

DISCLOSURE STATEMENT

for

CHATTERTON VILLAGE CONDOMINIUM

A Residential Condominium Project
located in
Canton Township, Michigan

CHATTERTON VILLAGE CONDOMINIUM is a ninety-six (96) Unit residential condominium located in Canton Township, Wayne County, Michigan. Selective-Delaware, L.L.C. ("Developer") has reserved the right to expand the Project to up to 204 Units, in Developer's sole discretion. The Developer's right to expand the Project will expire six (6) years after the date of recording of the Master Deed.

THIS DISCLOSURE STATEMENT IS NOT REQUIRED TO HAVE BEEN, AND HAS NOT BEEN FILED WITH THE BUREAU OF COMMERCIAL SERVICES OF THE MICHIGAN DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES, 6546 MERCANTILE WAY, LANSING, MICHIGAN 48913, NOR HAS THE DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES UNDERTAKEN TO PASS ON THE VALUE OR MERITS OF THE CONDOMINIUM PROJECT OR TO MAKE ANY RECOMMENDATIONS OR COMMENTS ON THE CONDOMINIUM PROJECT.

THIS DISCLOSURE STATEMENT IS NOT A SUBSTITUTE FOR THE MASTER DEED, THE CONDOMINIUM BUYER'S HANDBOOK OR OTHER APPLICABLE LEGAL DOCUMENTS AND BUYERS SHOULD READ ALL SUCH DOCUMENTS TO FULLY ACQUAINT THEMSELVES WITH THE CONDOMINIUM PROJECT AND THEIR RIGHTS AND RESPONSIBILITIES RELATING THERETO.

ANY PURCHASER HAVING QUESTIONS PERTAINING TO THE LEGAL ASPECTS OF THE CONDOMINIUM PROJECT IS ADVISED TO CONSULT HIS OR HER OWN LAWYER OR OTHER PROFESSIONAL ADVISOR PRIOR TO PURCHASING A CONDOMINIUM UNIT.

Developer: **SELECTIVE-DELAWARE, L.L.C.,**
 a Delaware limited liability company
 27655 Middlebelt Road, Suite 130
 Farmington Hills, MI 48334

Effective Date: March _____, 2002

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**DISCLOSURE STATEMENT
FOR
CHATTERTON VILLAGE CONDOMINIUM**

I. INTRODUCTION.

Under Michigan law, the Developer of a condominium project must fairly and accurately disclose to prospective purchasers the characteristics of the condominium units which it offers for sale. The required disclosure is made by furnishing each purchaser with a Disclosure Statement in a form which summarizes the significant features of the development as well as with copies of the legal documents required for the creation and operation of the condominium. In the following pages, SELECTIVE - DELAWARE, L.L.C., a Delaware limited liability company, which is the Developer of CHATTERTON VILLAGE CONDOMINIUM (the "Condominium Project", "Project" or "Condominium"), presents its Disclosure Statement containing the required narrative summary. This Statement, along with the legal documents referred to above, constitutes the only authorized description of CHATTERTON VILLAGE CONDOMINIUM, and none of the Developer's sales agents or other representatives are permitted to vary their terms. To the extent any sales or promotional literature varies from this Disclosure Statement, only the contents of this Disclosure Statement will be binding on Developer.

II. THE CONDOMINIUM CONCEPT.

A condominium is a legal means for dividing, describing and owning real property. A condominium unit has the same legal attributes as any other form of real estate under Michigan law and may be sold, mortgaged or leased, subject only to such restrictions as are contained in the condominium documents. Creation of a condominium project occurs pursuant to statute. CHATTERTON VILLAGE CONDOMINIUM is established and governed under Act 59 of 1978, as amended (the "Condominium Act"). A condominium project is established by recording a Master Deed in the office of the Register of Deeds for the county in which the condominium project is located.

Each owner of a condominium unit ("Unit") owns a portion of a building which comprises his residence or home and is one of a number of mutual owners of common facilities ("common elements") which service his and other Units. Each purchaser of a condominium Unit receives an individual deed to his or her Unit. The Unit and the common elements (which are legally inseparable from the Unit) are described generally in the Master Deed, and the Unit boundaries are shown in the Condominium Subdivision Plan attached thereto, subject to such modification or correction as is permitted by statute and by the condominium documents. All portions of the Condominium Project not included within the Units constitute the common elements and are owned by all co-owners ("Co-owners") in undivided proportions equal to the percentages of value attributable to each Unit as set forth in the Master Deed. Limited common elements are those common elements which are set aside for the use of less than all Unit Co-owners.

The relatively close proximity of residents dictates that certain restrictions and obligations be imposed on each for the mutual benefit of all Co-owners. Such restrictions and obligations are contained in the By-Laws which are recorded as part of the Master Deed. All of the condominium documents are prepared with the goal of allowing each Co-owner a maximum amount of individual freedom and discretion without allowing any one Co-owner to infringe upon the rights and interests of the group at large. All Co-owners and residents must be familiar with and abide by such documents if a condominium project is to be an enjoyable place to live.

The management and administration of a condominium project is the responsibility of the Condominium Association, which is a non-profit corporation of which all Co-owners automatically are members. One of the primary tasks of the Board of Directors of any Condominium Association is to enforce the provision requiring each Co-owner to pay periodic assessments to the Association to meet expenses of administration of the Condominium Project. Pursuant to the provisions of Michigan law and the condominium documents, such assessments constitute a lien against the Co-owner's Unit, and in the event a Co-owner fails to pay the monthly assessments attributable to his Unit, the Board of Directors may cause the lien to be foreclosed. The Board of Directors is also obligated to enforce the other provisions of the condominium documents and is given broad remedial rights in the event such provisions are violated, including the right to sue for money damages and for injunctive relief.

The foregoing is a general statement of the operational characteristics of CHATTERTON VILLAGE CONDOMINIUM and is common to most residential condominium projects. Each purchaser is urged to carefully review all of the documents contained in CHATTERTON VILLAGE CONDOMINIUM Purchaser Information Booklet, as well as any other documents that have been delivered to the purchaser in connection with this development. Any purchaser with questions pertaining to the legal aspects of the Condominium Project is advised to consult with his or her own lawyer or other professional advisor.

III. DESCRIPTION OF THE CONDOMINIUM PROJECT.

A. Size, Scope and Physical Characteristics of the Project. CHATTERTON VILLAGE CONDOMINIUM is a ninety-six (96) Unit residential condominium Project located in Canton Township, Wayne County, Michigan.

The Units are contained in eight buildings comprising 12 Units each. Access to each Unit is gained through its own entranceway. Each Unit has assigned to it as limited common elements, an adjacent driveway, a porch, and, in some cases, a balcony.

Land located adjacent to and immediately west of the Project is the "Future Expansion Area", as shown on the Condominium Subdivision Plan. The Developer has reserved the right to create up to one hundred eight (108) additional Units (for a maximum total of two hundred four (204) Units) on the Future Expansion Area, which comprises over eight (8) acres and which has received site plan approval from Canton Township.

The Developer has reserved the right to add all or a part of the Future Expansion Area to the Project, from time to time, within the period ending six (6) years from the date of recording the Master

Deed. Developer has no obligation to further expand the Project. If the Developer elects, in its discretion, to expand the Project, such expansion will be accomplished by the recording of an appropriate amendment to the Master Deed with the Wayne County Register of Deeds in accordance with Section 32 of the Michigan Condominium Act and Article XI of the Master Deed. The improvements constructed within the Future Expansion Area shall be restricted exclusively to residential units and to such common elements as may be consistent and compatible with residential use. There are no other restrictions upon such improvements except those which are imposed by state law, local ordinances or building authorities. No Co-owner's consent is required to further expand the Project or to otherwise develop the Future Expansion Area. The Developer has reserved easements over the roads and walkways within the Project to provide access to the Future Expansion Area, as well as easements to install, tap and tie into the utilities within the Project for the benefit of the Future Expansion Area. These reserved easements are perpetual easements and survive beyond the six (6) year period in which the Developer can unilaterally amend the Master Deed to expand the Project.

B. Utilities. CHATTERTON VILLAGE CONDOMINIUM is served by public water and sanitary sewers, storm sewers, gas, electric and telephone service.

(1) Gas service will be furnished by MichCon.

(2) Electricity will be furnished by Detroit Edison.

(3) Telephone service will be provided by Ameritech.

(4) All utilities, other than utilities provided to service the common elements and water furnished to Units, will be separately metered for payment by the individual Unit owners.

(5) Water furnished to the common elements, such as for irrigation of the general common elements, will be billed directly to the Association.

(6) The sanitary sewers and watermains are (or will, upon completion of construction and dedication, be) maintained by Canton Township or such other public authority with jurisdiction over them. All costs incurred by the Township in maintaining the sanitary sewers and watermains shall be borne by the Association. As stated in Article IV of the Master Deed, such mains are General Common Elements only to the extent of the collective interest of the Co-owners in those improvements. Each Co-owner is responsible for maintaining and repairing sanitary sewer and water leads from the point of connection to or entry into his or her Unit and inward.

(7) Cable television service is generally available in Canton Township from Wide Open West. The cable wiring has been (or will be) installed in the Project, but the system has not yet been activated by the cable company. The Developer has no control over when cable service will be activated, and it cannot guarantee any specific activation date because the decision is not within its control.

(8) All storm sewer lines and drainage facilities located within the Project (other than the portion of the retention pond and associated landscaping located within the Project) will be maintained and repaired by the Association at the Association's cost. The Association is also responsible for paying

a pro rata share of the cost of maintenance and repair of the retention pond and certain related drainage facilities and associated landscaping which service the Project and other developments as more particularly described in Section E below.

C. Roads. The Developer intends that the roads within the Project will be private and will be required to be maintained by the Association. However, the Developer has reserved the right to dedicate the roads in the Project without the consent of any Co-owner or mortgagee.

D. Reserved Rights of Developer; Assignment. Certain rights have been reserved to Developer under the Master Deed and Bylaws. A summary of the rights reserved is set forth below. However, each purchaser should review the rights reserved in the Master Deed and Bylaws to assure a complete understanding of those rights. Developer has reserved the right to assign (in whole or in part) some or all of these rights.

(1) Right to Approve Improvements. Without the approval of the Developer, no improvements may be constructed within the Condominium, no changes may be made to any common elements, including landscaping, and no structural repair or modification may be made to a Unit.

(2) Conduct of Commercial Activities. Developer has reserved the right, until all of the Units have been sold in CHATTERTON VILLAGE CONDOMINIUM, to maintain on the Condominium premises sales offices, business offices, model Units, storage areas, and reasonable parking incident to the use of such areas, and such access to, from and over the condominium premises as may be reasonable to enable development and sale of the entire Project. Developer is obligated to restore the facilities to habitable status upon termination for such use.

(3) Right to Amend. Developer has reserved the right to amend the Master Deed without approval from owners and mortgagees for the purpose of correcting errors and for any other purpose. Any amendment that would materially alter the rights of an owner or mortgagee may be made only with the approval of 66 2/3% of the owners and, to the extent required by Section 2 of Article X of the Master Deed, first mortgagees. Any amendment which would change the dimensions of a Unit or the nature of the Limited Common Elements assigned to the Unit requires the consent of the Co-owner of the affected Unit.

(4) Enforcement of Bylaws and Approval Rights. Developer has reserved the right to enforce the Bylaws as long as it owns any Unit in the Project. Additionally upon the expiration of the Development and Sales Period (as defined in the Master Deed) or at such earlier time as the Developer, in its sole discretion may elect, the Board of Directors of the Association shall exercise all such powers, and Developer shall have no further responsibilities with respect to any matters of approval or enforcement set forth herein.

(5) General. In the Condominium Documents and in the Condominium Act, certain rights and powers are granted or reserved to the Developer to facilitate the development and sale of the Project as a condominium, including the power to approve or disapprove a variety of proposed acts and uses and the power to secure representation on the Board of Directors of the Association.

(6) Preparatory Infrastructure; "Must Be Built" requirements. Developer has installed or is currently installing the preparatory infrastructure of the Project, including but not limited to the storm sewer facilities, the sanitary sewer mains, the water mains and private roadways. According to the Condominium Subdivision Plan, Units 1 through 12, both inclusive, and the roads, drives and utilities required to serve those Units are designated as "must be built" and all other improvements, including cable television lines and facilities, have been designated as "need not be built".

E. Easements and Encumbrances. The Condominium is subject to the following easements, restrictions, and agreements:

(1) Easement and Rights to Grant Easements Retained by Developer. Developer (on its behalf and on behalf of its successors or assigns) has reserved permanent easements for ingress and egress over the roads and walks in the Condominium and permanent easements to use, tap into, enlarge or extend all roads, walks, centers common areas and utility lines in the Condominium, including, without limitation, all communications, water, gas, electric, storm and sanitary sewer lines, and any pumps, sprinklers or water detention areas, all of which easements shall be for the benefit of the Future Expansion Area described in Article XI of the Master Deed, whether or not such Future Expansion Area is hereafter added to the Condominium; provided, however, that any such use, tapping into, enlargement or extension shall be in accordance with the plans and specifications therefor approved by Canton Township and/or any other applicable governmental authority. These easements run with the land in perpetuity, and shall survive the six (6) year period for adding the Future Expansion Area to the Condominium. Developer has no financial obligation to support such easements, except as otherwise described in the Master Deed and except that any dwelling unit using the roads, if such dwelling unit is not included within the Condominium, shall pay a pro rata share of the expense of maintenance, repair, or replacement of the portion of the road which is used, which share shall be determined pro rata according to the total number of dwelling units using such portion of the road.

