Co-owners unaffiliated with the Developer exceed the votes which may be cast by the Developer.

Section 15. Unit or Condominium Unit. "Unit" or "Condominium Unit" each mean a single Unit in Northville Hollow Condominium, as the same is described in Article V, Section I hereof and on Exhibit B hereto, and shall have the same meaning as the term "Condominium Unit" as defined in the Act. All structures and improvements now or hereafter located within the boundaries of a Unit shall be owned in their entirety by the Co-owner of the Unit within which they are located and shall not, unless otherwise expressly provided in the Condominium Documents, constitute Common Elements.

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

ARTICLE IV

COMMON ELEMENTS

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

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

- (a) **Land.** The land described in Article II hereof, other than that portion thereof identified as Units, including the entrance to the Condominium, entry monuments and retaining walls.
- (b) **Electrical.** The electrical transmission mains throughout the Project up to the point of lateral connection for Unit service, together with common lighting for the Project, if any is installed.
- (c) **Sanitary Sewer.** The sanitary sewer throughout the Project up to the point of lateral connection for Unit service.

(d) **Telephone.** The telephone system throughout the Project up to the ancillary connection for Unit service.

(e) **Gas.** The gas distribution mains throughout the Project up to the point of lateral connection for Unit service.

(f) **Telecommunications.** The telecommunications system, if and when it may be installed, including any security system, up to the point of the ancillary connection for Unit service.

(g) **Water.** The water distribution system throughout the Project up to the ancillary connection for Unit service.

(h) **Storm Drainage System and Underground Vault.** The storm drainage system throughout the project, which includes all areas containing drainage facilities and the underground vault.

(i) **Cul-de-sacs, Roads and Sidewalks.** The cul-de-sacs and roads and all improvements located within the General Common Element roads and the sidewalks depicted as General Common Elements on the Condominium Subdivision Plan.

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

Section 2. Limited Common Elements. Limited Common Elements shall be subject to the exclusive use and enjoyment of the Owner or Owners of the Unit to which the Limited Common Elements are assigned. The Limited Common Elements are as follows:

(a) **Utilities.** The leads for the gas distribution system, the electrical transmission, telephone, cable television, water, storm sewer and sanitary sewer systems servicing an individual Unit, are each Limited Common Elements, limited in use to the Unit served thereby.

(b) **Yard Area.** The yard area immediately to the rear of the Units as depicted on the Condominium Subdivision Plan shall be limited in use to the Unit to which the yard area is immediately adjacent.

(c) **Sidewalks.** Each sidewalk adjacent to the Units, which will be located over an area initially depicted as a General Common Element, shall be limited in use to the Unit it serves, which sidewalks shall be located and may be relocated pursuant to rights reserved in Article VI, Section 2 below.

(d) **Driveways.** Each driveway, which will be located over an area initially depicted as a General Common Element, shall be limited in use to the Unit it serves, which driveways shall be located and may be relocated pursuant to rights reserved in Article VI, Section 2 below.

Section 3. Responsibilities. The respective responsibilities for the maintenance, decoration, repair and replacement of the Common Elements are as follows:

(a) **Co-owner Responsibilities**

(i) **Units and Limited Common Elements.** It is anticipated that separate residential dwellings will be constructed within the Units depicted on Exhibit B. Except as

otherwise expressly provided, the responsibility for, and the costs of maintenance, decoration, repair and replacement of any dwelling and appurtenance to each shall be borne by the Co-owner of the Unit which is served thereby; provided, however, that the exterior appearance of such dwellings and Units, to the extent visible from any other Unit or Common Element in the Project, as well as the use and appearance of all yard areas, shall be subject at all times to the prior approval of the Association and, further, that all exterior maintenance shall be subject to and in accordance with Article VI, Section 20 of the Bylaws. In connection with any amendment made by the Developer pursuant to Article VI hereof, Developer may designate Limited Common Elements that are to be maintained, decorated, repaired and replaced at Co-owner expense or, in proper cases, at Association expense.

(II) **Utility Services.** All costs of electricity, telephone, cable television, natural gas, sewer and water and any other utility services shall be borne by the Owner of the Unit to which such services are furnished.

(b) **Association Responsibilities.**

(I) **Units.** The Association shall not be responsible for performing any maintenance, repair or replacement with respect to Units, the residences and their appurtenances located within the Condominium Units; except that the Association shall be responsible for the maintenance, repair and replacement of the driveways that service each individual Unit, the removal of snow from the sidewalk leading from the driveway up to and including the front porch of a residence. Notwithstanding the foregoing, the extra cost associated with sidewalks and driveways that are constructed of a material other than concrete, shall be borne by the Owner of the Unit benefitting from the sidewalk and/or driveway. The Association shall also be responsible for mowing all lawns located in the Condominium including those located within Units and Limited Common Element yard areas so long as access to the lawn area is not obstructed and that the Co-owner has cleaned-up after any pets maintained by the Co-owner. In order to provide for flexibility in administering the Condominium, the Association, acting through its Board of Directors, may also undertake such other regularly recurring, reasonably uniform, periodic exterior maintenance functions with respect to dwellings constructed within any Unit boundaries and their appurtenances as it may deem appropriate (including, without limitation, exterior painting and staining). Nothing herein contained, however, shall compel the Association to undertake such responsibilities. Any such responsibilities undertaken by the Association shall be charged to any affected Co-owner on a reasonably uniform basis and collected in accordance with the assessment procedures established under Article II of the Bylaws. The Developer, in the initial maintenance budget for the Association, shall be entitled to determine the nature and extent of such services and reasonable rules and regulations may be promulgated in connection therewith.

(II) **General Common Elements, Storm Water Drainage and Detention Area, and General Common Element Roadway.** The cost of maintenance, repair and replacement of all General Common Elements (including all landscaping therein), the storm water drainage system (including the underground vault), General Common Element road, all fences, if any, installed by the Developer, as they may be replaced from time to time, the cul-de-sac, the parkways, and all other improvements installed within the General Common Elements shall be borne by the Association. Additionally, during the period the Developer is constructing the Project, maintenance and inspection of the storm water drainage facilities shall be conducted no less than twice a year. The storm water facilities, after the Developer has completed construction of the Project, shall be inspected by the Association as needed but in any event no less than once a year. In the event the Association fails to provide adequate maintenance, repair, or replacement of the storm drainage system or roadways, Northville Township may, but is in no way obligated to,

serve written notice of such failure upon the Association. Such written notice shall contain a demand that the deficiencies be cured within a reasonable time period. If such deficiencies are not cured, the Township may undertake such maintenance, repair or replacement and the costs associated plus a 25% administration fee may be assessed against the Co-owners and collected as a special assessment on the next annual Township of Northville tax roll.

(iii) **Irrigation System.** The Association shall be responsible for lawn sprinkler start up, shut down, maintenance and repair, except that the water used in connection with lawn sprinkling immediately surrounding a Unit shall be metered through and be the responsibility of individual Unit Owners.

Section 4. Utility Systems. Some or all of the utility lines, systems (including mains and service leads) and equipment and the telecommunications system, described above may be owned by the local public authority or by the company that is providing the pertinent service. Accordingly, such utility lines, systems and equipment, and the telecommunications system, shall be General Common Elements only to the extent of the Co-owners' interest therein, if any, and Developer makes no warranty whatever with respect to the nature or extent of such interest, if any.

Section 5. Use of Units and Common Elements. No Co-owner shall use his Unit or the Common Elements in any manner inconsistent with the purposes of the Project or in any manner which will interfere with or impair the rights of any other Co-owner in the use and enjoyment of his Unit or the Common Elements.

ARTICLE V

UNIT DESCRIPTION AND PERCENTAGE OF VALUE

Section 1. Description of Units. Each Unit in the Condominium Project is described in this paragraph with reference to the Condominium Subdivision Plan of Northville Hollow Condominium as prepared by Giffels-Webster Engineers, Inc. and attached as Exhibit B hereto. Each Unit shall consist of the area contained within the Unit boundaries as shown in Exhibit B hereto and delineated with heavy outlines.

Section 2. Percentage of Value. The percentage of value assigned to each Unit in Northville Hollow Condominium 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 not material differences among the Units insofar as the allocation of percentages of value is concerned. The percentage of value assigned to each Unit shall determine 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 (which voting shall be in accordance with Article VIII, Section 1 of the Bylaws.) The total value of the Project is 100%.

ARTICLE VI

CONVERTIBLE AREAS

Section 1. Designation of Convertible Areas. The Units and Common Elements depicted on the Condominium Subdivision Plan are hereby designated as Convertible Areas within which the Units and Common Elements may be modified as provided herein.

Section 2. The Developer's Right to Modify Units and Common Elements. The Developer reserves the right, in its sole discretion, during a period ending six years from the date of recording this Master Deed, to modify the size, location or design of Units and/or Common Elements appurtenant or geographically proximate to such Units, including without limitation locating and relocating Limited Common Element driveways and sidewalks, within the Convertible Areas above designated as determined by the Developer as necessary, so long as such modifications do not unreasonably impair or diminish the appearance of the Project or the view, privacy or other significant attribute or amenity of any Unit which adjoins or is proximate to the modified Unit or Common Element and in accordance with all governmental requirements.