Developer has reserved the right to grant easements over, or dedicate portions of, any of the common elements for utility, drainage, street, safety or construction purposes, and all persons acquiring any interest in the Condominium, including without limitation all Co-owners and mortgagees shall be deemed to have appointed Developer and its successors or assigns as agent and attorney-in-fact to make such easements or dedications. After certificates of occupancy are issued for one hundred (100%) percent of the Units in the Condominium, the foregoing right and power may be exercised by the Association.

Developer (on its behalf and on behalf of its successors or assigns) reserved permanent easements to use, tap into, enlarge or extend all utility lines in the Condominium, including, without limitation, all communications, water, gas, electric, storm and sanitary sewer lines, and any pumps, sprinklers or water detention areas, all of which easements shall be for the benefit of the Developer in any property west of the Condominium which Developer (or Developer's successors and/or assigns) may currently own or own in the future, whether or not such adjacent property or properties are hereafter added to the Condominium; provided, however, that any such use, tapping into, enlargement or extension shall be in accordance with the plans and specifications therefor approved by Canton Township and/or any other governmental authority. These easements shall run with the land in perpetuity. Developer has no financial obligation to support such easements except as otherwise described in the Master Deed.

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

(3) Easement for Maintenance of Encroachments and Utilities. If any portion of a Unit or common element encroaches upon another Unit or common element due to shifting, settling, or moving of a building, or due to survey errors or construction deviations, reconstruction or repair, reciprocal easements shall exist for the maintenance of such encroachment for as long as such encroachment exists, and for maintenance thereof after rebuilding in the event of any destruction. There shall be easements to, through and over those portions of the Units and common elements for the installation, maintenance and servicing of all utilities in the Condominium, including, but not limited to, lighting, heating, power, sewer, water, communications, telephone and cable television lines. There shall exist easements of support with respect to any Unit interior wall which supports a common element.

(4) Association Easements. The Association (and the Developer prior to the First Annual Meeting), have easements in, on and over all Units for access to the Units to conduct any activities authorized by this Master Deed or the Condominium By-Laws. The Developer, the Association and all public and private utility companies shall have such easements over, under, across and through the Condominium, including all Units and common elements, as may be necessary to develop, construct, market and operate the Condominium, to fulfill their responsibilities of maintenance, repair and replacement of common amenities or improvements (whether or not such common amenities or improvements are integrated into the Condominium) and also to fulfill any responsibilities of maintenance, repair, decoration or replacement which they or any of them are required or permitted to perform under the Condominium Documents or by law or to respond to any emergency or common need of the Condominium.

(5) Easements Reserved on Condominium Subdivision Plan. Easements for the construction, installation and maintenance of public utilities are reserved as shown on the Plan.

(6) Planned Development District Agreement. The property upon which the Condominium is located is subject to that certain Agreement for Chatterton Planned Development District dated January 23, 2001, as amended, which has been recorded with the Wayne County Register of Deeds (the "PDD Agreement"). The PDD Agreement also covers other land. The PDD Agreement includes certain development, construction and use restrictions and requirements, which are binding on the Developer and all Co-owners in the Condominium, to the extent applicable. Pursuant to the PDD Agreement, the Association shall be responsible for the continuing maintenance and preservation of the open space areas and recreational facilities constituting general common elements which are retained or constructed within the Condominium.

(7) Emergency and Public Service Vehicle Access Easement. There exists for the benefit of the Township of Canton or any emergency service agency, an easement over all roads and driveways in the Condominium for use by the Township and/or emergency vehicles. The easement shall be for purposes of ingress and egress to provide, without limitation, fire and police protection, ambulance

and rescue services and other lawful governmental or private emergency services to the Condominium Project and Co-owners thereof. The U.S. Postal Service shall also have an easement over the roads in the Condominium for its vehicles for delivery of mail. The granting of these easements shall not be construed as a dedication of any streets, roads or driveways to the public.

(8) Agreements with Township. The Condominium is subject to an Agreement for Maintenance of Condominium Landscaping ("Landscaping Maintenance Agreement"), an Agreement re Private Roads (the "Private Road Agreement") and an Agreement for Maintenance of Storm Drainage Facilities (the "Drainage Agreement") between Canton Township and the Developer and the successors and assigns of the Developer, including the Association. The Private Road Agreement permits the installation of public utilities, sewers, drainage lines and pipe lines within the private road rights of ways and provides Canton Township with access to those facilities for purposes of constructing, repairing, maintaining and replacing them. The Landscape Maintenance Agreement requires that certain landscaped areas within the Condominium be maintained by the Association and gives Canton Township the right to perform such maintenance of those areas and be reimbursed by the Association if the Association fails to maintain the landscaped areas within the Condominium. The Drainage Agreement requires that storm drainage facilities within the Condominium be maintained by the Association and gives Canton Township the right to perform such maintenance of those facilities and be reimbursed by the Association if the Association fails to maintain the storm drainage facilities within the Condominium. The Township has the right under the Landscape Maintenance Agreement and Drainage Agreement to assess the Co-owners of Units in the Condominium for a pro rata portion of maintenance costs incurred by the Township that are not paid by the Association within 30 days of the Association's receipt of a bill from the Township.

(9) Drainage Easements. The Condominium drains into and through (i) a retention pond, a portion of which is located within the Condominium and the balance of which is located on a parcel of land located immediately east of and adjacent to the Condominium (the "Apartment Parcel"), and (ii) certain other storm water drainage facilities located within the Apartment Parcel (the portion of the retention pond located on the Apartment Parcel and such other storm water drainage facilities are referred to herein as the "Apartment Parcel Drainage Facilities"). Permanent easements have been created to provide for the drainage of storm water from the Condominium into and through the Apartment Parcel Drainage Facilities. Pursuant to the terms of a Retention Pond Easement Agreement, the owner of the Apartment Parcel is, subsequent to the issuance of a certificate of occupancy for a completed residential dwelling unit or building containing such Unit on the Apartment Parcel, responsible for maintaining, repairing and replacing the Apartment Parcel Drainage Facilities and the portion of the retention pond located within the Condominium and the landscaping associated with the retention pond. The Developer has an easement to perform such maintenance, repair and replacement prior to the date the owner of the Apartment Parcel becomes responsible therefor. The Association shall bear one-sixth (1/6) of the costs incurred in connection with the maintenance, repair and replacement of the retention pond and associated landscaping and the portion of the other Drainage Facilities located within the Apartment Parcel unless the Future Expansion Area is added to the Condominium, in which event the Association's share of such costs shall be one-third (1/3).

(10) Pool Easement. Pursuant to an Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions for Common Recreational Facilities (the "Recreational Facilities Declaration"), (a) the owners and tenants of residences located within any part of the Future Expansion

Area not included in the Condominium and their respective guests, (b) the owners and tenants of condominium units located within the condominium project located immediately west of and adjacent to the Future Expansion Area and commonly known as Chatterton Square Condominium ("Chatterton Square") and their respective guests, and (c) the owners and tenants of residences located within any part of the land located immediately west of and adjacent to Chatterton Square (the "Chatterton Square Future Expansion Area") not included in Chatterton Square and their respective guests have an easement to use the swimming pool and pool house and related parking areas located within the Condominium in common with Co-owners and tenants of Units in the Condominium and their respective guests. In addition, Co-owners and tenants of Units in the Condominium, owners and tenants of residences located within any part of the Future Expansion Area not included in the Condominium, and owners and tenants of residences located within any part of the Chatterton Square Future Expansion Area not included in Chatterton Square and their respective guests have an easement to use the parking area located within the northwest corner of Chatterton Square and related to the pool and pool house in common with the owners and tenants of condominium units located within Chatterton Square and their respective guests. The Association shall be responsible for operating, maintaining, repairing and replacing such recreational facilities and parking areas. The Association shall bear that percentage of the costs incurred by the Association in operating, maintaining, repairing and replacing such recreational facilities and parking areas obtained by dividing the number of dwelling units located within the Condominium, as the same may be expanded as provided herein, by the total number of dwelling units located within the Condominium, as the same may be expanded, Chatterton Square, as the same may be expanded, the Future Expansion Area (to the extent not added to the Condominium) and the Chatterton Square Future Expansion Area (to the extent not added to Chatterton Square). The balance of such costs shall be borne by the owners of the dwelling units entitled to use such recreational facilities and related parking areas and/or the associations created to administer the affairs of the projects within which such dwelling units are located. Pursuant to the Recreational Facilities Declaration, a seven member advisory committee shall be established to oversee the operation and management of the recreational facilities and related parking areas. Four of the members of the advisory committee shall be appointed by the Association, through its Board of Directors, and the remaining members of the advisory committee shall be appointed by the Chatterton Square Condominium Association, through its Board of Directors. The Recreational Facilities Declaration provides that in the event a dispute arises between the parties affected by the Recreational Facilities Declaration pertaining to the maintenance, use or operation of the recreational facilities or related parking areas, such dispute, upon the consent of the parties to the dispute, shall be submitted to arbitration. The books and records maintained by the Association with respect to the operation, maintenance and repair of the recreational facilities and related parking areas shall be kept separate from the Association's other operations and shall be made available for inspection by Co-owners.

(11) Reciprocal Easements. Pursuant to a Reciprocal Easement Agreement, Co-owners have an easement to use the roads, walkways and open and landscaped areas that may be located within the Future Expansion Area, regardless of whether the Future Expansion Area is added to this Condominium. Similarly, the owners of residences located within the Future Expansion Area have an easement pursuant to the Reciprocal Easement Agreement to use the roads, walkways and open and landscaped areas that may be located within this Condominium, regardless of whether the Future Expansion Area is added to this Condominium. Under the Reciprocal Easement Agreement, the Association will be responsible for maintaining, repairing and replacing the monuments, landscaping and boulevard improvements installed as part of the entranceway into the Condominium, including all of the landscaping installed along Geddes Road

(the "Entranceway Improvements"). Additionally, the Association is responsible under the Reciprocal Easement Agreement for maintaining, repairing, and replacing the walkways and open landscaped areas that will comprise the common open areas to be constructed and installed upon this Condominium and the Future Expansion Area, regardless of whether the Future Expansion Area is added to this Condominium (such common open areas and the Entranceway Improvements are collectively referred to herein as the "Common Improvements"). If the Future Expansion Area is developed separately from this Condominium and not added to this Condominium, the Reciprocal Easement Agreement provides that (a) prior to the completion of construction of 25% of the residences to be constructed within the Future Expansion Area pursuant to approved site plans, the owners of residences located within the Future Expansion Area or the association, if any, created to administer the affairs of such development, shall bear the percentage of costs incurred in maintaining, repairing and replacing the Common Improvements obtained by dividing the number of completed residences constructed within the Future Expansion Area by the total number of completed residences located within the Future Expansion Area and this Condominium, and the Association shall bear the balance of such costs, and (b) upon completion of 25% of the residences to be constructed within the Future Expansion Area pursuant to approved site plans, the owners of residences constructed within the Future Expansion Area or the association, if any, created to administer the affairs of such development, shall bear the percentage of costs incurred in maintaining, repairing and replacing the Common Improvements obtained by dividing the number of residences that may be constructed within the Future Expansion Area pursuant to approved site plans by the total number of residences that may be constructed within the Future Expansion Area and this Condominium pursuant to approved site plans, and the Association shall bear the balance of such costs.

(12) Modification of Easements. Developer has reserved the right to expand and enlarge the easements described above by amending the Master Deed and the Plan attached as Exhibit "B" pursuant to the right of amendment reserved in Article VIII, subparagraph (c), of the Master Deed, without the consent of any Co-owner or mortgagee.

F. Recreational Facilities. Co-owners and tenants of Residences and their respective guests have the right to use the swimming pool and pool house and related parking areas located within this Condominium and related parking areas in Chatterton Square as more particularly described in Article III E.(10) above and in the Recreational Facilities Declaration.

IV. LEGAL DOCUMENTATION

A. General. CHATTERTON VILLAGE CONDOMINIUM was established as a condominium project pursuant to the Master Deed recorded in the Wayne County Records and contained in the CHATTERTON VILLAGE CONDOMINIUM Purchaser Information Book. The Master Deed includes the By-Laws attached to the Master Deed as Exhibit A and the Condominium Subdivision Plan attached to the Master Deed as Exhibit B.

B. Master Deed. The Master Deed contains the definitions of certain terms used in the Condominium Documents, the percentage of value assigned to each Unit in the condominium Project, a general description of the Units and common elements included in the Project and a statement regarding the relative responsibilities for maintaining the common elements. Article IV of the Master Deed defines the common elements of the Project. Article VII contains a description of the easements, restrictions and

agreements pertaining to the Project (some of which are discussed in this Disclosure Statement). Article VIII covers the process of amending the Master Deed.

C. **Bylaws.** The Bylaws contain provisions relating to the operation, management and fiscal affairs of the Condominium and, in particular, set forth the provisions relating to assessments of Association members for the costs of operating the Project. Article VI of the Bylaws contains certain restrictions upon the ownership, occupancy and use of the Project.

Article VI, Section 3(c) of the Bylaws contains provisions permitting the adoption of rules and regulations to reflect the needs and desires of the majority of Co-owners, including rules and regulations governing the common elements. At the present time no rules and regulations have been adopted by the Board of Directors of the Association.

Article XX of the Bylaws contains specific requirements regarding the initiation and pursuit of civil litigation by the Association that are designed to reduce both the cost of litigation and the risk of improvident litigation being pursued at the Association's expense.

D. **Condominium Subdivision Plan.** The Condominium Subdivision Plan is a two-dimensional survey depicting the physical location and boundaries of each of the Units and all of the common elements in the Project.

V. THE DEVELOPER AND OTHER SERVICE ORGANIZATIONS.

A. **Background and Experience.** The Developer is currently developing several other condominium or single family home projects in southeastern Michigan, such as Vistas of Central Park I, II and III, Woods of Central Park, and Cobblestone South in Canton Township, Brookside in Superior Township, Autumn Woods in Hartland Township, and Hampton Ridge, Rolling Ridge I, Landings of Rolling Ridge and Ravines of Rolling Ridge in Genoa Township. The sole member of the Developer is Centex Homes, a Nevada general partnership. Centex Homes is a licensed residential builder whose address is 27655 Middlebelt Road, Suite 130, Farmington Hills, Michigan 48334. Centex Homes is a national builder which recently acquired the homebuilding assets of the Selective Group, Inc. and many of that company's affiliates. Centex Homes is entering the Detroit market as one of the nations largest homebuilders and a leading developer of residential neighborhoods. Nationwide, Centex Homes delivered 20,659 homes in its 2001 fiscal year. Centex Homes has been named to the *Professional Builder Magazine*'s Top 10 since the inception of the list in 1968 and Centex Homes CEO, Tim Eller, was named Builder of the Year by *Professional Builder Magazine* in 1998. Based in Dallas Texas, Centex Homes is currently building in more than 400 neighborhoods, in more than 75 metropolitan areas and 23 states and the District of Columbia. You can get additional information on Centex Homes by checking out its Web site at www.centexhomes.com.

B. **Brokers.** Centex Homes Realty, Inc., a Michigan corporation, whose address is 27655 Middlebelt Road, Suite 130, Farmington Hills, Michigan 48334, is the real estate broker for the Project. Centex Homes Realty, Inc. is also acting as the real estate broker for other condominium projects currently being developed by the Developer. Centex Homes Realty, Inc., Centex Homes and the Developer are affiliated companies.

C. Residential Builder. The Units will be constructed by Centex Homes, which is a licensed residential builder.

D. Legal Proceedings Involving the Condominium Project or the Developer. Centex Homes is currently defending a lawsuit that has been filed in the United States District Court of the Eastern District of Michigan against Centex Homes and other defendants. The lawsuit claims that Centex Homes' use of certain plans for the construction of the buildings in the Condominium infringes on alleged copyrights. The lawsuit also asserts that the actions of Centex Homes and other defendants constitute unfair competition and unfair trade practices prohibited by Michigan statutes. The plaintiffs' complaint requests that the United States District Court issue an order preventing Centex Homes from constructing Units in the Condominium according to plans that Centex Homes has allegedly copied from copyrighted material. Copies of the papers filed in the lawsuit may be obtained from the Developer on request.

Based on opinion of counsel, the Developer believes that the lawsuit is without merit for a number of reasons, including questions about the validity of the copyrights on which the lawsuit is based and the absence of any copyright infringement or copying of copyrighted material by Centex Homes and the other defendants in the lawsuit. Developer believes the lawsuit will not preclude or interfere with the construction and delivery of Units in the Condominium Project. Although the Developer believes that Centex Homes will either prevail in the lawsuit or obtain a settlement on acceptable terms, the Developer cannot make any warranty or representation that the lawsuit will end in favor of Centex Homes and the other defendants.

VI. OPERATION AND MANAGEMENT OF THE CONDOMINIUM PROJECT.

A. The Condominium Association. The responsibility for management and maintenance of the Project is vested in the Chatterton Village Condominium Association, which has been incorporated as a non-profit corporation under Michigan law. The Articles of Incorporation of the Association are contained in the Purchaser Information Book. The Bylaws include provisions that govern the procedural operations of the Association. The Association is governed by its Board of Directors, the initial members of which are designees of Developer.

Within 120 days after closing the sales of 25% of the Units, one of the five directors will be selected by the non-Developer owners; within 120 days after closing the sales of 50% of the Units, not less than two of the five directors will be selected by the non-Developer owners; and within 120 days after closing the sales of 75% of the Units, the non-Developer owners will elect all five directors, except that the Developer or its assignee will have the right to designate at least one director as long as the Developer owns and offers for sale at least ten percent (10%) of the Units in the Project or as long as ten percent (10%) of the Units remain that may be created. Regardless of the number of Units conveyed, 54 months after the first conveyance, non-Developer owners may elect directors in proportion to the number of Units they own.

Within 120 days after closing the sales of 33% of the Units or one year from the date of the first conveyance, whichever first occurs, an advisory committee must be established to serve as liaison between the non-Developer owners and the Developer.

For purposes of determining when closings or sales on the applicable percentage of Units

has occurred as described in the preceding paragraphs and in the paragraph below, the number of Units taken into account includes the additional 108 Units that may be created in the Future Expansion Area.

The First Annual Meeting may be convened any time after 50% of the Units have been sold and must be held on or before the expiration of 120 days after 75% of the Units have been sold or within 54 months after conveyance of the first Unit, whichever first occurs. At the First Annual Meeting, the members of the Association will elect directors, and the directors in turn will elect officers for the Association.

B. Percentages of Value. Based on the nature of the Project and the fact that the Association's responsibility for maintenance of common elements will not be substantially different among all of the Units, the percentages of value assigned to the Units are equal. The percentage of value assigned to each Unit determines, among other things, the value of each owner's vote and his or her proportionate share of regular and special Association assessments and of the proceeds of administration of the Project.

C. Project Finances.

(1) Budget. Article II of the Bylaws requires the Board of Directors to adopt an annual budget for the operation of the Project. The initial budget was formulated by Developer, and is intended to provide for the normal and reasonably predictable expenses of administration of the Project, and includes a reserve for major repairs to and replacement of common elements. Inasmuch as the budget must necessarily be prepared in advance, it reflects estimates of expenses made by the parties. To the extent that estimates prove inaccurate during actual operation and to the extent that the cost of goods and services necessary to service the condominium Project change in the future, the budget and the expenses of the Association also will require revision. The current budget of the Association has been included as Exhibit "A" to this Disclosure Statement. This initial budget covers the proposed ninety-six (96) Units. **THIS BUDGET IS FOR ILLUSTRATION PURPOSES ONLY, AND REPRESENTS THE DEVELOPER'S BEST ESTIMATE AT THIS TIME AS TO THE POSSIBLE COSTS AND EXPENSES ASSOCIATED WITH THE UNITS. THE ACTUAL COSTS MAY BE HIGHER OR LOWER.**

(2) Assessments. Each Co-owner of a Unit, including the Developer, must contribute to the Association to defray expenses of administration. While the Developer is obligated to contribute to the Association for such purpose, its contributions are determined differently than the other owners' contributions are determined under Article II of the Bylaws. The Board of Directors may also levy special assessments in accordance with the provisions of Article II, Section 2(b) of the Bylaws. Assessments for Association dues will be collected annually in advance, although the Developer (and ultimately the Association) reserves the right to collect the assessments annually, quarterly or monthly.

(3) Foreclosure of Lien. The Association has a lien on each Unit to secure payment of Association assessments. The Bylaws provide that the Association may foreclose its lien in the same fashion that mortgages may be foreclosed by action or by advertisement under Michigan law. By closing on the purchase of a Unit, each purchaser will be deemed to have waived notice of any proceedings brought by the Association to foreclose its lien by advertisement and notice of a hearing prior to the sale of his Unit.

(4) Other Possible Liabilities. Each purchaser is advised of the possible liability of each owner under Section 58 of the Condominium Act:

If the holder of the first mortgage or other purchaser of a condominium Unit obtains title to that Unit by foreclosing that mortgage, the holder of the first mortgage or other purchaser is not liable for unpaid assessments that are chargeable against that Unit and that become due prior to foreclosure except for assessments that have priority over the first mortgage under Section 108 of the Condominium Act. These unpaid assessments are common expenses which are collectible from all Unit owners including the holder of the first mortgage who has obtained title to the Unit through foreclosure.

D. Management of Condominium. The Developer intends to contract with Independent Management, Inc. to provide for the management of the Condominium. The fees charged by that company under its management agreement with the Association will, for the most part, be equally allocated among all of the Units. The Association does have the right to manage the common affairs of the Condominium without the services of a management company.

E. Insurance.

(1) Title Insurance. The Land Contract used by Developer to sell Units in the Condominium provides that the Developer shall furnish its purchaser with an owner's title insurance policy with standard exceptions at the time that the warranty deed is delivered to the purchaser pursuant to the Land Contract. Developer intends to obtain that policy from Lawyers Title Insurance Corporation at its cost.

(2) Other Insurance. The Condominium Documents require that the Association carry fire and extended coverage for vandalism and malicious mischief and liability insurance and workers' compensation insurance, if applicable, with respect to all of the common elements of the Project. The Association is also required to obtain all risk insurance coverage for the standard interior improvements within all Units, including the appurtenant limited common elements, all as described in Article IV, Section 1 of the Bylaws. The insurance policies have deductible clauses and, to the extent thereof, losses will be borne by the Association. The Board of Directors is responsible for obtaining insurance coverage for the Association. Each owner's pro rata share of the annual Association insurance premiums is included in the annual assessment. The Association insurance policies are available for inspection during normal working hours. A copy of the certificate of insurance with respect to the Project will be furnished to each Co-owner upon request.

Each Co-owner is responsible for obtaining fire and extended coverage insurance on all improvements, decorations and other personal property in his Unit that have been added to the standard improvements defined in the coverage required to be obtained by the Association. Each Co-owner is further responsible for obtaining all risk liability insurance for injury to property and persons occurring within his Unit and for insuring his personal property located within his Unit or elsewhere within the Condominium. The Co-owners' insurance obligations are described in Article IV, Section 3 of the Bylaws. Each Co-owner must deliver a certificate of insurance to the Association annually in order to confirm that

the required insurance coverage is being maintained. The certificate must show the Association as an additional named insured. If a Co-owner fails to maintain any such insurance coverage or to provide evidence thereof to the Association, the Association may obtain such insurance and collect the cost thereof from the delinquent owner. The Association should periodically review all insurance coverage to be assured of its continued adequacy and owners should each do the same with respect to their individual insurance.

F. Restrictions on Ownership, Occupancy and Use. Article VI of the Bylaws sets forth specific restrictions on the ownership, occupancy and use of a Unit in the Condominium Project, including but not limited to the following:

1. No Unit may be used for other than single family residential purposes.
2. A Co-owner may lease the Co-owner's Unit provided the Co-owner complies with certain requirements set forth in Article VI.
3. A Co-owner may keep no more than two household pets, and the weight of any pet may not exceed 50 pounds.
4. There are restrictions on the storage of recreational or commercial vehicles, boats or trailers.
5. No Co-owner may decorate or modify the exterior of any Building except in accordance with rules adopted by the Association.
6. No commercial signs may be erected within or upon a Unit without the Developer's consent.

The foregoing highlights a few of the material restrictions contained in Article VI of the Bylaws and is not intended to be an exhaustive summary of all of the provisions of Article VI. Each purchaser is strongly encouraged to carefully review Article VI of the Bylaws. Some of the restrictions do not apply to the commercial activities or signs of the Developer.

VII. RIGHTS AND OBLIGATIONS AS BETWEEN DEVELOPER AND OWNERS.

A. Before Closing. The respective obligations of Developer and the purchaser of a Unit in the Project prior to closing are set forth in the Land Contract, the Escrow Agreement that accompanies the Land Contract, and a Construction Agreement between Centex Homes (the "Builder") and the purchaser regarding the construction of the improvements that comprise and relate to the Unit (referred to in the Construction Contract as the "Home"). The Land Contract contains all of the terms and conditions regarding the purchase and sale of the Unit and, unlike the Construction Agreement, is subject to the Michigan Condominium Act. Although the Land Contract and the Construction Agreement are separate documents, a default by the Purchaser under either the Land Contract or the Construction Agreement constitutes a default under the other document. Furthermore, both the Land Contract and the Construction Agreement are terminated if the other document is terminated for any reason.