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

ARTICLE VII

CONTRACTION OF CONDOMINIUM

Section 1. Right to Contract. As of the date this Master Deed is recorded, the Developer intends to establish a Condominium Project consisting of 24 Units on the land described in Article II hereof all as shown on the Condominium Subdivision Plan. Developer reserves the right, however, to establish a Condominium Project consisting of fewer Units than described above and to withdraw from the project all or some portion of the land described as follows:

Part of the Southeast $\frac{1}{4}$ of Section 15, T-1-S., R-8-E., Northville Township, Wayne County, Michigan, Being Described As: Commencing at the South $\frac{1}{4}$ Corner of Section 15; Thence N. 87° 37' 56" E., 60.00 Feet along the South Line of Said Section 15 to a Point on the Easterly Right of Way Line of Sheldon Road (120 Feet Wide) and the Southerly Extension Thereof; Thence N. 01° 50' 18" W., 832.18 Feet along Said East Right of Way Line to the Point of Beginning; Thence Continuing along Said Right of Way Line N. 01° 50' 18" W., 484.34 Feet; Thence N. 88° 09' 42" E.; 136.41 Feet; Thence N. 07° 25' 39"E., 149.98 Feet; Thence along a Curve to the Left 104.21 Feet, Said Curve Having a Radius of 156.35 Feet, Central Angle of 38° 11' 19" and Long Chord Bearing S. 87° 09' 40" W., 102.29 Feet; Thence along a Curve to the Right 33.36 Feet, Said Curve Having a Radius of 99.09 Feet, Central Angle of 19° 17' 16" and Long Chord Bearing S. 77° 51' 08" W., 33.20 Feet to a Point on the Said Easterly Right of Way Line of Sheldon Road; Thence Continuing N. 01° 50' 18" W., 237.20 Feet to a Point "A"; Thence Continuing N. 01° 50' 18" W., 60 Feet to the Center of Unnamed Stream, a Middle Rouge River Tributary; Thence along the Centerline of Said Stream Approximately 1840 Feet; Thence S. 74° 00' 53" W., 67 Feet to a Point "B", Said Unnamed Stream Being Defined by the Following Intermediate Traverse Line; Beginning at the above Mentioned Point "A"; Thence S. 74° 00' 00" E., 130.00 Feet; Thence N. 50° 00' 00"

E., 177.00 Feet; Thence S. 32° 00' 00" E., 323.00 Feet; Thence S. 37° 00' 00" E., 252.00 Feet; Thence S. 06° 00' 00" W., 187.00 Feet; Thence S. 38° 00' 00" E., 165.00 Feet; Thence S. 73° 51' 51" E., 259.89 Feet to the above Mentioned Point "B"; Thence S. 74° 00' 53" W., 230.00 Feet; Thence N. 69° 25' 54" W., 393.21 Feet; Thence S. 63° 19' 00" W., 333.74 Feet to the Point of Beginning and Containing 10.5 Acres, and Including the Land Between the Intermediate Traverse Line and the Centerline of Unnamed Stream.

(hereinafter referred to as "contractible area").

Therefore, any other provisions of this Master Deed to the contrary notwithstanding, the number of Units in this Condominium Project may, at the option of the Developer, from time to time, within a period ending no later than six years from the date of recording this Master Deed, or longer as permitted by the Act, be contracted to any number determined by the Developer in its sole judgment, but in no event shall the number of Units be less than 2.

Section 2. Withdrawal of Land. In connection with such contraction, the Developer unconditionally reserves the right to withdraw from the Condominium Project such portion or portions of the land described in Section 1 of this Article as is not reasonably necessary to provide access to or otherwise serve the units included in the Condominium Project as so contracted. There is no obligation on the part of the Developer to withdraw from the Condominium Project all or any portion of the contractible area described above, nor is there any obligation to withdraw portions thereof in any particular order. Developer reserves the right to use the portion of the land so withdrawn to establish, in its sole discretion, a rental development, a separate condominium project (or projects) or any other form of development.

ARTICLE VIII

EXPANSION OF CONDOMINIUM

Section 1. Area of Future Development. The Condominium Project established pursuant to the initial Master Deed of Northville Hollow Condominium and consisting of 24 Units is intended to be the first stage of an Expandable Condominium under the Act to contain in its entirety a maximum of 170 Units. Additional Units, if any, will be constructed upon all or some portion or portions of the following described land:

PARCEL 1.

A Part of the Southeast 1/4 of Section 15, T-1-S., R-8-E., Northville Township, Wayne County, Michigan, Being Described As: Commencing at the South 1/4 Corner of Said Section 15; Thence N. 87° 37' 56" E., 60.00 Feet along the South Line of Said Section 15; Thence N. 01° 50' 18" W., 60.00 Feet to the Point of Beginning on the Easterly Right of Way Line of Sheldon Road (120 Feet Wide); Thence Continuing along Said Right of Way Line N. 01° 50' 18" W., 772.18 Feet; Thence N. 63° 19' 00" E., 333.74 Feet; Thence S. 69° 25' 54" E., 393.21 Feet; Thence S. 24° 07' 29" E., 814.34 Feet to a Point on the North Right of Way Line of Five Mile Road; Thence S. 87° 37' 56" W., 975.24 Feet along Said North Right of Way Line to the Point of Beginning and Containing 15.48 Acres.

PARCEL 2

A Part of the Southwest 1/4 of Section 14 and the Southeast 1/4 of Section 15, T-1-S., R-8-E., Northville Township, Wayne County, Michigan, Being Described As: Commencing at the South 1/4 Corner of Said Section 15; Thence N. 87° 37' 56" E., 1059.74 Feet along the South Line of Said Section 15; Thence N. 24° 07' 29" W., 64.60 Feet to the Point of Beginning on the North

Right of Way Line of Five Mile Road; Thence N. 24° 07' 29" W., 814.34 Feet; Thence N. 74° 00' 53" E., 230.00 Feet to a Point "A"; Thence Continuing N. 74° 00' 53" E., 67 Feet to the Center of an Unnamed Stream, a Middle Rouge River Tributary; Thence along the Centerline of Said Stream Approximately 2910 Feet; Thence S. 05° 36' 10" E., 295 Feet to a Point "B", Said Unnamed Stream Being Traversed by the Following Courses; Beginning at the above Mentioned Point "A"; Thence S. 63° 00' 00" E., 210.00 Feet; Thence N. 55° 00' 00" E., 240.00 Feet; Thence S. 85° 00' 00" E., 915.00 Feet; Thence N. 81° 00' 00" E., 472.98 Feet to the above Mentioned Point "B" on the Westerly Right of Way Line of Middle Rouge Parkway; Thence S. 05° 36' 10" E., 274.71 Feet along Said Right of Way Line to the Northwesterly Right of Way Line of Phoenix Road; Thence the Following Two Courses along Said Right of Way Line; (1) S. 41° 31' 23" W., 506.45 Feet; and (2) along a Curve to the Right 354.09 Feet, Said Curve Having a Radius of 440.00 Feet, Central Angle of 46° 06' 33" and a Long Chord Bearing of S. 64° 34' 40" W., 344.62 Feet to the Northerly Right of Way Line of Five Mile Road; Thence S. 87° 37' 56" W., 1031.37 Feet along Said Right of Way Line to the Point of Beginning and Containing 34.4 Acres, Including the Land Between the Intermediate Traverse Line and the Centerline of Unnamed Stream.

(hereinafter referred to as "area of future development").

Section 2. Increase In Number of Units. Any other provisions of this Master Deed notwithstanding, the number of Units in the Project may, at the option of the Developer, from time to time, within a period ending no later than six years from the date of recording this Master Deed, be increased by the addition to this Condominium of any portion of the area of future development and the establishment of Units thereon. The location, nature, appearance and design of all such additional Units as may be established thereon shall be determined by the Developer in its sole discretion subject only to approval by the Township of Northville. All improvements within the Units shall be reasonably compatible with the existing structures in the Project, as determined by the Developer in its sole discretion. No Unit shall be created within the area of future development that is not restricted exclusively to residential use.

Section 3. Expansion Not Mandatory. Nothing herein contained shall in any way obligate the Developer to enlarge the Condominium Project beyond the phase established by this Master Deed and the Developer may, in its discretion, establish all or a portion of said area of future development as a rental development, a separate condominium project (or projects) or any other form of development. There are no restrictions on the election of the Developer to expand the Project other than as explicitly set forth herein.

ARTICLE IX

OPERATIVE PROVISIONS

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

Section 1. Amendment of Master Deed and Modification of Percentages of Value. Such conversion, contraction or expansion of this Condominium Project shall be given effect by appropriate amendments to this Master Deed in the manner provided by law, which amendments shall be prepared by and at the discretion of the Developer and in which the percentages of value set forth in Article V hereof shall be proportionately readjusted when applicable in order to preserve a total value of 100% for the entire Project resulting from such amendments to this Master Deed. The precise determination of the readjustments in percentages of value shall be made within the sole judgment of the Developer. Such

readjustments, however, shall reflect a continuing reasonable relationship among percentages of value based upon the original method of determining percentages of value for the Project.

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

Section 3. Consolidating Master Deed. A Consolidating Master Deed shall be recorded pursuant to the Act when the Project is finally concluded as determined by the Developer in order to incorporate into one set of instruments all successive stages of development. The Consolidating Master Deed, when recorded, shall supersede the previously recorded Master Deed and all amendments thereto.

Section 4. Consent of Interested Persons. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendments to this Master Deed as may be proposed by the Developer to effectuate the purposes of Articles VI, VII and VIII above and to any proportionate reallocation of percentages of value of existing Units which the Developer may determine necessary in conjunction with such amendments. All such interested persons irrevocably appoint the Developer as agent and attorney for the purpose of execution of such amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be effected without the necessity of rerecording the entire Master Deed or the Exhibits hereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits hereto.

ARTICLE X SUBDIVISION, CONSOLIDATION AND OTHER MODIFICATIONS OF UNITS

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

Section 1. By Developer. Developer reserves the sole right during the Development and Sales Period and without the consent of any other Co-owner or any mortgagee of any Unit to take the following action:

(a) **Subdivide Units; Consolidate Units; Relocate Units.** Subdivide or resubdivide any Units which it owns, consolidate under single ownership two or more Units which are located adjacent to one another, and relocate any boundaries between Units. Such subdivision or resubdivision of Units, consolidation of Units and relocation of boundaries of Units shall be given effect by an appropriate amendment or amendments to this Master Deed in the manner provided by law, which amendment or amendments shall be prepared by and at the sole discretion of Developer, its successors or assigns.

(b) **Amend to Effectuate Modifications.** In any amendment or amendments resulting from the exercise of the rights reserved to Developer above, each portion of the Unit or Units resulting from such subdivision, consolidation or relocation of boundaries shall be separately identified by number and the percentage of value as set forth in Article V hereof for the Unit or Units subdivided, consolidated or as to which boundaries are relocated shall be proportionately allocated to the resultant new Condominium Units in order to preserve a total value of 100% for the entire Project resulting from such amendment or amendments to this Master Deed. The precise determination of the readjustments in percentage of value shall be within the sole judgment of Developer. Such amendment or amendments to the Master Deed shall also contain such further definitions of General or Limited Common Elements as may be necessary to adequately describe the Units in the Condominium Project as so subdivided. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments of this Master Deed to effectuate the foregoing and to any proportionate reallocation of percentages of value of Units which Developer or its successors may determine necessary in conjunction with such amendment or amendments. All such Interested persons irrevocably appoint Developer or its successors as agent and attorney for the purpose of execution of such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be effected without the necessity of rerecording an entire Master Deed or the Exhibits hereto.

Section 2. By Co-owners. One or more Co-owners may undertake:

(a) **Subdivision of Units.** The Co-owner of a Unit may subdivide his Unit upon request to the Association in accordance with Section 49 of the Act. Upon receipt of such request, the president of the Association shall cause to be prepared an amendment to the Master Deed, duly subdividing the Unit, separately identifying the resulting Units by number or other designation, designating only the Limited or General Common Elements in connection therewith, and reallocating the percentages of value in accordance with the Co-owner's request. The Co-owner requesting such subdivision shall bear all costs of such amendment. Such subdivision shall not become effective, however, until the amendment to the Master Deed, duly executed by the Association, has been recorded in the office of the Wayne County Register of Deeds.

(b) **Consolidation of Units; Relocation of Boundaries.** Co-owners of Units may relocate boundaries between their Units or eliminate boundaries between two or more Units upon written request to the Association in accordance with Section 48 of the Act. Upon receipt of such request, the president of the Association shall cause to be prepared an amendment to the Master Deed duly relocating the boundaries, identifying the Units involved, reallocating percentages of value and providing for conveyancing between or among the Co-owners involved in relocation of boundaries. The Co-owners requesting relocation of boundaries shall bear all costs of such amendment. Such relocation or elimination of boundaries shall not become effective, however, until the amendment to the Master Deed has been recorded in the office of the Wayne County Register of Deeds.

Section 3. Limited Common Elements. Limited Common Elements shall be subject to assignment and reassignment in accordance with Section 39 of the Act and in furtherance of the rights to subdivide, consolidate or relocate boundaries described in this Article.

ARTICLE XI

EASEMENTS

Section 1. Easement for Maintenance of Encroachments and Utilities. There shall be easements to, through and over the entire Project (Including all Units and the Limited Common Element yard areas) for the continuing maintenance, repair, replacement and enlargement of any General Common Element utilities in the Condominium. In the event any portion of a structure located within a Unit encroaches upon a Common Element due to shifting, settling or moving of a building, or due to survey errors or construction deviations or change in ground elevations, reciprocal easements shall exist for the maintenance of such encroachment for so long as such encroachment exists, and for maintenance thereof after rebuilding in the event of destruction. One of the purposes of this Section is to clarify the right of the Co-owner to maintain structural elements and fixtures which project into the Common Elements surrounding each Unit notwithstanding their projection beyond the Unit perimeters.

Section 2. Easement for Maintenance of Dwelling Exteriors, Limited Common Element Areas, Etc. 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 the Limited Common Elements, for access to the Units and the exterior of each of the residential dwellings constructed within the Project to permit the maintenance, decoration, repair and replacement thereof in accordance with provisions of Article IV, Section 3(b) hereof and in accordance with the terms hereinafter set forth.

Section 3. Dedication of Roads and Utilities.

(a) **Roads.** Developer reserves for the benefit of itself, its successors and assigns, and all future owners of the land which may be added to or withdrawn from the Project as reserved in Articles VII and VIII or any portion or portions thereof, easements for the unrestricted use of all roads, walkways and other General Common Elements in the Condominium for the purpose of further development and construction (on or off the Condominium Premises) by it or its successors and assigns and also for the purpose of perpetual ingress and egress to and from all or any portion of the land described in Articles VII and VIII. In order to achieve the purposes of this Article and of Articles VII and VIII of this Master Deed, Developer shall have the right to alter any General Common Element areas existing between said road and any portion of the land described in Articles VII and VIII by installation of curb cuts, paving, drives, walks and roadway connections at such locations on and over the General Common Elements as Developer may elect from time to time. Developer shall also have the right, in furtherance of its construction, development and sales activities on the Condominium, to go over and across, and to permit its agents, contractors, subcontractors and employees to go over and across, any portion of the General Common Elements from time to time as Developer may deem necessary for such purposes. In the event Developer disturbs any area of the Condominium Premises adjoining such curb cuts, paving, drives, walks or roadway connections or other General Common Elements upon installation thereof or in connection with its construction, development and sales activities, Developer shall, at its expense, restore such disturbed areas to substantially their condition existing immediately prior to such disturbance. All continuing expenses of maintenance, repair, replacement and resurfacing of any road used for perpetual access purposes referred to in this Section shall be perpetually shared by this Condominium and any developed portions of the land described in Articles VII and VIII whose closest means of access to a public road is over such road or roads. The Co-owners in this Condominium shall be responsible from time to time for payment of a proportionate share of said expenses which share shall be determined by multiplying

such expenses times a fraction, the numerator of which is the number of completed dwelling Units in this Condominium, and the denominator of which is comprised of the number of such Units plus all other completed dwelling Units on the land described in Articles VII and VIII not lying within the Condominium whose closest means of access to a public road is over such road. Developer may, by a subsequent instrument prepared and recorded in its discretion without consent from any interested party, specifically define by legal description the easements of access reserved hereby, if Developer deems it necessary or desirable to do so. Developer further reserves the right during the Development and Sales Period to install temporary construction roadways and accesses over the General Common Elements in order to gain access from the Project to a public road.

The Developer reserves the right at any time until the elapse of two (2) years after the expiration of the Development and Sales Period, and the Association shall have the right thereafter, to dedicate to the public a right-of-way of such width as may be required by the local public authority over any or all of the roadways in the Condominium, shown as General Common Elements on Exhibit B. Any such right-of-way dedication may be made by the Developer without the consent of any Co-owner, mortgagee or other person and shall be evidenced by an appropriate amendment to this Master Deed and to 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 to effectuate the foregoing right-of-way dedication.

(b) Utilities. Developer also hereby reserves for the benefit of itself, its successors and assigns and all future owners of the land described in Articles VII and VIII or any portion or portions thereof, perpetual easements to utilize, tap, tie into, extend and enlarge all utility mains located in the Condominium Premises, including, but not limited to, water, gas, telephone, electrical, cable television, storm and sanitary sewer mains. In the event Developer, its successors or assigns, utilizes, taps, ties into, extends or enlarges any utilities located on the Condominium Premises, it shall be obligated to pay all of the expenses reasonably necessary to restore the Condominium Premises to their state immediately prior to such utilization, tapping, tying-in, extension or enlargement. All expenses of maintenance, repair and replacement of any utility mains referred to in this Section shall be shared by this Condominium and any developed portions of the land described in Articles VII and VIII which are served by such utility mains. The Co-owners of this Condominium shall be responsible from time to time for payment of a proportionate share of said expenses which share shall be determined by multiplying such expenses times a fraction, the numerator of which is the number of dwelling Units in this Condominium, and the denominator of which is comprised of the numerator plus all other dwelling Units in the land described in Articles VII and VIII not located within the Condominium which benefit from such mains. Provided, however, that the foregoing expenses are to be paid and shared only if such expenses are not borne by a governmental agency or public utility. Provided, further, that the expense sharing shall be applicable only to utility mains and all expenses of maintenance, upkeep, repair and replacement of utility leads shall be borne by the Association to the extent such leads are located on the Condominium Premises. The Co-owners and the Association shall have no responsibility with respect to any utility leads which service dwellings outside the Condominium Premises.

Developer reserves the right at any time during the Development and Sales Period, and the Association shall have the right subsequent to the Development and Sales Period, to grant easements for utilities over, under and across the Condominium to appropriate governmental agencies or public utility companies and to transfer title of utilities (which utilities shall include,

without limitation, the storm drainage system, or any portion thereof, that services the Project) to governmental agencies or to utility companies. Any such easement or transfer of title may be conveyed by the Developer without the consent of any Co-owner, mortgagee or other person and shall be evidenced by an appropriate amendment to this Master Deed and to Exhibit B hereto, recorded in the Wayne County Records. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendments to this Master Deed as may be required to effectuate the foregoing grant of easement or transfer of title.

Section 4. Grant of Easements by Association. The Association, acting through its lawfully constituted Board of Directors (including any Board of Directors acting prior to the Transitional Control Date) shall be empowered and obligated to grant such easements, licenses, rights-of-entry and rights-of-way over, under and across the Condominium Premises for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the Condominium; subject, however, to the approval of the Developer so long as the Development and Sales Period has not expired. No easements created under the Condominium Documents may be modified, or obligations with respect thereto varied, without the consent of each person benefitted thereby.

Section 5. Easements for Maintenance, Repair and Replacement. The Developer, the Association, public entities or agencies, and all public or private utilities shall have such easements as may be necessary over the Condominium Premises, including all Units and Common Elements to fulfill any responsibilities of maintenance, repair, decoration or replacement which they or any of them are required or permitted to perform under the Condominium Documents. These easements include, without any implication of limitation, the right of the Association to obtain access during reasonable hours and upon reasonable notice for purposes of inspection of any Unit to ascertain that the same have been designed and constructed in conformity with standards imposed and/or specific approvals granted by the Association.

Section 6. Storm Sewer and Surface Drainage. The Developer hereby reserves on behalf of itself, its successors and assigns, the Association, the Co-owners, and for the benefit of the public agencies, including without limitation the Township of Northville, a perpetual easement to use the areas depicted on the Condominium Subdivision Plan as storm sewer and detention area for the purposes of storm water drainage and detention.

Section 7. Telecommunications Agreements and Fiber Optic Service.

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

shall be paid over to and shall be the property of the Association.

(b) The Developer may provide fiber optic service in the Project, but has no obligation to do so. In such event, the fiber optic cables and related equipment ("Fiber Optic Improvements") located throughout the Project, up to the point of entry to each residence, would be owned by the Developer. At all times the Developer provides fiber optic service in the Project, the fiber optic cable and related equipment will be installed, maintained, repaired and replaced by the Developer, at the Developer's sole cost and expense. The Developer hereby reserves an easement throughout the Project for the purpose of installing, maintaining, repairing and replacing the Fiber Optic Improvements, in the event the Fiber Optic Improvements are installed. The rights reserved in this paragraph can be assigned by the Developer or transferred to its successor, assign or designee.