The Land Contract, Escrow Agreement and the Construction Agreement should be closely examined by all purchasers in order to ascertain the disposition at closing of earnest money deposits

advanced by the purchaser, anticipated closing adjustments, and other important matters. The escrow agreement provides, pursuant to Section 103b of the Condominium Act, that the escrow agent shall maintain sufficient funds or other security to complete those improvements shown as "must be built" on the Condominium Subdivision Plan until such improvements are substantially complete. As indicated in the Condominium Subdivision Plan, "must be built" items include Units one through 12, both inclusive, and the roads, drives and utilities required to serve those Units, the pool and pool house and the roads, drives and utilities which are required to serve the pool and pool house. The Developer will deposit the "Initial Deposits" received from Purchasers under the Land Contract into escrow with Lawyers Title Insurance Corporation. All funds payable under the Construction Agreement between the purchaser and the Builder, including the Initial Deposit identified in that document and all Progress Payments, will be paid directly to the Builder under the terms of the Construction Agreement, and will not be deposited in escrow. Funds retained in escrow are not to be released until conveyance to a purchaser of title to a Unit and confirmation by the escrow agent that all improvements labeled "must be built" are substantially complete.

B. At Closing. Each purchaser will receive by warranty deed, fee simple title to his or her Unit, subject to no liens or encumbrances other than the Condominium Documents and those other easements, restrictions, encumbrances, exceptions and reservations that are specifically set forth or described in the Condominium Documents, paragraph 5A of the Land Contract and the title insurance policy to be issued pursuant to the Land Contract.

C. After Closing.

(1) General. Subsequent to the purchase of the Unit, relations between a Project and the owner are governed by the Master Deed and the Condominium Act.

(2) Condominium Project Warranties. The only warranty provided to the purchaser of a Unit in CHATTERTON VILLAGE CONDOMINIUM will be the Builder's Limited Warranty ("Builder's Limited Warranty"), which is to be delivered to the purchaser approximately six (6) weeks after the closing. The Builder will process repair requests under the Builder's Limited Warranty in accordance with procedures explained in a "Procedural Supplement to Builder's Limited Warranty", which will be provided to purchaser at closing. The terms and conditions of the Builder's Limited Warranty are intended to survive the closing and, pursuant to the Construction Agreement described above, the purchaser agrees to be bound by the terms and conditions contained in the Builder's Limited Warranty. (Sample forms of both the Builder's Limited Warranty and the Procedural Supplement to Builder's Limited Warranty are attached as Exhibit "L" to the Construction Agreement.) OTHER THAN AS SET FORTH IN THE BUILDER'S LIMITED WARRANTY, NEITHER BUILDER NOR DEVELOPER MAKES ANY WARRANTIES OR REPRESENTATIONS REGARDING THE IMPROVEMENTS DESCRIBED IN THE BUILDER'S LIMITED WARRANTY OR THE CONDOMINIUM UNIT THAT ENCOMPASSES THOSE IMPROVEMENTS. EXCEPT FOR THE LIMITED WARRANTY SET FORTH IN THE PROCEDURAL SUPPLEMENT WITH REGARD TO CERTAIN SPECIFIC COMMON ELEMENTS, NO OTHER WARRANTY OR REPRESENTATION IS MADE WITH RESPECT TO COMMON ELEMENTS, AND ALL WARRANTIES OF ANY KIND, WHETHER IMPLIED OR EXPRESS, FITNESS FOR A PARTICULAR PURPOSE OR ANY WARRANTY OF HABITABILITY, ARE EXPRESSLY DISCLAIMED.

VIII. PURPOSE OF DISCLOSURE STATEMENT.

This Disclosure Statement has been prepared in good faith, in reliance upon sources of information believed to be accurate, and in an effort to disclose material facts about the Project. Each purchaser is urged to engage a competent lawyer or other advisor in connection with deciding whether to purchase a Unit. In accepting title to a Unit, each purchaser shall be deemed to have waived any claim or right arising out of or relating to any immaterial defect, omission or misstatement in this Disclosure Statement. The terms used herein are defined in the Condominium Act.

The Michigan Department of Consumer and Industry Services published The Condominium Buyers Handbook that has been delivered to you. The Developer does not assume any obligation, liability or responsibility as to the statements contained in or omitted from The Condominium Buyers Handbook.

The descriptions of the Master Deed and other instruments contained herein are summary only and may or may not completely and adequately express the content of the various Condominium Documents. Each purchaser is referred to the original Master Deed and other original instruments as contained in the Purchaser Information Booklet. Legal phraseology, technical terms and terms of art have been minimized and brevity has been the objective to the extent consistent with the purposes of the Disclosure Statement and rules of the Michigan Department of Consumer and Industry Services.

EXHIBIT A

CHATTERTON VILLAGE (ATTACHED) CONOMINIUMS - BUDGET
January 1, 2002 - December 31, 2002

INCOME	ANNUAL	MONTH	PER UNIT
Association Dues (Based on 96 Units)	\$46,084.50	\$3,840.38	\$40.00
TOTAL INCOME	\$46,084.50	\$3,840.38	\$40.00
EXPENSES			
Utilities:			
Electric	\$2,000.00	\$166.67	\$1.74
Water/Sewer	\$10,000.00	\$833.33	\$8.68
TOTAL UTILITIES	\$12,000.00	\$1,000.00	\$10.42
Administrative:			
Audit	\$500.00	\$41.67	\$0.43
Duplicating	\$20.00	\$1.67	\$0.02
Filing Fee/Permits	\$10.00	\$0.83	\$0.01
Legal	\$0.00	\$0.00	\$0.00
Management Fee	\$8,000.00	\$666.67	\$6.94
Miscellaneous	\$0.00	\$0.00	\$0.00
Postage	\$15.00	\$1.25	\$0.01
TOTAL ADMINISTRATIVE	\$8,545.00	\$712.08	\$7.42
* Building Maintenance:			
Building Supplies	\$0.00	\$0.00	\$0.00
Carpentry/Drywall	\$0.00	\$0.00	\$0.00
Chimneys	\$0.00	\$0.00	\$0.00
Electrical	\$0.00	\$0.00	\$0.00
Foundations/Drainage	\$0.00	\$0.00	\$0.00
Garage Doors	\$0.00	\$0.00	\$0.00
Gutter Cleaning/Repairs	\$0.00	\$0.00	\$0.00
Masonry	\$0.00	\$0.00	\$0.00
Miscellaneous Repairs	\$0.00	\$0.00	\$0.00
Painting	\$0.00	\$0.00	\$0.00
Plumbing	\$0.00	\$0.00	\$0.00
Roof	\$0.00	\$0.00	\$0.00
Sewer	\$0.00	\$0.00	\$0.00
Sliding	\$0.00	\$0.00	\$0.00
Structural Repairs	\$0.00	\$0.00	\$0.00
TOTAL BLDG. MAINTENANCE	\$0.00	\$0.00	\$0.00
Master Association:			
Dues	\$0.00	\$0.00	\$0.00
TOTAL MASTER ASSOCIATION	\$0.00	\$0.00	\$0.00

Chatterton Village Budget Continued

		ANNUAL	MONTH	PER UNIT
Grounds Maintenance:	Asphalt Repairs/Maintenance	\$0.00	\$0.00	\$0.00
	Bed Maintenance	\$500.00	\$41.67	\$0.43
	Concrete	\$0.00	\$0.00	\$0.00
	Exterminating/Critters	\$0.00	\$0.00	\$0.00
	Fertilizer	\$500.00	\$41.67	\$0.43
	Flowers	\$1,000.00	\$83.33	\$0.87
	Landscape Supplies	\$0.00	\$0.00	\$0.00
	Lawn Contract	\$8,000.00	\$666.67	\$6.94
	Planting Repair	\$0.00	\$0.00	\$0.00
	Snow Removal/Salting	\$500.00	\$41.67	\$0.43
	Sprinklers	\$0.00	\$0.00	\$0.00
	Tree/Shrub Maintenance	\$0.00	\$0.00	\$0.00
	TOTAL GROUNDS	\$10,500.00	\$875.00	\$9.11
Insurance:	Property	\$10,000.00	\$833.33	\$8.68
	Workers' Compensation	\$850.00	\$70.83	\$0.74
	TOTAL INSURANCE	\$10,850.00	\$904.17	\$9.42
	TOTAL OPERATING EXPENSES	\$41,895.00	\$3,491.25	\$36.37
REPLACEMENT RESERVES (10%)		<u>\$4,189.50</u>	<u>\$349.13</u>	<u>\$3.64</u>
	TOTAL EXPENSES	\$46,084.50	\$3,840.38	\$40.00
NET INCOME/LOSS		\$0.00	\$0.00	\$0.00

* Includes costs for all water usage. There will be no individual water bills. All water usage by residents will be included in their annual dues.

* To incorporate funds necessary for "Building Maintenance" to the units that will no longer be covered under the Builders warranty, the Association Fees will increase at a later date approximately \$10.00 per month.

NOTE: Association fees will Increase at a later date to incorporate funds necessary to operate and maintain amenities (clubhouse and pool), once all amenities are complete.
(Approximately \$5.00 per month).

CHATTERTON VILLAGE CONDOMINIUM LAND CONTRACT

THIS CONTRACT, made this _____ day of _____, 20____, by
and between SELECTIVE - DELAWARE, L.L.C., a Delaware limited liability company, hereinafter
referred to as "Seller", whose address is 27655 Middlebelt Rd., Suite 130, Farmington Hills,
Michigan 48334 and _____, hereinafter referred to as
"Purchaser", whose address is _____.

WITNESSETH:

1. **Description of Unit.** To sell and convey to Purchaser a Unit in the Township of Canton, Wayne County, Michigan, described as:

hereinafter referred to as "the Unit".

2. **Description of Condominium Project.** CHATTERTON VILLAGE CONDOMINIUM is a ninety-six (96) unit condominium located in the Township of Canton, County of Wayne, Michigan (hereinafter referred to as the "Condominium Project" or "Project"). The Developer of the Condominium is Selective - Delaware, L.L.C., a Delaware limited liability company ("the Developer"). The Developer has reserved the right to further expand the Condominium Project up to a total of two hundred four (204) units, although the Developer has no legal obligation to so expand the Condominium Project. The Developer intends to construct or contract for the construction of the buildings and other improvements in the Condominium, including the building that will include the Unit or home that is the subject of this Land Contract. As of the date of this Land Contract, Purchaser and Centex Homes are entering into a separate written construction agreement (the "Construction Agreement") that provides for the construction of the home ("Home") that comprises the Unit in the location shown in the Condominium Subdivision Plan and in accordance with the plans and specifications identified and incorporated in the Construction Agreement.

3. A. **Terms of Payment.** Purchaser shall pay Seller the sum of _____ Dollars (\$_____) for the Unit (the "Unit Purchase Price"), of which the sum of _____ Dollars (\$_____) has been paid on signing this Land Contract and the additional sum of _____ Dollars (\$_____) is to be paid to Seller without interest while Purchaser is not in default, and with interest at the rate of eleven (11%) percent per annum, computed on the balance of the purchase price then unpaid, during the period of any default by Purchaser in payment. The entire unpaid balance of this Land Contract and all

accrued interest (if any) shall be paid in full on the "Closing" on the Home, as that term is defined in the Construction Agreement.

B. Earnest Money Deposit and Final Payment. Purchaser agrees to pay for the Unit to Seller in the manner set forth below:

Initial Deposit: Deposit upon signing this Agreement by Purchaser, receipt of which is acknowledged by Seller; \$_____

Balance: The balance shall be due and payable in U.S. funds at Closing via cashier's check, certified check or wire transfer.

It is understood that the Deposit will be placed in escrow with Lawyers Title Insurance Corporation, as more fully described in Paragraph 4A, below. The balance of the Land Contract Price to be paid at Closing shall be paid directly to Seller as provided in the attached Escrow Agreement with Lawyers Title Insurance Corporation.

4. Condominium Provisions.

A. Escrow. The Initial Deposit (as set forth in Paragraph 3B, above), received by Seller from Purchaser hereunder shall be held in escrow and shall be placed in an escrow account with Lawyers Title Insurance Corporation under an Escrow Agreement, a copy of which is attached hereto and incorporated by reference. If Purchaser withdraws from this Land Contract within the time period set forth in Paragraph 4B, below, all funds held in escrow shall be returned to Purchaser within three (3) business days after withdrawal from this Land Contract. After the expiration of the time within which Purchaser may withdraw from this Land Contract pursuant to Paragraph 4B, below, the Escrow Agent shall, absent a default by Purchaser, continue to retain such funds in escrow, or to provide sufficient security to assure completion of only those uncompleted structures and improvements labeled as "MUST BE BUILT" under the Condominium Documents. Any interest earned upon funds refunded to Purchaser upon withdrawal from this Land Contract shall be paid to Developer.

B. Cancellation by Purchaser. This Land Contract shall not become binding until the expiration of nine (9) business days after Purchaser's receipt of the Condominium Documents, which have been delivered to Purchaser either prior to the execution of this Land Contract or simultaneously with the execution of this Land Contract. The day on which Purchaser receives the Condominium Documents shall be included in the computation of such nine (9) business day period if that day is a business day. For purposes of this Land Contract, the term "Condominium Documents" shall refer to the following documents:

1. The Master Deed.
2. The Condominium Subdivision Plan.
3. The Condominium Bylaws (which include the Association Bylaws).
4. This Land Contract.
5. The Condominium Project Disclosure Statement.
6. The Condominium Buyer's Handbook.