ARTICLE XII

AMENDMENT

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

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

Section 2. Mortgagee Consent. Amendments shall require the approval of first mortgagees of record, only in accordance with Section 90a of the Act.

Section 3. By Developer. Pursuant to Section 90(1) of the Act, the Developer hereby reserves the right, on behalf of itself and on behalf of the Association, to amend this Master Deed and the other Condominium Documents without approval of any Co-owner or mortgagee for the purposes of correcting survey or other errors and for any other purpose unless the amendment would materially alter or change the rights of a Co-owner or mortgagee, in which event Co-owner and mortgagee consent shall be required as provided above.

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

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

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

ARTICLE XIII

ASSIGNMENT

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

WITNESSES:

William T. Myers
William T. Myers

ROBERTSON SHELDON, L.L.C., a Michigan limited liability company
By: ROBERTSON BROTHERS CO., a Michigan corporation

By: David W. Robertson
David W. Robertson, Secretary

C. Kim Shierk
C. Kim Shierk
STATE OF MICHIGAN)
) SS.
COUNTY OF OAKLAND)

On this 5 day of October, 2001 the foregoing Master Deed was acknowledged before me by David W. Robertson, the Secretary of Robertson Brothers Co., a Michigan corporation, Managing Member of Robertson Sheldon, L.L.C., a Michigan limited liability company, on behalf of the corporation and the company.

William T. Myers
William T. Myers
Notary Public, Oakland County, Michigan
My commission expires: August 29, 2004

Master Deed drafted by:
C. Kim Shierk, of Myers Nelson Dillon & Shierk, PLLC
40701 Woodward Ave., Suite 235
Bloomfield Hills, Michigan 48304-2221
When recorded, return to drafter

NORTHVILLE HOLLOW CONDOMINIUM

EXHIBIT A

BYLAWS

ARTICLE I

ASSOCIATION OF CO-OWNERS

Northville Hollow Condominium, a residential 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 Bylaws shall constitute both the Bylaws referred to in the Master Deed and required by Section 3(8) of the Act and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Co-owner shall be entitled to membership and no other person or entity shall be entitled to membership. The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his 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 General Common Elements or the administration of the Condominium Project shall constitute expenditures affecting the administration of the Project, and all sums received as the proceeds of, or pursuant to, any policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the General 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 General Common

Elements that must be repaired or replaced on a periodic basis shall be established in the budget and must be funded by regular payments as set forth in Section 3 below rather than by special assessments. At a minimum, the reserve fund shall be equal to 10% of the Association's current annual budget on a noncumulative basis. Since the minimum standard required by this subsection may prove to be inadequate for this particular project, the Association of Co-owners should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. Upon adoption of an annual budget by the 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: (a) to pay the costs of operation and management of the Condominium, (b) to provide repairs or replacements of existing General Common Elements, Limited Common Elements and improvements located on Limited Common Elements and Units to the extent the Association is obligated to repair and replace, (c) to provide additions to the General Common Elements not exceeding \$2,000.00 annually for the entire Condominium Project, or (2) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The 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 subsection 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 subsection (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 General Common Elements of a cost exceeding \$2,000.00 for the entire Condominium Project per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 hereof, or (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subsection (b) (but not including those assessments referred to in subsection 2(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-six and two thirds (66-2/3%) percent of the Unit Co-owners, except as hereinafter provided. The authority to levy assessments pursuant to this subsection 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.

Section 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 equally among and paid by the Co-owners, without increase or decrease for the existence of any rights to the use of any Limited Common Elements appurtenant to a Unit. Annual assessments as determined in accordance with Article II, Section 2(a) above shall be payable by Co-owners in regular installments, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. A late charge not exceeding \$25 per installment may be assessed automatically by the Association upon each installment in default five or more days until each installment together with all applicable late charges is paid in full. The Board of Directors shall also have the right to increase the amount of the late charge upon notification to all Co-owners. The Association also may, pursuant to Article XX hereof, levy fines for late payment of assessments in addition to the late charge. Each Co-owner (whether 1 or more persons) shall be, and remain, personally liable for the payment of all assessments (including fines for late payment and costs of

collection and enforcement of payment) pertinent to his Unit which may be levied while such Co-owner is the owner thereof, except a land contract purchaser from any Co-owner including Developer shall be so personally liable and such land contract seller shall not be personally liable for all such assessment levied up to and including the date upon which such land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorney's fees; second, to any interest charges and fines for late payment on such installments; and third, to installments in default in order of their due dates.

Section 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 together with all applicable late charges, interest, fines, costs, advances paid by the Association to protect its lien, actual attorneys' fees (not limited to statutory fees) and other costs, 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 services to a Co-owner in default upon 7 days written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to serve on committees or as a Director of the Association, 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. The Association may also assess fines for late payment or non-payment of assessments in accordance with the provisions of Article XX of these Bylaws. All of these remedies shall be cumulative and not alternative.

(b) **Foreclosure Proceedings.** Each Co-owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the Project shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Project acknowledges that at the time of acquiring title to such Unit, he was notified of the provisions of this subsection 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 10 days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or their last known

address, a written notice that 1 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 20 days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney's fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of record. Such affidavit shall be recorded in the office of the Register of Deeds in the county in which the Project is located prior to 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 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 late charges, interest, fines, costs, actual attorney's fees (not limited to statutory fees), advances for taxes or other liens paid by the Association to protect its lien, and other costs, shall be chargeable to the Co-owner in default and shall be secured by the lien on his Unit.

Section 6. Liability of Mortgagors. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Project which comes into possession of the Unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into possession of the Unit.

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 regular Association assessments. The Developer, however, shall at all times pay all expenses of maintaining the Units that it owns, including the 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 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 the 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 building is located. Any assessments levied by the Association against the Developer for other purposes shall be void without Developer's consent. Further, the Developer shall in no event be liable for any assessment levied in whole or in part to purchase any Unit from the Developer or to finance any litigation or other claims against the Developer, any cost of investigating and preparing such litigation or claim or any similar or related costs. During the Development and Sales Period, the Developer may (without the consent of the Association or any other Co-owner) waive the payment of assessments by any particular Co-owner during the period of time commencing as of the date upon which that Co-owner acquires fee simple interest or a land contract vendee's interest in and to a Unit and ending upon the earlier to occur of (a) two (2) years thereafter, or (b) the date upon which a completed building is on the Unit owned by that Co-owner. A "completed building" shall mean a building 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. Construction Lien. A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

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, interest, late charges, fines, costs and other fees as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least 5 days prior to the closing of the purchase of such Unit shall render any unpaid assessments against the Condominium Unit together with interest, costs, fines, late charges and attorney fees, and the lien securing the same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record.

ARTICLE 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 in light of the nature of the General Common Elements of the Project, carry fire and extended coverage, vandalism and malicious mischief and liability insurance (in a minimum amount to be determined by the Developer or

the Association in its discretion, but in no event, less than \$1,000,000 per occurrence), officers and directors liability insurance, and workmen's compensation insurance if applicable, and any other insurance the Association may deem applicable, desirable or necessary, pertinent to the ownership, use and maintenance of the General Common Elements and such insurance shall be carried and administered in accordance with the following provisions:

- (a) **Responsibilities of Association.** All such insurance shall be purchased by the Association for the benefit of the Association, the Developer and the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners.
- (b) **Insurance of Common Elements.** If applicable and appropriate, all General Common Elements of the Condominium Project shall be insured against fire and other perils covered by a standard extended coverage endorsement, replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association. The Association shall not be responsible, in any way, for maintaining insurance with respect to Limited Common Elements.
- (c) **Premium Expenses.** All premiums on insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.
- (d) **Proceeds of Insurance Policies.** Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association and the 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 VI of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Project unless all of the institutional holders of first mortgages on Units in the Project have given their prior written approval.

Section 2. Authority 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 fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Condominium Project and the General Common Elements appurtenant thereto, with such insurer as may, from time to time, provide such insurance for the Condominium Project. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

Section 3. Responsibilities of Co-owners. Each Co-owner shall be obligated and responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to the 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. There is no responsibility on the part of the Association to insure any of such improvements whatsoever. All such insurance shall be carried by each Co-owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs. Each Co-owner also shall be obligated to obtain insurance coverage for his personal liability for occurrences within the perimeter of his Unit or the improvements located thereon (naming the Association and the Developer as insureds), and also for any other personal insurance coverage that the Co-owner wishes to carry.

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

Section 4. 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.

Section 5. Indemnification. Each individual Co-owner shall indemnify and hold harmless every other Co-owner, the Developer and the Association for all damages and costs, including attorneys' fees, which such other Co-owners, the Developer or the Association may suffer as a result of defending any claim arising out of an occurrence on or within such individual Co-owner's Unit and shall carry insurance to secure this indemnity if so required by the Association (or the Developer during the Development and Sales Period). This Section 5 shall not be construed to give any insurer any subrogation right or other right or claim against any individual Co-owner, however.

ARTICLE V

RECONSTRUCTION OR REPAIR

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

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

(b) **Unit or Improvements Thereon.** If the damaged property is a Unit or any improvements thereon, the Co-owner of such Unit shall, so long as the Co-owner is obligated to obtain the insurance, apply the insurance proceeds towards and be responsible for rebuilding or repairing the damaged property, subject to the rights of any mortgagee or other person or entity having an interest in such property. Property damaged for which the Association is obligated to insure shall be repaired in accordance with Section 3 below. Either the Co-owner or the Association shall, depending on which has the obligation to insure the Unit and improvements thereon, remove all debris and restore the Unit and the improvements thereon to a clean and sightly condition satisfactory to the Association and in accordance with the provisions of Article VI hereof as soon as reasonably possible following the occurrence of the damage.

Section 2. Repair In Accordance with Master Deed, Etc. Any such reconstruction or repair shall be in accordance with the architectural character adopted pursuant to Article VI, Section 3 below unless the Co-owners shall unanimously decide otherwise.

Section 3. Association Responsibility for Repair. Immediately after the occurrence of a casualty causing damage to property for which the Association has the responsibility of maintenance, repair, reconstruction and insuring, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessment shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation.

Section 4. 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 5. 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 therefor, 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 interests in the Common Elements and the affirmative vote of more than 50% of the Co-owners shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

(c) **Continuation of Condominium After Taking.** In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be resurveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium of 100%. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner.

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

(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.

Section 6. Priority of Mortgagors Interests. Nothing contained in the Condominium Documents shall be construed to give a Co-owner or any other party priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Co-owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

ARTICLE VI

RESTRICTIONS

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

Section 1. Residential Use. No Unit in the Condominium shall be used for other than single-family residential purposes and the Common Elements shall be used only for purposes consistent with single-family residential use and in accordance with the ordinances of the Township of Northville. In-home libraries and offices shall also be permissible so long as such use is consistent with the Township's ordinances.

Section 2. Leasing and Rental.

(a) **Right to Lease.** A Co-owner may lease his Unit for the same purposes set forth in Section 1 of this Article VI; provided that 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 of a first mortgage, foreclosure or deed or other arrangement in lieu of foreclosure, no Co-owner shall lease less than an entire Unit in the Condominium. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. The Developer may lease any number of Units in the Condominium in his discretion.

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

(1) A Co-owner, including the Developer, desiring to rent or lease a Unit, shall disclose that fact in writing to the Association at least 10 days before presenting a lease form or otherwise agreeing to grant possession of a Condominium Unit 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 no lease form is to be used, then the Co-owner or Developer shall supply the Association with the name and address of the potential lessee, along with the rental amount and due dates under the proposed agreement.

(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 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 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 General Common Elements caused by the Co-owner or tenant in connection with the Unit or Condominium Project.

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

(a) Issue a statutory notice to quit for non-payment of rent to the tenant and shall have the right to enforce that notice by summary proceeding.

(b) Initiate proceedings pursuant to subsection (3)(iii).

Section 3. Architectural Control. All residences in the Condominium must be constructed by the Developer. No building, 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 buildings, structure or improvement, nor any landscaping done, unless plans and specifications therefor, containing such detail as the Developer may reasonably request, have first been approved in writing by the Developer. Construction of any building or other improvements must also receive any necessary approvals from the local public authority. 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 structure, improvement or modification, the site upon which it is proposed to be constructed and the degree of harmony thereof with the Condominium as a whole. All residences constructed on a Unit shall contain at least the minimum square footage required at the time of construction by the Township of Northville, as well as satisfy all set back requirements of the Township. No assurances are provided that the Township of Northville ordinances will permit construction of a residence within the entire Unit area depicted on the Condominium Subdivision Plan.

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. Developer's rights under this Article VI, Section 3 may, in Developer's discretion, be assigned to the Association or other successor to Developer. 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. Alterations and Modifications of Improvements In Units and Common Elements.

The written approval of the Board of Directors and, during the Development and Sales Period, also the written approval of the Developer, shall be obtained by a Co-owner prior to making alterations, modifications or changes in any of the buildings, structures, Units or Common Elements, Limited or General, including, without limitation, the erection of antennas of any sort (including dish antennas which are addressed in Section 15 below), lights, aerials, storm doors, awnings, newspaper holders, mailboxes, or other exterior attachments or modifications. All exterior paints and stains shall be consistent with a uniform color scheme adopted from time to time, by the Association. No Co-owner shall in any way restrict access to any utility line, or any other element that must be accessible to service the Common Elements or any element which affects an Association responsibility in any way. Developer and/or the Association shall respond to any request for approval of plans submitted under this Article VI, Section 4 within thirty (30) days after receipt of the same by Developer or the Association. If Developer or the Association fails to respond to such request within the thirty (30) day period, the request shall be deemed to be approved. If the Developer or the Association denies any such request for approval, the denial shall be in writing and shall state the reason for the denial.

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 cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: Any activity involving the use of firearms, air rifles, pellet guns, B-B guns, bows and arrows, or other similar dangerous weapons, projectiles or devices. Without limiting the scope or application of the foregoing, outdoor spotlights that shine into or otherwise illuminate the homes on surrounding Units shall be deemed to be nuisances, as shall outdoor horns, sirens or other noise making devices, whether attached to security systems or otherwise, which go off repeatedly or for an extended period of time. Each Unit Owner shall be responsible for their security systems with such noise making devices when the Unit Owner is not at the dwelling. No outdoor floodlights shall be permitted without the prior approval of the Developer or the Association.

Section 6. Pets. No animal may be kept or bred for any commercial purpose and shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal may be permitted to run loose at any time upon the Common Elements and any animal shall at all times be leashed and attended by some responsible person while on the Common Elements. No savage or dangerous animal shall be kept and any Co-owner who causes any animal to be brought or kept upon the premises of the Condominium shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as the result of the presence of such animal on the premises, whether or not the Association has given its permission therefor. Each Co-owner shall be responsible for collection and disposition of all fecal matter deposited by any pet maintained by such Co-owner. No dog whose barks can be heard on any frequent or continuing basis shall be kept in any Unit or on the Common Elements. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II of these Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper. In the event of any violation of this Section, the Association may assess fines for such violation in accordance with these Bylaws and in accordance with duly adopted rules and regulations of the Association.

Section 7. Aesthetics. The Common Elements shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. 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. Without written approval by the Association, no Co-owner shall change in any way the exterior appearance of the residence and other improvements and appurtenances located within his Unit. Thus, in connection with any maintenance, repair, replacement, decoration or redecoration of such residence, improvements or appurtenances, no Co-owner shall modify the design, material or color of any such item including, without limitation, windows, doors, screens, roofs, siding or any other component which is visible from a Common Element or other Unit.

Section 8. Vehicles. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, motorcycles, all terrain vehicles, snowmobiles, snowmobile trailers or vehicles, automobiles or vehicles other than those used primarily for general personal transportation purposes, may be parked or stored upon the Common Elements or Units without the Association's prior written approval. Garage doors shall be kept closed when not in use. No inoperable vehicles of any type may be brought or stored upon the Condominium Premises either temporarily or permanently. Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pickups in the normal course of business. The purpose of this Section is to accommodate reasonable Co-owner parking but to avoid unsightly conditions which may detract from the appearance of the Condominium as a whole. Use of motorized vehicles anywhere on the Condominium Premises, other than on street licensed vehicles the roads and driveways, is absolutely prohibited.

Section 9. Advertising. No signs or other advertising devices, including without limitation, balloons and banners, of any kind shall be displayed either at the entrance to the Project or 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 Development and Sales Period, from the Developer.

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 regulations consistent with the Act, the Master Deed and these Bylaws concerning the use of the Common Elements may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors (or its successors) prior to the Transitional Control Date. Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-owners.

Section 11. Right of Access of Association. The Association or its duly authorized agents shall have access to each Unit and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary to carry out any responsibilities imposed on the Association by the Condominium Documents. The Association or its agents shall also have access to Units and Limited Common Elements appurtenant thereto as may be necessary to respond to emergencies. The Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to his Unit and any Limited Common Elements appurtenant thereto caused thereby. This provision, in and of itself, shall not be construed to permit access to the interiors of dwellings or other structures.

Section 12. Driveways, Garages. All driveways shall be paved with concrete and shall be completed prior to occupancy unless delayed due to inclement weather or ground conditions, or other circumstances beyond the control of the Owner, in which case such work shall be completed as soon as practicable after occupancy. No gravel or unpaved driveways shall be permitted. All garages shall be attached to the dwelling located on the Unit.

Section 13. Swimming Pools, Equipment. No above ground or in ground swimming pools shall be erected or maintained on any Unit or Common Element. Hot tubs shall be permitted subject to the prior approval of the Association and, during the Development and Sales Period, the Developer. The

hot tub and all mechanical and electrical equipment and other equipment associated with the hot tub, shall be enclosed or screened so as not to be visible from the outside of any building or structure in the Condominium. The appearance and materials of such enclosure or screening shall be in harmony with and compatible with the rest of the building or structure on the Unit.

Section 14. Fences. No fence, wall or hedge of any kind, including without limitation invisible fences, shall be erected or maintained on any Unit or Common Element.

Section 15. Antennae, Satellite Dishes. No outside television antenna or other antenna, or aerial saucer, dish or similar device shall be placed, constructed, altered or maintained on any Unit, unless the Developer determines that the absence of an outside antenna causes substantial hardship with respect to a particular Unit; provided, that not more than one satellite communications dish not exceeding eighteen inches (18") in diameter may be installed on a Unit subject to reasonable requirements of Developer or the Association concerning screening and location.

Section 16. Dog Kennels. No dog kennels or runs or other enclosed shelters for animals shall be permitted.

Section 17. No Temporary Structures. No mobile home, trailer, house or camping trailer, tent, shack, tool storage shed, barn, tree house or other similar outbuilding or structure shall be utilized for residence purposes on any Unit at any time, either temporarily or permanently.

Section 18. Lawn Ornaments. Not more than two lawn ornaments, sculptures or statues shall be placed or permitted to remain in the rear yard areas only of any Unit without the prior written permission of the Association.

Section 19. Common Element Maintenance. Sidewalks, yards, landscaped areas, driveways, and parking areas shall not be obstructed nor shall they be used for purposes other than that for which they are reasonably and obviously intended.

Section 20. Co-owner Maintenance. Each Co-owner shall maintain his Unit, dwelling located thereon and any Limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other Common Elements which are appurtenant to or which may affect any other Unit. The exterior of all buildings in the Project shall be repainted not less than every five years. The roof on all buildings shall also be reshingled no less than on a twenty-year cycle or as recommended by the manufacturer if premium shingles are installed. Further, 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). Each individual Co-owner shall indemnify the Association and all other Co-owners against such damages and costs, including attorneys' fees, and all such 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. Developer reserves for itself and the Association the right to enter upon any Unit not owned by Developer for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds or other unsightly growth, or to abate any nuisance which in the opinion of Developer or the Association detracts from the overall beauty, setting, safety and enjoyment of the Project. Such entrance for the purpose of mowing, cutting, clearing or pruning shall not be deemed a trespass. Developer or the Association and its agents may likewise enter upon a Unit to remove any trash which has collected on such Unit without such entrance and removal being deemed a trespass. The provisions of this paragraph shall not be construed as an obligation on the part of Developer or the Association to mow, clear, cut or prune any Unit nor to provide garbage or trash removal services nor to abate any nuisance. All costs associated with the foregoing work

shall be reimbursed pursuant to Section 22 below. The foregoing notwithstanding, except in the case of emergencies or extended absence or vacation of the Unit Owners, neither the Developer nor the Association shall take any action to abate a nuisance without first providing the Unit Owner with notice and reasonable opportunity to cure or remove such nuisance.