Unless the Purchaser waives the right of withdrawal, and in the event that Purchaser notifies Seller, in writing, at any time prior to the expiration of said nine (9) business day period that Purchaser wishes to withdraw from this Land Contract for any reason, the amounts heretofore paid by Purchaser to Seller under this Land Contract will be refunded to him within three (3) business days after notice of withdrawal, without penalty, in full satisfaction and termination of any rights of Purchaser. Thereupon, all rights and liabilities of Purchaser and Developer of any sort hereunder shall wholly cease and terminate.

C. The Association. Upon recording the deed to the Purchaser's Unit, Purchaser automatically becomes a member in the Chatterton Square Condominium Association (hereinafter referred to as the "Association"), the Michigan non-profit corporation which operates and maintains the Condominium Project. Purchaser agrees to receive and be subject to all rights, privileges, duties and obligations incident to such membership as specifically set forth in the Condominium Documents, copies of which will be furnished to Purchaser as described in Paragraph 4B. above.

Purchaser agrees that, in addition to the Purchase Price above mentioned, he/she will be liable for his/her proportionate share of the Association assessment for maintenance, repair, replacements and other expenses of administration as outlined in the Master Deed and Condominium Bylaws.

An amount equal to two (2) months Association assessment shall be paid by Purchaser to the Association, in advance, at the time of Closing, as a non-refundable working capital contribution, and Purchaser shall also, if required by Developer, make a proportionate contribution to the Association's insurance reserve at the time of Closing.

D. Private Roads. Purchaser hereby acknowledges that the roads within Chatterton Square Condominium are private and are not maintained by Canton Township or the Wayne County Road Commission. The Association will be responsible for maintaining, repairing and replacing the private roads within the Condominium Project, and the cost thereof shall be allocated among all co-owners of the Project pursuant to the Master Deed.

E. Arbitration Of Disputes. The following notice has been included in this section for Purchaser's information:

*****NOTICE TO PURCHASER*****

This agreement provides that all disputes between you and Seller will be resolved by BINDING ARBITRATION. THIS MEANS THAT YOU AND THE SELLER EACH GIVE UP YOUR RIGHT TO GO TO COURT to assert or defend rights under this contract (EXCEPT for matters that may be taken to SMALL CLAIMS COURT). Your rights and the Seller's rights will be determined by a neutral arbitrator and not by a judge and jury. You and the Seller are entitled to a FAIR HEARING, BUT the arbitration procedures are SIMPLER AND MORE LIMITED THAN THE RULES FOLLOWED IN A COURT. Arbitrator decisions are as

enforceable as any court order and are subject to **VERY LIMITED REVIEW BY A COURT.**

*****END OF NOTICE TO PURCHASER*****

Seller prides itself on having many satisfied customers. In the unlikely event that any dispute exists relating to the purchase of the Unit, including the marketing, sale, design, construction, condition or conveyance of the Unit, Purchaser and Seller agree to resolve the dispute exclusively through binding arbitration. The scope of this provision is broad and requires arbitration of all claims, including, for example, claims of misrepresentation, or for personal injury, or seeking equitable remedies. Pursuant to Michigan law, Seller reserves the right, but not the obligation, to resolve through arbitration any claim filed by Purchaser with the Contractors Licensing Board. If such a claim is filed, Seller may elect to remove such claim to arbitration in accordance with Michigan law and so notifying Purchaser and the Contractors Licensing Board. Alternatively, if the entire claim is a "small claim", either Purchaser or Seller may opt to go to small claims court as described in the last paragraph of this provision.

The arbitration will be conducted by the American Arbitration Association ("AAA"), in accordance with its Commercial Arbitration rules. Judgment on the award made by the arbitrator may be entered in any court having jurisdiction over the dispute. If there are preliminary steps that would have to be followed under state law before a lawsuit could be commenced, such as mediation, those steps must be followed before the arbitration can begin. Compliance with these state law provisions, and any negotiations or settlement attempts made before arbitration, do not constitute waiver of arbitration. If Seller chooses, it can have its supplier(s) and contractor(s) whose work or supplies are involved in the dispute included as parties to the arbitration. Seller and Purchaser agree to share the cost of filing fees and administrative fees charged by the AAA as well as the fee charged by the arbitrator. If one of the parties pays a fee to the arbitrator or the AAA, in the process of requesting or scheduling an arbitration, the other party will reimburse the paying party for its half of the fee within 30 days of being requested to do so in writing.

The parties acknowledge that this agreement evidences a transaction involving interstate commerce. The Federal Arbitration Act will govern the interpretation and enforcement of this provision. This provision will survive the Closing and the default of either party. It is binding on Seller and Purchaser and on their respective successors and assigns. If a party uses litigation to enforce this provision or the arbitration award, the court will award such party its court costs and reasonable attorneys' fees.

If the entire dispute between Purchaser and Seller qualifies for treatment as a "small claim" under applicable law, then either Purchaser or Seller may elect to have the dispute resolved in the court, division, department or docket responsible for "small claims". If applicable law allows the judgment resolving such a "small claim" to be appealed by a new trial in a higher court, and either Purchaser or Seller wishes to appeal the judgment, then the dispute must be resolved by arbitration under this provision instead of being resolved in the higher court.

F. The Condominium Buyer's Handbook. Purchaser hereby acknowledges receipt prior to execution of this Land Contract of a copy of The Condominium Buyers Handbook published by the Michigan Department of Consumer and Industry Services.

THIS DOCUMENT HAS IMPORTANT LEGAL CONSEQUENCES AND SHOULD BE READ THOROUGHLY PRIOR TO SIGNING. AS PURCHASER, SHOULD YOU HAVE ANY QUESTIONS ABOUT YOUR RIGHTS OR RESPONSIBILITIES UNDER THIS AGREEMENT, YOU MAY WISH TO CONTACT AN ATTORNEY FOR ADVICE AND COUNSEL. THIS AGREEMENT SHALL BECOME A BINDING LAND CONTRACT ON _____, PURSUANT TO SECTION 84 OF THE MICHIGAN CONDOMINIUM ACT AND PARAGRAPH 4B. HEREOF.

5. General Contract Provisions.

A. Seller shall execute and place a warranty deed in escrow for delivery to Purchaser upon payment in full of the Unit Purchase Price and all other sums due under this Land Contract and the Construction Agreement, which deed shall convey good and marketable title to the Unit, subject to mortgages placed by Purchaser, recorded restrictions, conditions, covenants, charges, patents, reservations and easements; any other similar instruments, governmental and quasi-governmental requirements such as zoning and building regulations, taxes, assessments and other charges against the Unit; easements, rights-of-way, building and use restrictions, and other restrictions of record, the Master Deed, Condominium Bylaws, and all other Condominium Documents as set forth in Paragraph 4B. above; and matters that accrue or attach after the date hereof through the acts or omissions of persons other than Seller or Seller's assigns. Seller also agrees to provide Purchaser with an owner's policy of title insurance, with standard exceptions, in the amount of the Unit Purchase Price, at the time that the deed is delivered to Purchaser, guaranteeing marketable title to the Unit in the condition required in this Land Contract.

B. Purchaser agrees to purchase the Unit and to pay Seller the Unit Purchase Price (with interest if Purchaser is in default) as provided above.

C. Purchaser agrees to enter into and comply in all respects with the terms, provisions and conditions of the Construction Agreement. Purchaser will provide Seller with a copy of the proposed Construction Agreement for Seller's review and approval and Purchaser may only use a licensed builder that is acceptable to Seller. Any default under the Construction Agreement will constitute a default under this Land Contract.

D. PURCHASER ACKNOWLEDGES THAT THIS IS A LAND CONTRACT AND NOT A MORTGAGE, THAT PURCHASER IS NOT THE TITLEHOLDER, THAT PURCHASER WILL NOT RECEIVE A DEED UNTIL PURCHASER HAS PAID AND PERFORMED THIS LAND CONTRACT IN FULL, AND THAT IN THE EVENT OF A DEFAULT UNDER THIS LAND CONTRACT, EITHER OF THE FOLLOWING, AMONG OTHER REMEDIES, ARE AVAILABLE TO SELLER:

- (i) SELLER CAN DECLARE A FORFEITURE HEREUNDER AND PURCHASER WILL FORFEIT PURCHASER'S INTEREST IN BOTH

THE UNIT AND ALL SUMS PREVIOUSLY PAID TO SELLER PURSUANT TO THIS LAND CONTRACT; OR

- (ii) SELLER CAN ACCELERATE THE ENTIRE UNPAID UNIT PURCHASE PRICE PLUS ACCRUED INTEREST AND IMMEDIATELY FORECLOSE THIS LAND CONTRACT IN COURT, IN WHICH EVENT THE UNIT CAN BE SOLD AT AUCTION AND PURCHASER MAY BE HELD PERSONALLY RESPONSIBLE FOR ANY DEFICIENCY WHICH RESULTS AFTER THE SALE PURSUANT TO SAID FORECLOSURE.

PURCHASER ACKNOWLEDGES THAT PURCHASER HAS READ THIS PROVISION AND THAT PURCHASER IS PROCEEDING WITH THIS LAND CONTRACT UNDERSTANDING THE CONTENTS OF THIS PARAGRAPH.

E. Purchaser agrees to pay all taxes and assessments (general, special or otherwise) levied on the Unit. Until the "Closing", all taxes and special assessments levied on the Unit will be paid by Seller as they become due, as an advancement on behalf of Purchaser. All such taxes and assessments so advanced by Seller will be repaid to Seller at the "Closing", at which time the current taxes and assessments shall be prorated as of the date of this Land Contract on a due date basis, under the assumption that all taxes are paid in advance. For all purposes hereunder, the provisions of Public Act 143 of Michigan Public Acts of 1995 (amending MCLA 211.40) shall not apply.

F. (i) Should Purchaser fail to perform this Land Contract or the Construction Agreement or any part thereof, immediately after such default Seller will have the right to declare this Land Contract forfeited and void, and retain the down payment, and all improvements that may have been made within the Unit, and consider and treat Purchaser as a tenant holding over without permission and may take immediate possession of the Unit, and remove Purchaser and each and every other occupant of the Unit. The retention of the down payment shall be deemed reasonable under the Michigan Condominium Act (MCLA 559.101 et. seq.). A proper notice of forfeiture, giving Purchaser at least fifteen (15) days to pay any monies required to be paid under this Land Contract or to cure other material breaches of this Land Contract, shall be served on Purchaser, as provided by statute, prior to institution of any proceedings to recover possession of the Unit.

(ii) Notwithstanding anything contained in this Land Contract to the contrary, if Seller does not receive notice that Purchaser has qualified for the mortgage loan for the construction of the improvements comprising the Home pursuant to the Construction Agreement within 45 days from the date of the Construction Agreement, or if the Construction Agreement is terminated by Developer due to the failure of a condition precedent or due to a reserved termination right contained in the Construction Agreement (including, without limitation, due to bad ground conditions), Seller may, in its sole discretion, rescind this Land Contract, in which event Purchaser's down payment will be refunded to Purchaser without further liability on the part of the Seller. Under no circumstances will any such rescission by Seller be deemed to be a forfeiture of this Land Contract and Purchaser will not have any of the normal and customary rights associated with the forfeiture of a land contract.

G. In the event of default by Purchaser under this Land Contract or the Construction Agreement, the entire amount owing shall, at Seller's option, be due and payable immediately.

H. Should Seller declare a forfeiture of this Land Contract, or proceed to suit either by summary proceedings or by suit in equity for foreclosure of this Land Contract, or should Seller institute suit against Purchaser for the amounts owed by Purchaser to Seller or to enforce performance of Purchaser's obligations under this Land Contract without a simultaneous action for forfeiture, possession or foreclosure, Purchaser shall pay Seller's actual costs and expenses, including reasonable attorneys' fees incurred in connection with or related to the declaration of forfeiture or to any such proceedings (including, without limitation, all such costs and expenses incurred during any applicable redemption period or incurred in connection with the enforcement of any judgment against Purchaser arising out of this Land Contract) together with interest thereon from the date of any such payment by Seller at the default rate of interest set forth above, which costs and expenses including interest shall be deemed for all purposes to be included in the balance due and owing under this Land Contract.

In the event that Seller shall not have complied with Seller's obligations under this Land Contract, Purchaser will send Seller notice and Seller will have thirty (30) days after receiving this notice within which to fulfill Seller's obligations. If Seller's alleged default is based upon any agreement other than Seller's agreement to convey the Unit to Purchaser, Purchaser agrees that Purchaser's sole remedy will be to receive a refund of Purchaser's down payment and any other monies that Purchaser paid to Seller. Under no circumstances will Seller be liable for any special, indirect or consequential damages of any kind whatsoever.

I. Time is of the essence of Purchaser's performance of this Land Contract.

J. Purchaser will be deemed to be in constructive possession of the Unit, only, and not actual possession, until all terms, provisions and conditions of this Land Contract and the Construction Agreement are fully satisfied. Purchaser's constructive possession of the Unit shall cease and terminate if this Land Contract is forfeited or foreclosed as provided above. The construction of any improvements with respect to the Home pursuant to the Construction Agreement, or the construction of any other improvements with respect to the Home by Purchaser, will not constitute actual possession of the Unit by Purchaser.

K. Except as otherwise set forth in this Land Contract, all notices must be in writing and will be in effect when sent to the addresses described in this Agreement via first class mail.

L. This Land Contract constitutes the entire agreement between Seller and Purchaser concerning the purchase of the Unit. Any prior agreements, written or oral, are superseded by this Land Contract. Purchaser acknowledges that Purchaser is not relying on any promises, agreements or representations made by Seller, Seller's sales personnel, agents, subcontractors or other employees ("Seller's Representatives") concerning the Unit or any land adjacent to or near the Unit, except as expressly set forth in this Land Contract. Purchaser further acknowledges that none

of Seller's Representatives (other than the authorized representative who has signed this Land Contract) has the authority to modify this Land Contract or to make any promise, agreement or representations which are inconsistent or contrary to the terms of this Land Contract. This Land Contract may be changed only by a written document signed by both Seller and Purchaser. The invalidity or unenforceability of any particular provision of this Land Contract will not affect the other provisions and this Land Contract will be interpreted in all respects as if such unenforceable provisions were omitted.

M. The Unit subject to this Land Contract and its occupants may now or in the future be exposed to various environmental conditions in or near the Unit and the building that contains the Unit (including, without limitation, radon gas, electromagnetic fields from power lines and appliances, the presence of surface and underground utility facilities, and the possibility of air, water and soil pollution). Seller does not claim any expertise in such conditions, and expressly disclaims any liability for any type of damage which such conditions might cause to the Unit, the building in which the Unit is located, or the occupants of the Unit. The federal Environmental Protection Agency recommends that radon levels be tested in all homes, so Purchaser may wish to test the Unit after the "Closing" for its specific radon level. For additional information, contact your local, state or federal environmental agencies or other available sources.

N. Seller makes no warranties to Purchaser of any kind relating to the condition or use of the Unit, including, without limitation, any environmental warranty, warranty of habitability or fitness for a particular purpose, any warranty relating to the use of any adjacent or neighboring property (whether or not owned by Seller or an affiliate of Seller) or any warranty concerning any trees, bushes or any other type of vegetation on the Unit, all of which warranties are hereby disclaimed. Purchaser acknowledges that he/she is acquiring the Unit in an "AS IS" condition and releases Seller, its successors and assigns, from any liability with respect to the condition of the Unit.

O. Purchaser shall not record this Land Contract or any notice thereof.

Signed, sealed and delivered by the parties in duplicate the day and year first above written.

IN PRESENCE OF:

PURCHASER(S):

Sales Counselor

(L.S.)

(L.S.)

SELLER:

SELECTIVE- DELAWARE, L.L.C.,
a Delaware limited liability company

By: CENTEX HOMES, a Nevada
general partnership, its sole Member

By: CENTEX REAL ESTATE
CORPORATION, a Nevada
corporation, its Managing Partner

By: _____
William T. Stapleton,
its Division President

Address:
27655 Middlebelt Road, Suite 130
Farmington Hills, Michigan 48334
(248) 474-8600

STATE OF MICHIGAN)

:

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of
_____, 20____ by _____.

NOTARY PUBLIC
County of _____
State of Michigan
My commission expires: _____

STATE OF MICHIGAN)

:

COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me this _____ day of
_____, 200____ by William T. Stapleton, the Division President of CENTEX REAL
ESTATE CORPORATION, a Nevada corporation, the Managing Partner of CENTEX HOMES,
a Nevada general partnership, the sole Member of SELECTIVE - DELAWARE, L.L.C., a
Delaware limited liability company, on behalf of the said company.

NOTARY PUBLIC
County of _____
State of Michigan
My commission expires: _____

ESCROW AGREEMENT

THIS AGREEMENT is entered into this _____ day of _____, 2001
between Selective - Delaware, L.L.C. ("Developer") and Lawyers Title Insurance Corporation
("Escrow Agent").

RECITALS:

WHEREAS, Developer is establishing a condominium project to be known as Chatterton Village Condominium under the Michigan Condominium Act (Act No. 59, Public Acts of 1978, as amended, hereinafter the Act); and,

WHEREAS, Developer is selling Units in Chatterton Village Condominium and is entering into Land Contracts with Purchasers for such Units in substantially the form attached hereto, and each Land Contract requires that all deposits made under such Land Contract be held by Escrow Agent under an Escrow Agreement; and,

WHEREAS, the parties hereto desire to enter into such an Escrow Agreement for the benefit of Developer and for the benefit of each Purchaser (hereinafter called "Purchaser") who makes deposit under a Land Contract.

NOW, THEREFORE, it is agreed as follows:

1. Developer shall, after receipt, promptly transmit to Escrow Agent all sums deposited with it under a Land Contract together with a fully executed copy of such Land Contract.
2. The sums paid to Escrow Agent under the terms of any Land Contract shall be held and released to Developer or Purchaser only upon the conditions hereinafter set forth:
 - A. Except as provided in Paragraph 2F hereof, amounts required to be retained in escrow in connection with the purchase of a unit shall be released to the Developer pursuant to Paragraph 4 only upon all of the following:
 - (i) Issuance of a certificate of occupancy for the Unit, if required by local ordinance.
 - (ii) Conveyance of legal or equitable title to the Unit to the Purchaser.
 - (iii) Receipt by the Escrow Agent of a certificate signed by a licensed professional engineer or architect either confirming that those portions of the phase of the Project in which the Condominium Unit is located and which on the Condominium Subdivision Plan are labeled "must be built" are substantially complete, or determining the amount necessary for substantial completion thereof.
 - (iv) Receipt by the Escrow Agent of a certificate signed by a licensed professional engineer or architect either confirming that recreational or other facilities which on the Condominium Subdivision Plan are labeled "must be built", whether located within or outside of the phase of the Project in which the Condominium Unit is located, and which are intended for common use, are substantially complete, or determining the amount necessary for substantial completion thereof.
 - B. In the event that the Purchaser under a Land Contract shall default in making any payments required by said agreement or in fulfilling any other obligations thereunder, for a period of 10 days after written notice by Developer to Purchaser, Escrow Agent shall release sums held pursuant to said Land Contract to Developer in accordance with the terms of said Land Contract.

- C. In the event that a Purchaser fails to obtain a mortgage as provided in the Land Contract, Escrow Agent shall release all sums held by it pursuant to said Land Contract to Purchaser.
 - D. Escrow Agent shall be under no obligation to earn interest upon the escrowed sums held pursuant to this Agreement. In the event that interest is requested to be earned upon such sums, however, such interest shall be separately accounted for by Escrow Agent and shall be held in escrow and paid to Developer upon termination of this Escrow Agreement, provided, however, that if this Agreement terminates pursuant to Paragraph 2C hereof, then such interest, if any, shall be paid to Purchaser.
 - E. In the event that a Purchaser duly withdraws from a Land Contract prior to the time that said Agreement becomes binding under Paragraph 4.B. of the General Provisions thereof, then Escrow Agent shall release to Purchaser all of Purchaser's deposits held thereunder.
 - F. If Developer requests that all of the escrowed funds held hereunder or any part thereof be delivered to it prior to the time it otherwise becomes entitled to receive the same, Escrow Agent may release all such sums to Developer if Developer has placed with Escrow Agent an irrevocable letter of credit drawn in favor of Escrow Agent in form and substance satisfactory to Escrow Agent and securing full repayment of said sums, or has placed with Escrow Agent such other substitute security as may be permitted by law and approved by Escrow Agent.
3. A. Substantial completion and the estimated cost for substantial completion of the items described in Paragraphs 2A(iii) and 2A(iv) and in Paragraph 4 shall be determined by a licensed professional engineer or architect, as provided in Paragraph 3B, subject to the following:
- (i) Items referred to in Paragraph 2A(iii) shall be substantially complete only after all utility mains and leads, all major structural components of buildings, all building exteriors and all sidewalks, driveways, landscaping and access roads, to the extent such items are designated on the Condominium Subdivision plan as "must be built", are substantially complete in accordance with the pertinent plans therefor.
 - (ii) If the estimated cost of substantial completion of any of the items referred to in paragraphs 2A(iii) and 2A(iv) cannot be determined by a licensed professional engineer or architect due to the absence of plans, specifications, or other details that are sufficiently complete to enable such a determination to be made, such cost shall be the minimum expenditure specified in the recorded Master Deed or amendment for completion thereof. To the extent that any item referred to in Paragraphs 2A(iii) and 2A(iv) is specifically depicted on the Condominium subdivision Plan, an estimate of the cost of substantial completion prepared by a licensed professional engineer or architect shall be required in place of the minimum expenditure specified in the recorded Master Deed or amendment.
- B. A structure, element, facility or other improvement shall be deemed to be substantially complete when it can be reasonably employed for its intended use and, for purposes of certification under this section, shall not be required to be constructed, installed, or furnished precisely in accordance with the specifications for the Project. A certificate of substantial completion shall not be deemed to be a certification as to the quality of the items to which it relates.
4. Upon receipt of a certificate issued pursuant to Paragraphs 2A(iii) and 2A(iv) determining the amounts necessary for substantial completion, the Escrow Agent may release to the Developer all funds in escrow in excess of the amounts determined by the issuer of such certificate to be necessary for substantial

completion. In addition, upon receipt by the Escrow Agent of a certificate signed by a licensed professional engineer or architect confirming substantial completion in accordance with the pertinent plans of an item for which funds have been deposited in escrow, the Escrow Agent shall release to the Developer the amount of such funds specified by the issuer of the certificate as being attributable to such substantially completed item. However, if the amounts remaining in escrow after such partial release would be insufficient in the opinion of the issuer of such certificate for substantial completion of any remaining incomplete items for which funds have been deposited in escrow, only the amount in escrow in excess of such estimated cost to substantially complete shall be released by the Escrow Agent to the Developer. Notwithstanding a release of escrowed funds that is authorized or required by this section, an Escrow Agent may refuse to release funds from an escrow account if the Escrow Agent, in its judgment, has sufficient cause to believe the certificate confirming substantial completion or determining the amount necessary for substantial completion is fraudulent or without factual basis.

5. Not earlier than 9 months after closing the sale of the first Unit in a phase of a Condominium Project for which escrowed funds have been retained under Paragraph 2A(iii) or for which security has been provided under Paragraph 2F, an Escrow Agent, upon the request of the Association or any interested Co-owner, shall notify the Developer of the amount of funds deposited under Paragraph 2A(iii) or security provided under Paragraph 2F for such purpose that remains, and of the date determined under this subsection upon which those funds can be released. In the case of a recreational facility or other facility intended for general common use, not earlier than 9 months after the date on which the facility was promised in the Condominium Documents to be completed by the Developer, an escrow agent, upon the request of the Association or any interested Co-owner, shall notify the Developer of the amount of funds deposited under Paragraph 2A(iv) or security provided under Paragraph 2F for such purpose that remains, and of the date determined under this Paragraph upon which those funds can be released. Three months after receipt of a request pertaining to funds described in Paragraph 2A(iii) or 2A(iv), funds that have not yet been released to the Developer may be released by the Escrow Agent for the purpose of completing incomplete improvements for which the funds were originally retained, or for a purpose specified in a written agreement between the Association and the Developer entered into after the Transitional Control Date. The agreement may specify that issues relating to the use of the funds be submitted to arbitration. The Escrow Agent may release funds in the manner provided in such an agreement or may initiate an interpleader action and deposit retained funds with a court of competent jurisdiction. In any interpleader action, the circuit court shall be empowered, in its discretion, to appoint a receiver to administer the application of the funds. Any notice or request provided for in this Paragraph shall be in writing.
6. The Escrow Agent in the performance of its duties under this Paragraph shall be deemed an independent party not acting as the agent of the Developer, any Purchaser, Co-owner, or other interested party. So long as the Escrow Agent relies upon any certificate, cost estimate, or determination made by a licensed professional engineer or architect, as described in the Act, the Escrow Agent shall have no liability whatever to the Developer or to any Purchaser, Co-owner, or other interested party for any error in such certificate, cost estimate, or determination, or for any act or omission by the Escrow Agent in reliance thereon. The Escrow Agent shall be relieved of all liability upon release, in accordance with this Paragraph, of all amounts deposited with it pursuant to the Act.
7. Escrow Agent may require reasonable proof of occurrence of any of the events, actions, or conditions stated herein before releasing any sums held by it pursuant to any Land Contract to a Purchaser thereunder, or to the Developer.
8. Upon making delivery of the funds deposited with Escrow Agent pursuant to any of the aforementioned Land Contracts and performance of the obligations and services stated therein and herein, Escrow Agent shall be released from any

further liability under any such Land Contract, it being expressly understood that liability is limited by the terms and provisions set forth in such Land Contract and in this Agreement, and that by acceptance of this Agreement, Escrow Agent is acting in the capacity of a depository and is not as such, responsible or liable for the sufficiency, correctness, genuineness or validity of the instruments submitted to it, or the marketability of title to any Unit reserved or sold under any other Land Contract. It is not responsible for the failure of any bank used by it as an escrow depository for funds received by it under this escrow.