Section 21. Basketball Backboards and Flag Poles. No basketball backboards nor flagpoles shall be permitted within Units, on any of the improvements located within the Units, or on any of the General Common Elements.

Section 22. Failure of Co-owner to Perform Maintenance Responsibilities. In the event a Co-owner fails to maintain, decorate, repair or replace any items for which it is responsible either to the standard established from time to time by the Association or in accordance with any of the restrictions set forth in the Condominium Documents, the Association (and/or the Developer during the Development 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 such improvements within a Unit, all at the expense of the Co-owner of the Unit. Such right shall be conditioned upon 10 days advance written notice to the Co-owner of the intention to take such action. 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 nor shall the Developer or the Association be liable to any Co-owner or any other person for failure to take any such action. The Developer and the Association shall have easements in furtherance of the rights accorded them hereunder as set forth in Article XI, Section 2 of the Master Deed and no exercise of such rights shall be deemed to be a trespass or other infringement of the rights of any Co-owner, lessee or other person and shall not render the Developer or the Association liable to any person whatsoever on account of such exercise. All costs incurred by the Association or the Developer in performing any responsibilities under the Condominium Documents 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 regular assessment installment next falling due; further, the lien for non-payment 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. Any costs becoming assessable hereunder shall include not only the direct costs of such maintenance, repair or replacement but shall also include such reasonable indirect costs as are determined, in the discretion of the assessing party, to have been incurred by it in taking such action.

Section 23. Reserved Rights of Developer.

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

(b) **Developer's Rights In Furtherance of Development and Sales.** None of the restrictions contained in this Article VI shall apply to the commercial activities or signs or billboards, if any, of the Developer during the Development and Sales Period or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation, as the same may be amended from time to time. Notwithstanding anything to the contrary elsewhere herein contained, Developer shall have the right to maintain a sales office, at least two (2) trailers for either marketing or construction purposes, model units, advertising display signs, 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. It may continue to do so during the entire Development and Sales Period and may continue to do so even after the conclusion of the Development and Sales Period for so long as Developer continues to construct or owns or holds title or an option or other enforceable interest in land for development as condominiums within two miles from the perimeter of the Condominium Project. Developer shall also have the right to maintain or conduct on the Condominium Premises any type of promotional activity it desires, including the erection of any and all kinds of temporary facilities relative to the marketing and promotion of the Project:

(c) **Enforcement of Bylaws.** The Condominium Project shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private, residential community for the benefit of the Co-owners and all persons interested in the Condominium. The Developer shall have the right to enforce these Bylaws throughout the Development and Sales Period which right of enforcement shall include (without limitation) an action to restrain the Association or any Co-owner from any activity prohibited by these Bylaws.

ARTICLE VII

MORTGAGES

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

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

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

ARTICLE VIII

VOTING

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

Section 2. Eligibility to Vote. No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he 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 Bylaws, no Co-owner, other than the Developer, shall be entitled to vote prior to the date of the First Annual Meeting of members held in accordance with Section 2 of Article IX. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article VIII below or by a proxy given by such individual representative. 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 and receive all notices and other communications from the Association on behalf of such Co-owner. Such notice shall state the name and address of the individual representative designated, the number or numbers of the Condominium Unit or Units owned by the Co-owner, and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the Co-owner. Such notice shall be signed and dated by the Co-owner. The individual representative designated may be changed by the Co-owner at any time by filing a new notice in the manner herein provided.

Section 4. Quorum. The presence in person or by proxy of thirty-five (35) percent of Unit 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 fifty (50) percent of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth.

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 (as defined in the Master Deed) or the laws of the State of Michigan.

Section 2. First Annual Meeting. The First Annual Meeting of members of the Association may be convened only by the Developer and may be called at any time after more than 50% of the Units that may be created in Northville Hollow Condominium have been conveyed and the purchasers thereof qualified as members of the Association. In no event, however, shall such meeting be called later than 120 days after the conveyance of legal or equitable title to non-developer Co-owners of 75% of all Units

that may be created or 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Project, whichever first occurs. Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting of members and no such meeting shall be construed as the First Annual Meeting of members. The date, time and place of such meeting shall be set by the Board of Directors, and at least 10 days' written notice thereof shall be given to each Co-owner.

Section 3. Annual Meetings. Annual meetings of members of the Association shall be held in the month of April or May, or as otherwise determined by the Board of Directors, 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 8 months after the date of the First Annual Meeting. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article XI of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

Section 4. Special Meetings. It shall be the duty of the President to call a special meeting of the Co-owners as directed by resolution of the Board of Directors or upon a petition signed by not less than 1/3 of the Co-owners presented to the Secretary of the Association. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Co-owner of record, at least 10 days but not more than 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 Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

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

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

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

required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

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

Section 10. Minutes; Presumption of Notice. Minutes or a similar record of the proceedings of meetings of members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be *prima facie* evidence that such notice was given.

ARTICLE X

ADVISORY COMMITTEE

Within 1 year after conveyance of legal or equitable title to the first Unit in the Condominium to a purchaser or within 120 days after conveyance to purchasers of 1/3 of the Units that may be created, whichever first occurs, the Developer shall cause to be established an Advisory Committee consisting of at least 3 non-developer Co-owners. The Committee shall be established and perpetuated in any manner the Developer deems advisable, except that if more than 50% of the non-developer Co-owners petition the Board of Directors for an election to select the Advisory Committee, then an election for such purpose shall be held. The purpose of the Advisory Committee shall be to facilitate communications between the temporary Board of Directors and the other Co-owners and to aid in the transition of control of the Association from the Developer to purchaser Co-owners. A chairman of the committee shall be selected by the members. The Advisory Committee shall cease to exist automatically when the non-developer Co-owners have the voting strength to elect a majority of the Board of Directors of the Association. The Developer may remove and replace at its discretion at any time any member of the Advisory Committee who has not been elected thereto by the Co-owners.

ARTICLE XI

BOARD OF DIRECTORS

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

Section 2. Election of Directors.

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

two years. The Directors shall hold office until their successors are elected and hold their first meeting.

(b) **Appointment of Non-developer Co-owners to Board Prior to First Annual Meeting.** Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of twenty five (25%) percent of the Units that may be created, one of the Directors shall be selected by non-developer Co-owners. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of fifty (50%) percent of the Units that may be created, two of the five Directors (if the Board has five members) shall be elected by non-developer Co-owners. When the required number of conveyances has been reached, the Developer shall notify the non-developer Co-owners and request that they hold a meeting and elect the required Director or Directors, as the case may be. Upon certification by the Co-owners to the Developer of the Director or Directors so elected, the Developer shall then immediately appoint such Director or Directors to the Board to serve until the First Annual Meeting of members unless 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.**

(i) Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of seventy five (75%) percent of the Units that may be created, the non-developer Co-owners shall elect all Directors on the Board, except that the Developer shall have the right to designate at least one Director as long as it owns at least ten (10%) percent of the Units in the Project. Such Developer designee, if any, shall be one of the total number of Directors referred to in Section 1 above and shall serve a one-year term pursuant to subsection (iv) below. Whenever the required conveyance level is achieved, a meeting of Co-owners shall be promptly convened to effectuate this provision, even if the First Annual Meeting has already occurred.

(ii) Regardless of the percentage of Units which have been conveyed, upon the expiration of 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Project, the non-developer Co-owners have the right to elect a number of members of the Board of Directors equal to the percentage of Units they own, and the Developer has the right to elect a number of members of the Board of Directors equal to the percentage of Units which are owned by the Developer and for which all assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection (i). Application of this subsection does not require a change in the size of the Board of Directors.

(iii) If the calculation of the percentage of members of the Board of Directors that the non-developer Co-owners have the right to elect under subparagraph (ii), or if the product of the number of members of the Board of Directors multiplied by the percentage of Units held by the non-developer Co-owners under subsection (b) results in a right of non-developer Co-owners to elect a fractional number of members of the Board of Directors, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board of Directors that the non-developer Co-owners have the right to elect. After application of this formula the Developer shall have the right to elect the remaining members of the Board of Directors. Application of this subsection shall not eliminate the right of the Developer to designate 1 Director as provided in subparagraph (i).

(iv) At the First Annual Meeting two (or three) Directors (depending on the total number of Directors on the Board) shall be elected for a term of two years and one (or 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 two (or three) persons receiving the highest

number of votes shall be elected for a term of two years and the one (or two) persons receiving the next highest number of votes shall be elected for a term of one year. At each annual meeting held thereafter, one, two or three Directors shall be elected depending upon the number of Directors whose terms expire. After the First Annual Meeting, the term of office (except for either one or two of the Directors elected 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.

(v) 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 Bylaws or any further duties which may be imposed by resolution of the members of the Association, the Board of Directors shall be responsible specifically for the following:

- (a) To manage and administer the affairs of and to maintain the Condominium Project and the General Common Elements thereof.
- (b) To levy and collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.
- (c) To carry insurance and collect and allocate the proceeds thereof.
- (d) To rebuild improvements after casualty.
- (e) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium Project.
- (f) To acquire, maintain and improve; and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit in the Condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.
- (g) To borrow money and issue evidences of indebtedness in furtherance of any 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 75% of all of the members of the Association.
- (h) To make rules and regulations in accordance with Article VI, Section 10 of these Bylaws.
- (i) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committees any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board.
- (j) To enforce the provisions of the Condominium Documents.

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

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

Section 7. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Directors may be removed with or without cause by the affirmative vote of more than 50% of all of the Co-owners qualified to vote and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal 35% requirement set forth in Article VIII, Section 4 and shall not be reduced. 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 10 days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director personally, by mail, telephone or telegraph, at least 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 3 days notice to each Director given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two Directors.