9. Developer hereby agrees to indemnify and hold harmless Escrow Agent for any loss or damage sustained by Escrow Agent, including, but not limited to, attorney fees resulting from any litigation arising from the performance of Escrow Agent's obligations and services, provided such litigation is not a result of Escrow Agent's wrongful act or negligence.
10. All Notices required or permitted hereunder and all notices of change of address shall be deemed sufficient if personally delivered or sent by registered mail, postage pre-paid and return receipt requested, addressed to the recipient party at the address shown below such party's signature to this Agreement or upon any of the other said Land Contracts. For purposes of calculating time periods under the provisions of this Agreement, notice shall be deemed effective upon mailing or personal delivery, whichever is applicable.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers on the date set forth at the outset hereof.

ESCROW AGENT:

LAWYERS TITLE INSURANCE
CORPORATION

Dated: 10/5/, 2001

By: 
Name: BRIAN J.D. HOWELL
W. T. STAPLETON

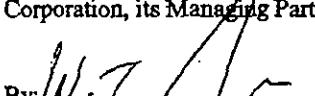
DEVELOPER:

Dated: _____, 2001

SELECTIVE - DELAWARE, L.L.C.,
a Delaware limited liability company

By: CENTEX HOMES,
a Nevada general partnership,
its sole Member

By: CENTEX REAL ESTATE
CORPORATION, a Nevada
Corporation, its Managing Partner

By: 
William T. Stapleton,
Division President

**CHATTERTON VILLAGE CONDOMINIUM
CONSTRUCTION AGREEMENT**

PURCHASER(S): (1) _____
(2) _____

CURRENT ADDRESS:

_____ City _____ State _____ Zip Code
TELEPHONE NUMBERS: work(1): _____ work(2): _____ home: _____

THIS AGREEMENT is made and entered into this _____ day of _____, 200____ by and between CENTEX HOMES, a Nevada general partnership doing business as SELECTIVE GROUP (hereinafter referred to as "Builder") and Purchaser named above. In consideration of the mutual covenants and agreements contained herein, Purchaser agrees to retain the services of Builder to construct the "Unit" (as hereinafter defined), upon the following terms and conditions:

1. **DESCRIPTION OF HOME AND RELATED IMPROVEMENTS TO BE CONSTRUCTED.** The Builder is a licensed residential builder pursuant to the laws of the State of Michigan. The Builder agrees to provide or cause to be provided, all of the material, labor and supervision for the construction of a single family residence comprising Unit No. _____ of CHATTERTON VILLAGE CONDOMINIUM, Canton Township, Wayne County, Michigan (hereinafter referred to as the "Home"), in accordance with the Standard and Supplemental Specifications agreed to by and between Builder and Purchaser and attached hereto (hereinafter collectively referred to as the "Specifications"). The Home is commonly described as _____, Canton Township, Michigan. It is understood and agreed that this Construction Agreement covers only the construction of the Home and does not cover the sale and purchase of the Unit. The Developer of CHATTERTON VILLAGE CONDOMINIUM, SELECTIVE - DELAWARE, L.L.C., intends to construct or contract for the construction of the buildings and other improvements in the Condominium, including the building that will include the improvements that comprise the Home described in this Construction Agreement.

2. **PURCHASE PRICE.** Purchaser agrees to pay the sum of _____ (\$_____) Dollars (the "Purchase Price") in the manner set forth below for the construction of the Unit as described herein:

Initial Deposit: Deposit upon signing this Agreement by Purchaser, receipt of which is acknowledged by Builder; \$ _____

Progress Payment 1: Payment due thirty (30) days from the date of Builder's acceptance of this Construction Agreement; \$ _____

Progress Payment 2: Payment due sixty (60) days from the date of Builder's acceptance of this Construction Agreement; \$ _____

Progress Payment 3: Payment due ninety (90) days from the date of Builder's acceptance of this Construction Agreement \$ _____

Progress Payment 4: Payment due one hundred twenty (120) days from the date of Builder's acceptance of this Construction Agreement; \$ _____

Balance: The balance shall be due and payable in U.S. funds at the time of the "Closing" (as defined below) via cashier's check or certified check.

It is agreed that Purchaser shall make the referenced payments, in full at Builder's office in accordance with above due dates.

3. CONTINGENCIES. There are no contingencies to this Construction Agreement, unless a specific contingency addendum is attached to this Construction Agreement and signed by both parties.

4. NEW HOME SELECTIONS. Within five (5) business days from the date of acceptance of this Agreement by Builder, Purchaser shall meet with Builder's authorized representative/agent to review color and selection options. Final selections shall become a part of this Agreement. All options and selection items to be chosen by Purchaser shall be selected by Purchaser and provided to Builder as set forth on the "CONSTRUCTION SELECTION AND CHANGE SCHEDULE". In the event Purchaser fails to make selections within five (5) days of written notice from Builder, Builder may continue construction and make necessary selections, in which event Purchaser hereby agrees to (and is deemed to) accept same.

5. COMMENCEMENT AND COMPLETION. If construction of improvements related to the Home has not already been started as of the date of this Construction Agreement, Builder shall commence construction of the Home upon receipt of: (i) payment by Purchaser of Progress Payment 1 due under Paragraph 2, above; (ii) all necessary permits; and (iii) evidence that all necessary utilities are available. Construction shall be completed as soon as reasonably possible thereafter, subject to delays caused by weather conditions, strikes, fire, material shortages, energy shortages, or other causes or conditions beyond the Builder's control. Builder makes no specific representation as to the time of completion of the Home and/or the building that is to contain the Home and shall not be liable to Purchaser due to delays in completion. The Home shall be deemed completed as of the date of issuance of a temporary or final certificate of occupancy for the Home or its equivalent (as determined by Builder) by the governmental entity having appropriate jurisdiction to issue same, at which time the "Closing" will occur and the balance of all monies due to Builder will be due and payable.

6. CHANGE REQUESTS. Any changes or alterations requested by Purchaser in the Specifications or color selections must be approved in writing by Builder, and in the case of Specifications, by mortgage lender (if applicable), or any appropriate permitting agency. The Builder shall not be obligated to make any construction changes. Any changes or alterations requested shall not be valid unless Purchaser provides a written change request on a form provided by Builder, setting forth the description and all costs associated with the requested change. Purchaser may be required to pay for the cost of the change in advance, as determined by the Builder, in its sole discretion. If for any reason, a change is not made or item is not installed which is evidenced by a written request accepted by Builder, Builder's liability shall in all cases be limited to the issuance of an appropriate credit to Purchaser.

7. **POSSESSION.** Prior to the "Closing", Purchaser hereby grants Builder sole and exclusive possession of the Home, and Purchaser shall not sell, transfer, convey or otherwise encumber the Home without first obtaining the written consent of the Builder. Additionally, the Builder may exhibit the Home and, either before or after the "Closing", the Builder may photograph the exterior of the building that includes the Home or otherwise depict the Home in its advertising and marketing materials. During construction, Builder shall permit the Purchaser, persons financing the cost of the construction described herein on behalf of the Purchaser and all public authorities to inspect the Home, provided inspections are made at reasonable times and that persons making such inspections do not interfere with the workers or otherwise delay the construction process. Purchaser assumes all risks related to such access to the Home during construction, and releases and holds Builder, its contractors, agents and employees harmless from any damages or injuries resulting from such access.

8. **OBLIGATIONS OF THE PARTIES RELATIVE TO CONSTRUCTION OF HOME.**

- A. If Builder determines that any item provided for in the Specifications is: (a) not readily available; or (b) cannot be installed or completed in a workmanlike manner or in a manner in which the Builder would be able to warrant such item as provided in the Builder's Limited Warranty described below, then the Builder may modify or substitute for such items using materials of comparable value and quality. In the case of a modification, the Builder's attempt to implement such modification will be as consistent as reasonably possible, as determined by the Builder in its judgment, in accordance with the terms of this Construction Agreement.
- B. During the period of construction, no work shall be performed on the Home or the building that includes the Home by anyone other than the Builder (or any subcontractor or workman designated by Builder), nor shall any extras or additional items be installed on or within the Home by anyone other than Builder, its subcontractors or workmen.
- C. The Builder may, in its sole discretion, remove any trees which interfere with, in any manner whatsoever, the building that is to include the Home and any and all related driveways, sidewalks, easements and electric, sewer, water and gas lines, and Builder has no responsibility whatsoever for the trimming, landscaping, removal, replacement or condition of any trees that might remain in the vicinity of the building that contains the Home (trees located within the General Common Elements of the Condominium are subject to maintenance by the Association as provided for in the Master Deed).

9. **INSURANCE.** The Builder shall, during the construction of the Home and until "Closing" maintain Builder's Risk insurance which insures the Home against loss by fire, windstorm and/or vandalism.

10. **CROSS DEFAULT.** It is contemplated that Purchaser has entered or will enter into a separate Land Contract with the seller of the Unit. It is understood that Builder has an interest in being assured that Purchaser performs its obligations with respect to the acquisition of the Unit. Therefore, while the Land Contract and this Construction Agreement are separate agreements, any default by Purchaser under this Construction Agreement will constitute a default under the separate Land Contract covering the Unit. Any default by Purchaser under the separate Land Contract covering the Unit will constitute a default under this Construction Agreement.

11. CLOSING. Builder will select the date, time and place for concluding this transaction (the "Closing"). The "Closing" shall take place at the Builder's office at a time to be set by Builder but, in any event, no later than five (5) days after mailing of a written notice from the Builder indicating that the construction of the improvements comprising the Home has been completed (as so defined in Paragraph 5, above). Failure of Purchaser to deliver all monies due to Builder within this five (5) day period is a default under this Construction Agreement. In the event Purchaser does not deliver all monies due to Builder at Closing as required hereunder, then, in Builder's discretion, Builder may extend the date of the Closing for a reasonable time (not to exceed 21 days) and Purchaser agrees to pay Builder, in addition to \$150.00 per day, any and all costs Builder sustains by reason of such extension including, without limitation, loss of interest (at 2.00% over Bank One prime) on the balance due under this Construction Agreement from the original Closing date through and including the date of the delivery of all monies due and payable to Builder. There will not be any hold-backs or escrows from the amount due Builder at Closing, even if there are incomplete items or if Purchaser believes that other work still needs to be performed, so long as the temporary or final certificate of occupancy has been issued as set forth in Paragraph 5, above.

12. PURCHASER'S DEFAULT. In the event that Purchaser defaults under this Construction Agreement, including, without limitation, failing to tender to Builder any payments when due (time being of the essence), Builder shall have the right to immediately terminate this Construction Agreement by providing Purchaser with written notice thereof by first class mail. Such termination will be effective immediately upon mailing of such notice. Upon such termination, Builder shall have the choice of electing any equitable or legal remedy for Purchaser's breach, and Builder shall further have the right, in lieu of any other right, to retain any funds paid hereunder as agreed liquidated damages. The parties acknowledge that such liquidated damages are not a penalty and are representative of substantial damages Builder will incur upon any default of Purchaser, but which cannot be precisely determined as of the date of this Agreement. Provided that said liquidated damage amount shall not exceed ten (10%) percent of the Purchase Price (for this purpose the term "Purchase Price" does not include the amount of any change orders executed between the parties). In addition, promptly after Builder declares this Construction Agreement in default, Purchaser shall forthwith execute any and all documents reasonably requested by Builder.

13. BUILDER'S FAILURE. If Builder fails to comply with this Agreement without legal excuse, and Purchasers are in compliance with this Agreement, then Purchasers shall, as Purchasers sole remedy, be entitled to terminate this transaction whereupon Builder shall cause the refund of all Earnest Money and Option Deposits to Purchasers together with the sum of \$1000.00, not as a penalty but as liquidated damages, since actual damages would be speculative and difficult to ascertain. Purchasers hereby waive all other remedies, including the right to recover money damages in excess of the Earnest Money, Option Deposits and liquidated damages specified above. No interest shall ever be attributed to any Earnest Money or Option Deposits. Notwithstanding anything in this Agreement to the contrary, and assuming no defaults by Purchaser, Builder acknowledges an absolute obligation to deliver the Home no later than 24 months from the date Purchaser signs this Agreement and if Builder fails to do so, except for reasons outside of Builder's control or as a result of the action or inaction of third parties whose actions are necessary to the performance of Builder's obligations, Purchasers may avail themselves of all available remedies.

14. ARBITRATION OF DISPUTES. The following notice has been included in this section for Purchaser's information:

*****NOTICE TO PURCHASER*****

This agreement provides that all disputes between you and Builder will be resolved by BINDING ARBITRATION. THIS MEANS THAT YOU AND THE BUILDER EACH GIVE UP YOUR RIGHT TO GO TO COURT to assert or defend rights under this contract (EXCEPT for matters that may be taken to SMALL CLAIMS COURT). Your rights and the Builder's rights will be determined by a neutral arbitrator and not by a judge and jury. You and the Builder are entitled to a FAIR HEARING, BUT the arbitration procedures are SIMPLER AND MORE LIMITED THAN THE RULES FOLLOWED IN A COURT. Arbitrator decisions are as enforceable as any court order and are subject to VERY LIMITED REVIEW BY A COURT.