Section 11. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meetings of the Board shall be deemed a waiver of

notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting to a subsequent time upon 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 Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

Section 15. Civil Actions. The Association has the authority to commence civil actions on behalf of the Co-owners subject to the prior approval of no less than a Majority of the Unit Owners; provided, however, the Board of Directors of the Association shall be permitted, acting upon a majority vote of the Board, to bring a civil action to enforce the following: (I) provisions of the Condominium Master Deed and Bylaws and (II) payment of assessments against and from the Co-owners. All civil actions requiring the approval of the Co-owners shall first be reviewed by the Board of Directors to evaluate its merit. A special meeting of the Co-owners shall be held for the purpose of voting on whether or not to proceed with the litigation. A special assessment to fund any such litigation will also require the approval of no less than a Majority of the Unit Owners. Each member of the Association shall have the right to enforce the provisions of this Section 15.

Section 16. Covenants Committee. The Board of Directors may establish a committee, consisting of three members appointed by the Board, each to serve for a term of one year ("Covenants Committee"). The purpose of the Covenants Committee shall be to facilitate the maintenance of the Condominium in a manner: (1) to provide for visual harmony and soundness of repair; (2) to avoid activities deleterious to the aesthetic or property values of the Condominium; (3) to further the comfort of the Unit Owners, their guests and tenants; and (4) to promote the general welfare and safety of the Condominium community. The Covenants Committee shall regulate the external design, appearance, use and maintenance of the Units and the Common Elements. The Covenants Committee shall have the power to impose reasonable application fees as well as the costs of reports, analyses, or consultations required in connection with improvements or changes proposed by a Unit Owner. Any action, ruling or decision of the Covenants Committee may be appealed to the Board of Directors by the Co-owner involved and the Board may modify or reverse any such action, ruling or decision. The Covenants Committee shall have such additional duties, powers and authority as the Board of Directors may from time to time provide by resolution. The Board of Directors may relieve the Covenants Committee of any of its duties, powers and authority either generally or on a case-by-case basis. The Covenants Committee shall carry out its duties and exercise its powers and authority in the manner provided for in the rules and regulations or by resolution of the Board of Directors. The Covenants Committee shall act on all matters properly before it within forty-five days; failure to do so within the stipulated time shall constitute an automatic referral of such matters to the Board of Directors for consideration.

ARTICLE XII

OFFICERS

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

(a) **President.** The President shall be the chief executive officer of the Association. 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 member of the Board to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him 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 the Secretary.

(d) **Treasurer.** The Treasurer shall have responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He 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, 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 does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual audited financial statement within 90 days following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration.

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

LIMITATION AND ASSUMPTION OF LIABILITY OF VOLUNTEERS; INDEMNIFICATION

Section 1. Limitation of Liability of Volunteers. No Director or officer of the Association who is a volunteer Director or volunteer officer (as these terms are defined in the Michigan Non-Profit Corporation Act) of the Association shall be personally liable to the Association or its members for monetary damages for breach of his or her fiduciary duty as a volunteer Director or officer except for liability arising from: (a) Any breach of the volunteer Director's or officer's duty of loyalty to the Association or its Members; (b) Acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (c) A violation of Section 551(1) of the Michigan Non-Profit Corporation Act; (d) Any transaction from which the volunteer director or officer derived an improper personal benefit; or (e) An act or omission that is grossly negligent.

Section 2. Assumption of Liability of Volunteers. The Association further assumes liability for all acts or omissions of a volunteer Director, volunteer officer or other volunteer occurring on or after the effective date of this Article if all of the following are met: (a) the volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority; (b) the volunteer was acting in good faith; (c) the volunteer's conduct did not amount to gross negligence or willful and wanton misconduct; (d) the volunteer's conduct was not an intentional tort; and (e) the volunteer's conduct was not a tort arising out of the ownership, maintenance, or use of a motor vehicle for which tort liability may be imposed as provided in Section 3135 of the Insurance Code of 1956, Act No. 218 of Michigan Public Acts of 1956.

Section 3. Indemnification of Volunteers. The Association shall also indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal, other than an action by or in the right of the Association, by reason of the fact that the person is or was a volunteer Director, volunteer officer, or nondirector volunteer of the Association, against all expenses including attorney's fees, judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with the action, suit, or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Association or its members, and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe that the conduct was unlawful. In the event of any claim for indemnification hereunder based upon a settlement by the volunteer Director, volunteer officer, or nondirector volunteer seeking such indemnification, the indemnification herein shall apply only if the Board of Directors (with any Director seeking indemnification abstaining) approves such settlement and indemnification as being in the best interest of the corporation. The indemnification and advancement of expenses provided by or granted pursuant to this Article shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement or expenses may be entitled under the Articles of Incorporation, the Bylaws, contractual agreement, or otherwise by law and shall continue as to a person who has ceased to be a volunteer Director or volunteer officer or nondirector volunteer of the corporation and shall inure to the benefit of the heirs, executors, and administrators of such person. At least ten (10) days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all members thereof. The Association shall maintain insurance coverage to cover indemnification payments made pursuant to this Article XV.

ARTICLE XVI

AMENDMENTS

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

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

Section 3. Voting. These Bylaws may be amended by the Co-owners at any regular annual meeting or a special meeting called for such purpose by an affirmative vote of not less than 66 2/3 % of all Unit Co-owners. No consent of mortgagees shall be required to amend these Bylaws unless as otherwise provided in Section 90a of the Act.

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

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

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

ARTICLE XVII

DEFINITIONS

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

ARTICLE XVIII

COMPLIANCE

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

ARTICLE 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 any Co-owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorney's 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 (but not into any dwelling or related garage), where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.

Section 4. Assessment of Fines. The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless in accordance with the provisions of Article XX hereof.

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

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

Section 7. Enforcement of Provisions of Condominium Documents. A Co-owner may maintain an action against the Association and its officers and Directors to compel such persons to enforce the terms and provisions of the Condominium Documents. In such a proceeding, the Association, if successful, shall recover the costs of the proceeding and reasonable attorney fees, as determined by the court. A Co-owner may maintain an action against any other Co-owner for injunctive relief or for damages or any combination thereof for noncompliance with the terms and provisions of the Condominium Documents or the Act.

ARTICLE XX

ASSESSMENT OF FINES

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

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

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

(b) **Opportunity to Defend.** The offending Co-owner shall have an opportunity to appear before the Board and offer evidence in defense of the alleged violation. The appearance before the Board shall be at its next scheduled meeting, or at a special meeting called for such purpose, but in no event shall the Co-owner be required to appear less than 10 days from the date of the Notice.

(c) **Default.** Failure to respond to the Notice of Violation constitutes a default.

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

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

- (a) First Violation. No fine shall be levied.
- (b) Second Violation. Fifty Dollar (\$50.00) fine.
- (c) Third Violation. Seventy-Five Dollar (\$75.00) fine.
- (d) Fourth Violation and Subsequent Violations. One Hundred Dollar (\$100.00) fine.

Section 4. Collection. The fines levied pursuant to Section 3 above shall be assessed against the Co-owner and shall be due and payable together with the regular Condominium assessment on the first of the next following month. Failure to pay the fine will subject the Co-owner to all liabilities set forth in the Condominium Documents including, without limitation, those described in Article II and Article XIX of the Bylaws.

ARTICLE XXI

RIGHTS RESERVED TO DEVELOPER

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

ARTICLE XXII

SEVERABILITY

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

**Northville Hollow Condominium Assoc
Balance Sheet
As of December 31, 2012**

ASSETS

ASSETS

Operating Assets

Community Association Bank Checking Account	\$ 11,936.77
Community Association Bank Money Market Account	<u>16,497.85</u>
Total Operating Assets	28,434.62

Reserve Assets

Community Association Bank Reserve Account	759.12
Community Association Bank CD	<u>36,817.54</u>
Total Reserve Assets	37,576.66
TOTAL ASSETS	\$ 66,011.28

LIABILITIES AND FUND BALANCES

LIABILITIES

Current Operating Liabilities	
Co-Owner Prepaid Association Dues	\$ 9,750.00
Total Current Operating Liabilities	9,750.00
Current Reserve Liabilities	
Total Current Reserve Liabilities	<u>0.00</u>
TOTAL LIABILITIES	9,750.00

FUND BALANCES

Operating Fund	
Operating Fund	17,137.43
Cash from Operations	<u>1,547.19</u>
Total Operating Fund	18,684.62
Reserve Fund	
General Reserve	50,088.90
Cash from Reserves	<u>(12,512.24)</u>
Total Reserve Fund	37,576.66
TOTAL FUND BALANCES	<u>56,261.28</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 66,011.28</u>

**Northville Hollow Condominium Assoc
Statement of Revenue & Expenses**

For the 1 Month and 12 Months Ended December 31, 2012

	1 Month Ended December 31, 2012			12 Months Ended December 31, 2012			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
Income							
Homeowner Fees	0.00	0.00	0.00	93,600.00	93,600.00	0.00	93,600.00
Interest	2.59	5.00	(2.41)	40.97	60.00	(19.03)	60.00
Total Income	\$ 2.59	\$ 5.00	\$ (2.41)	\$ 93,640.97	\$ 93,660.00	\$ (19.03)	\$ 93,660.00
Expenses							
Administrative							
Auditing / Tax Accounting	0.00	0.00	0.00	1,700.00	1,700.00	0.00	1,700.00
Legal Fees	0.00	0.00	0.00	737.00	400.00	337.00	400.00
Management Fees	535.00	535.00	0.00	6,420.00	6,420.00	0.00	6,420.00
Miscellaneous	0.00	0.00	0.00	186.95	125.00	61.95	125.00
Office Administration	0.00	25.00	(25.00)	20.00	25.00	(5.00)	25.00
Printing & Mailing	46.65	65.00	(18.35)	69.45	63.00	4.45	65.00
Insurance - Liability	0.00	0.00	0.00	610.00	731.00	(121.00)	731.00
Insurance - Workmen's Compensation	0.00	0.00	0.00	128.00	200.00	(72.00)	200.00
Total Administrative	\$ 581.65	\$ 625.00	\$ (43.35)	\$ 9,462.40	\$ 9,666.00	\$ (203.60)	\$ 9,666.00
Utilities							
Electric	100.04	95.00	5.04	1,225.44	1,175.00	50.44	1,175.00
Water & Sewer	76.24	125.00	(48.76)	7,042.67	5,275.00	1,767.67	5,275.00
Electrical Maintenance & Repairs	0.00	0.00	0.00	40.00	175.00	(135.00)	175.00
Wetlands Maintenance	0.00	0.00	0.00	1,421.54	1,244.00	(177.54)	1,244.00
Total Utilities	\$ 176.28	\$ 220.00	\$ (43.72)	\$ 9,731.65	\$ 8,049.00	\$ (1,682.65)	\$ 8,049.00
Building Maintenance & Repairs							
Grounds Maintenance / Landscaping							
Fertilizer	0.00	0.00	0.00	3,132.00	3,132.00	0.00	3,132.00
Flowers / Landscaping	0.00	0.00	0.00	5,292.00	5,125.00	167.00	5,125.00
Grounds Maintenance	0.00	0.00	0.00	2,812.50	2,765.00	67.50	2,765.00
Holiday Decorations	0.00	1,250.00	(1,250.00)	1,300.00	1,250.00	50.00	1,250.00
Lawn Care	0.00	0.00	0.00	16,740.00	16,740.00	0.00	16,740.00
Mulch	0.00	0.00	0.00	4,500.00	6,750.00	(2,250.00)	6,750.00
Shrub / Tree Fertilizing	0.00	0.00	0.00	3,960.00	3,960.00	0.00	3,960.00
Shrub / Tree Replacement	0.00	0.00	0.00	831.60	750.00	81.60	750.00
Shrub / Tree Pruning	0.00	0.00	0.00	1,296.00	2,191.00	(895.00)	2,191.00
Snow Removal Contract	3,730.50	3,730.00	0.50	18,552.50	18,652.00	0.50	18,652.00

See Accountant's Compilation Report

**Northville Hollow Condominium Assoc
Statement of Revenue & Expenses**

For the 1 Month and 12 Months Ended December 31, 2012

	1 Month Ended December 31, 2012			12 Months Ended December 31, 2012			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
Sprinkler System	\$ 0.00	0.00	0.00	\$ 1,500.00	1,500.00	0.00	1,500.00
Sprinkler Repairs	\$ 0.00	0.00	0.00	\$ 1,850.13	2,000.00	(149.87)	2,000.00
Total Grounds Maint / Landscaping	\$ 3,730.50	\$ 4,980.00	\$ (1,249.50)	\$ 61,885.73	\$ 64,815.00	\$ (2,928.27)	\$ 64,815.00
Total Expenses	\$ 4,488.43	\$ 5,825.00	\$ (1,336.57)	\$ 81,080.78	\$ 82,530.00	\$ (1,449.22)	\$ 82,530.00
Operating Cash Flow	\$ (4,485.84)	\$ (5,820.00)	\$ 1,334.16	\$ 12,560.19	\$ 11,130.00	\$ 1,430.19	\$ 11,130.00
Special Assessment							
Transfers To Reserve							
General Reserve	\$ 2,754.00	\$ 2,754.00	\$ 0.00	\$ 11,913.00	\$ 11,913.00	\$ 0.00	\$ 11,913.00
Total Transfers To Reserve				\$ 11,913.00	\$ 11,913.00	\$ 0.00	\$ 11,913.00
Cash from Operations	\$ (7,239.84)	\$ (8,574.00)	\$ 1,334.16	\$ 1,547.19	\$ 117.00	\$ 1,430.19	\$ 117.00

See Accountant's Compilation Report
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**Northville Hollow Condominium Assoc
Statement of Revenue & Expenses**

For the 1 Month and 12 Months Ended December 31, 2012

	1 Month Ended December 31, 2012		12 Months Ended December 31, 2012	
	Actual	Budget	Actual	Budget
		Variance	Variance	Annual Budget
Reserve Income & Transfers				
Interest on Reserves	\$2.63	0.00	\$2.63	341.76
General Reserve	2,754.00	2,754.00	0.00	11,013.00
Total Reserve Income & Transfers	\$ 2,836.63	\$ 2,754.00	\$ 32.63	\$ 11,354.76
Reserve Expenses				
General Reserve Expense	0.00	0.00	0.00	21,867.00
Total Reserve Expenses	\$ 0.00	\$ 0.00	\$ 0.00	\$ 21,867.00
Cash from Reserves	\$ 2,836.63	\$ 2,754.00	\$ 32.63	\$ (12,522.24)

Northville Hollow 2013 Co-Owner Budget

	<u>Approved 2013 Budget</u>	<u>Per Unit/ Per Month</u>	<u>Per Unit/ Per Quarter</u>	<u>Per Unit/ Per Year</u>	<u>Percent To Total</u>
<u>INCOME</u>					
Co-Owner Fees	\$ 93,600.00	\$ 325.00	\$ 975.00	\$ 3,900.00	
Interest Income	\$ 36.00	\$ 0.13	\$ 0.38	\$ 1.50	
TOTAL INCOME	\$ 93,636.00	\$ 325.13	\$ 975.38	\$ 3,901.50	100.00%
<u>EXPENSES</u>					
ADMINISTRATIVE					
Auditing / Tax Filing	\$ 1,725.00	\$ 5.99	\$ 17.97	\$ 71.88	1.84%
Legal Fees	\$ 1,000.00	\$ 3.47	\$ 10.42	\$ 41.67	1.07%
Management Fees	\$ 6,420.00	\$ 22.29	\$ 66.88	\$ 267.50	6.86%
Miscellaneous	\$ 125.00	\$ 0.43	\$ 1.30	\$ 5.21	0.13%
Office Administration	\$ 25.00	\$ 0.09	\$ 0.26	\$ 1.04	0.03%
Printing & Mailing	\$ 80.00	\$ 0.28	\$ 0.83	\$ 3.33	0.09%
Liab. Insurance	\$ 650.00	\$ 2.26	\$ 6.77	\$ 27.08	0.69%
Workers Compensation	\$ 250.00	\$ 0.87	\$ 2.60	\$ 10.42	0.27%
TOTAL ADMIN.	\$ 10,275.00	\$ 35.68	\$ 107.03	\$ 428.13	10.97%
UTILITIES					
Light and Electric	\$ 1,175.00	\$ 4.08	\$ 12.24	\$ 48.96	1.25%
Water and Sewer	\$ 7,625.00	\$ 26.48	\$ 79.43	\$ 317.71	8.14%
Electrical Maint. & Repairs	\$ 100.00	\$ 0.35	\$ 1.04	\$ 4.17	0.11%
Wetland Maintenance	\$ 1,424.00	\$ 4.94	\$ 14.83	\$ 59.33	1.52%
TOTAL UTILITIES	\$ 10,324.00	\$ 35.85	\$ 107.54	\$ 430.17	11.03%
Grounds Maint/Landscaping					
Lawn Fertilizer	\$ 2,610.00	\$ 9.06	\$ 27.19	\$ 108.75	2.79%
Flowers/Landscaping	\$ 500.00	\$ 1.74	\$ 5.21	\$ 20.83	0.53%
Grounds Maintenance	\$ 3,285.00	\$ 11.41	\$ 34.22	\$ 136.88	3.51%
Lawn Care	\$ 16,740.00	\$ 58.13	\$ 174.38	\$ 697.50	17.88%
Mulch	\$ 4,500.00	\$ 15.63	\$ 46.88	\$ 187.50	4.81%
Shrub/Tree Fertilizer	\$ 3,960.00	\$ 13.75	\$ 41.25	\$ 165.00	4.23%
Shrub/Tree Remove/Replace	\$ 2,000.00	\$ 6.94	\$ 20.83	\$ 83.33	2.14%
Tree & Shrub Pruning	\$ 1,296.00	\$ 4.50	\$ 13.50	\$ 54.00	1.38%
Snow Removal Contract	\$ 18,652.00	\$ 64.76	\$ 194.29	\$ 777.17	19.92%
Irrigation Open & Close	\$ 1,500.00	\$ 5.21	\$ 15.63	\$ 62.50	1.60%
Sprinkler Repairs	\$ 1,950.00	\$ 6.77	\$ 20.31	\$ 81.25	2.08%
Holiday Decorations	\$ 1,300.00	\$ 4.51	\$ 13.54	\$ 54.17	1.39%
TOTAL GROUNDS	\$ 58,293.00	\$ 202.41	\$ 607.22	\$ 2,428.88	62.25%
SUB-TOTAL EXPENSE	\$ 78,892.00	\$ 273.93	\$ 821.79	\$ 3,287.17	84.25%
ADD: CAPITAL RESERVE REQ.	\$ 11,013.00	\$ 38.24	\$ 114.72	\$ 458.88	11.76%
TOTAL EXPENSE	\$ 89,905.00	\$ 312.17	\$ 936.51	\$ 3,746.04	96.02%
NET INCOME (LOSS)	\$ 3,731.00	\$ 12.95	\$ 38.86	\$ 155.46	3.98%

Association Fee:
Monthly/Quarterly/Annually \$ 325.00 \$ 975.00 \$ 3,900.00

Northville Hollow Condo Assn.
Estimated Cash Position
(Working Capital)
at December 31, 2013

Cash on Hand 12/31/12 (excluding long term cash reserves & prepaid homeowner dues)	\$ 18,685
Add: Calendar Year 2012 Homeowner Dues (\$975 qtr. x 4 qtrs. x 24 homeowners)	<u>\$ 93,600</u>
	<u><u>\$ 112,285</u></u>
Deduct: Calendar Year 2013 Budgeted Expenses	<u>\$ 78,892</u>
Sub-Total	<u><u>\$ 33,393</u></u>
Less: Long Term Reserve Requirement for calendar year 2012	<u>\$ 11,013</u>
Estimated Cash on Hand at 12/31/2013	<u><u><u>\$ 22,380</u></u></u>

Note: The long term reserve cash account balance at 12/31/12 was \$37,577

History of Homeowner Dues:	Initial Monthly Dues	Monthly Increase	Adjusted Monthly Dues	Adjusted Quarterly Dues
Inception - The Fall of 2002	\$180	-	\$185	\$540
1-Jan-03	-	\$5	\$185	\$555
1-Jan-04	-	\$19	\$204	\$612
1-Jan-05	-	\$6	\$210	\$630
1-Apr-06	-	\$40	\$250	\$750
1-Oct-06	-	\$55	\$305	\$915
1-Jan-10	-	\$20	\$325	\$975

Note: We converted from monthly to quarterly dues on January 1, 2006