*****END OF NOTICE TO PURCHASER*****

Builder prides itself on having many satisfied customers. In the unlikely event that any dispute arises relating to the purchase of the Home, including the marketing, sale, design, construction or condition of the Home, Purchaser and Builder agree to resolve the dispute exclusively through binding arbitration. The scope of this provision is broad and requires arbitration of all claims, including, for example, claims of misrepresentation, or for personal injury, or seeking equitable remedies. Pursuant to Michigan law, Builder reserves the right, but not the obligation, to resolve through arbitration any claim filed by Purchaser with the Contractors Licensing Board. If such a claim is filed, Builder may elect to remove such claim to arbitration in accordance with Michigan law and so notifying Purchaser and the Contractors Licensing Board. Alternatively, if the entire claim is a "small claim", either Purchaser or Builder may opt to go to small claims court as described in the last paragraph of this provision.

The arbitration will be conducted by the American Arbitration Association ("AAA"), in accordance with its Commercial Arbitration rules. Judgment on the award made by the arbitrator may be entered in any court having jurisdiction over the dispute. If there are preliminary steps that would have to be followed under state law before a lawsuit could be commenced, such as mediation, those steps must be followed before the arbitration can begin. Compliance with these state law provisions, and any negotiations or settlement attempts made before arbitration, do not constitute waiver of arbitration. If Builder chooses, it can have its supplier(s) and contractor(s) whose work or supplies are involved in the dispute included as parties to the arbitration. Builder and Purchaser agree to share the cost of filing fees and administrative fees charged by the AAA as well as the fee charged by the arbitrator. If one of the parties pays a fee to the arbitrator or the AAA, in the process of requesting or scheduling an arbitration, the other party will reimburse the paying party for its half of the fee within 30 days of being requested to do so in writing.

The parties acknowledge that this agreement evidences a transaction involving interstate commerce. The Federal Arbitration Act will govern the interpretation and enforcement of this provision. This provision will survive the Closing and the default of either party. It is binding on Builder and Purchaser and on their respective successors and assigns. If a party uses litigation to enforce this provision or the arbitration award, the court will award such party its court costs and reasonable attorneys' fees.

If the entire dispute between Purchaser and Builder qualifies for treatment as a "small claim" under applicable law, then either Purchaser or Builder may elect to have the dispute resolved in the court,

division, department or docket responsible for "small claims". If applicable law allows the judgment resolving such a "small claim" to be appealed by a new trial in a higher court, and either Purchaser or Builder wishes to appeal the judgment, then the dispute must be resolved by arbitration under this provision instead of being resolved in the higher court.

15. **LIMITED WARRANTY.** Upon completion of Closing, Builder shall promptly take the steps necessary to provide Purchaser with the Builders Limited Warranty, which shall cover the Home and related improvements to the extent provided therein and any warranty items which develop shall be covered exclusively by the terms and conditions of the Builder's Limited Warranty. At closing, Purchaser shall be provided with and shall acknowledge receipt of a Procedural Supplement to Builder's Limited Warranty, which explains procedures to be followed by the Builder in processing requests for repairs under the Builder's Limited Warranty. The form of both the Builder's Limited Warranty and the Procedural Supplement to Builder's Limited Warranty are attached hereto as Exhibit "L" to this Construction Agreement. **BUILDER LIMITS ITS OBLIGATIONS UNDER THE BUILDER'S LIMITED WARRANTY TO REPAIR AND REPLACEMENT AS PROVIDED IN THE BUILDER'S LIMITED WARRANTY. THE BUILDER'S LIMITED WARRANTY IS THE ONLY WARRANTY APPLICABLE TO THIS PURCHASE. THERE ARE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF HABITABILITY, MERCHANTABILITY, CONSTRUCTION OR FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH ARE HEREBY DISCLAIMED, UNLESS SPECIFICALLY REQUIRED BY LAW OR PROVIDED DIRECTLY TO YOU BY THE MANUFACTURER.** IN ADDITION, BUILDER MAKES NO WARRANTIES TO PURCHASER CONCERNING ELEMENTS OF THE CONDOMINIUM OTHER THAN THE HOME AND OTHER IMPROVEMENTS COVERED UNDER THE BUILDER'S LIMITED WARRANTY, INCLUDING, WITHOUT LIMITATION, ANY TREES, BUSHES OR ANY OTHER TYPE OF VEGETATION ON THE GROUNDS OF THE CONDOMINIUM OR ANY ENVIRONMENTAL ISSUES OR LIABILITIES WHICH MAY ATTACH TO THE LAND IN THE CONDOMINIUM OR ANY IMPROVEMENTS THEREIN, INCLUDING THE HOME. PURCHASER UNDERSTANDS AND AGREES THAT BUILDER'S LIABILITY, WHETHER IN CONTRACT, IN TORT, UNDER ANY WARRANTY OR OTHERWISE, IS LIMITED TO THE REMEDY PROVIDED IN THE BUILDER'S LIMITED WARRANTY. PURCHASER FURTHER AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THE BUILDER'S LIMITED WARRANTY AND ACKNOWLEDGES THAT THIS AGREEMENT SHALL SURVIVE THE CLOSING.

16. **GROUND CONDITIONS.** If the Builder determines, in its sole discretion, that ground conditions existing at the site of the building that is to contain the Home are such that they will not support the building under normal foundations, as described in the Specifications, Builder will have the option of constructing the building with special foundations and providing Purchaser with written notice of the additional cost of the special foundations allocable to the Home. Purchaser shall have the option of either: (a) paying the additional cost of the special foundations (which amount will be added to the next Progress Payment due) or (b) receiving a refund of all monies paid pursuant to this Construction Agreement, in full termination of this Construction Agreement. In no event will Builder have any liability to Purchaser with respect to this Paragraph 16.

17. **BINDING EFFECT.** The parties agree that this Construction Agreement (together with any disputes that may arise hereunder) shall be construed in accordance with the laws of the State of Michigan and that the rights and obligations of the parties hereto shall specifically run with the parties' heirs, personal representatives, successors and permitted assigns.

18. MISCELLANEOUS PROVISIONS. All notices, deliveries or tenders given or made in connection herewith shall be deemed completed and legally sufficient if mailed by ordinary mail or delivered to the party for whom the same is intended at the address listed herein or any new address for which proper notice of change has been given.

Where this Construction Agreement is executed by Purchasers who are husband and wife, any subsequent modification approved by either husband or wife only shall be binding upon both once accepted by Builder.

The pronouns and relative words used shall be read as if written in singular or plural, masculine, feminine or neuter, as necessary to fit the parties to this Construction Agreement.

The declaration of any provision of this Construction Agreement to be invalid or unenforceable by any court shall not render the balance to be invalid, and each remaining provision shall not be affected.

The waiver of, or failure to enforce, any provision of this Construction Agreement by Builder with regard to any specific instance shall not affect Builder's right to enforce that provision or any other provision of this Construction Agreement at any subsequent time.

19. ASSIGNABILITY. This Construction Agreement is not assignable by Purchaser without the express written consent of Builder and any attempt to assign or otherwise pledge this Construction Agreement by Purchaser shall be deemed automatically void and unenforceable.

20. ENTIRETY OF AGREEMENT. The parties agree that this Construction Agreement (together with the applicable Specifications and all attachments and addenda hereto) constitutes the entire agreement between the parties and all negotiations between them concerning the Home and any related improvements or related items are specifically merged into this written Construction Agreement and may only be modified if such modification is in writing and signed by both Purchaser and Builder. No oral representations or statements made by any sales agent or employee of Builder shall be binding upon Builder, and Purchaser acknowledges that he/she has not relied on any such verbal representations or statements in connection with this Agreement.

21. TIME OF THE ESSENCE. Time shall be deemed of the essence with respect to payment provided for herein to be made by Purchaser to Builder.

22. LIMITATION OF APPLICABILITY OF CONSTRUCTION AGREEMENT. It is further acknowledged that this Construction Agreement relates solely to the construction of the Home and related improvements and not to the acquisition of the Unit, which is covered by a separate Land Contract. Consequently, this Construction Agreement is not covered by the Michigan Condominium Act (MCLA 559.101, et. seq.) and all terms and conditions relating to the sale and purchase of the Unit will be contained in the separate Land Contract.

23. OFFER TO PURCHASE UNTIL ACCEPTED BY BUILDER. Notwithstanding any other provision of this Construction Agreement to the contrary, this Construction Agreement shall not be binding upon the Builder until (and unless) accepted by Builder, as evidenced by its signature hereon. Until such acceptance, it constitutes an Offer to Purchase.

24. **CONSTRUCTION LIEN ACT.** The following information is provided pursuant to the Michigan Construction Lien Act; a residential builder must be licensed under the Residential Builders Licensing Act, Article 24 of Act 299 of the Public Acts of 1980, as amended, being sections 339.2401 to 339.2412 of the Michigan Compiled Laws. The Builder is licensed to build the Home and related building under the Residential Builder's Licensing Act. The Builder's residential builder's license number is 2102-157213.

25. **TERMINATION OF LAND CONTRACT.** It is contemplated that Purchaser will enter into a separate Land Contract with the seller of the Unit as more fully explained in Paragraph 10, above. If Purchaser terminates said Land Contract as permitted in Paragraph 4B. of the Land Contact, this Construction Contract will also be terminated.

26. **EXHIBITS.** The following Exhibits are attached hereto and made a part of this Agreement, as initiated by Purchaser and to the extent stated above:

Exhibit "A" (Supplemental Specifications) Exhibit "K" (Standard Specifications)

Exhibit "B" (Pricing Request) Exhibit "L" (Sample forms of Builder's Limited Warranty and Procedural Supplement to Builder's Limited Warranty)

Exhibit "D" (Option Change Policy) Exhibit "M" (Model Sale Addendum)

Exhibit "E" (Mortgage Contingency Addendum) Exhibit "O" (Water Tap Addendum)

Exhibit "R" (Other Conditions)

Other Exhibits:

THIS DOCUMENT HAS IMPORTANT LEGAL CONSEQUENCES AND SHOULD BE READ THOROUGHLY PRIOR TO SIGNING. SHOULD YOU HAVE ANY QUESTIONS ABOUT YOUR RIGHTS OR RESPONSIBILITIES UNDER THIS AGREEMENT, YOU MAY WISH TO CONTACT AN ATTORNEY FOR ADVICE AND COUNSEL.

WITNESS:

Sales Associate

Dated:

PURCHASER(S):

BUILDER:

CENTEX HOMES,
a Nevada general partnership

By: Centex Real Estate Corporation,
a Nevada corporation,
its Managing Partner

By: _____
William T. Stapleton,
its Division President

Dated:

Address:

27655 Middlebelt Road, Suite 130
Farmington Hills, Michigan 48334
(248) 474-8600

**CHATTERTON VILLAGE CONDOMINIUM
PROCEDURAL SUPPLEMENT TO BUILDER'S LIMITED WARRANTY**

BUILDER: Centex Homes, a Nevada general partnership
27655 Middlebelt Road, Suited 130
Farmington Hills, Michigan 48334

As stated in the Construction Agreement you have signed in connection with your purchase of a Unit in Chatterton Village Condominium, CENTEX HOMES as the "Builder" of the Home described in the Construction Agreement, will take the actions necessary to provide you with a Builder's Limited Warranty. You should receive the actual Builder's Limited Warranty within about six weeks after you close and take title to your Unit. A sample form of the Builder's Limited Warranty, along with this Procedural Supplement, has been included as an exhibit to the Construction Agreement you have signed to assist you in understanding your rights under the Builder's Limited Warranty.

PURPOSE OF THIS PROCEDURAL SUPPLEMENT

As you review the sample form of the Builder's Limited Warranty, you will note that we as the Builder undertake the responsibility for performing the repair work that is required to be done under the Builder's Limited Warranty. The purpose of this Procedural Supplement to Builder's Limited Warranty (the "Procedural Supplement") is to explain the procedures we have developed for handling requests for repairs during the first year of coverage under the Builder's Limited Warranty. Nothing in this Procedural Supplement is intended to change, contradict or add to the coverage provided by the terms and conditions of the Builder's Limited Warranty. To the extent that any statement in this Procedural Supplement is deemed to conflict with a provision of the Builder's Limited Warranty, the provision in the Builder's Limited Warranty shall take precedence.

Included within the coverage provided in the Builder's Limited Warranty are the Common Elements which are attached to or contained in the building in which your Home is located.

REPAIR POLICIES AND PROCEDURES

Numerous trades are involved in many aspects of making warranty repairs, even the very simplest of adjustments. The job of scheduling and coordinating trades for these repairs is very time consuming and often creates problems which require patience and understanding on the part of all parties involved. In addition, the very nature of new home construction and conditions affecting the materials used in new home construction are such that some repair items covered by the Builder's Limited Warranty will not be evident at the time of closing, but will only become evident as your new Home goes through a "curing" period that affects all new homes. For instance, the release of moisture from drywall and other materials during the first year of occupancy of your Home may result in conditions covered under the Builder's Limited Warranty that do not become evident until

some time after your date of closing. While we try to perform warranty repairs as efficiently as we can, you need to understand that the process takes time.

FINAL CLOSING LIST

If a "punchlist" of items still requiring attention is provided to us and agreed to by us at the time of closing on your Home, we will make every reasonable effort to complete or correct all of the items on that list (the "Final Closing List") within thirty (30) days from the date of closing, unless such completion is prevented by weather conditions, unavailability of materials or labor, or other conditions beyond our control. You should note that nicks or cracks on plumbing fixtures, appliances, mirror bi-fold doors, mirrors, countertops, ceramic tile, tub scratches or chips, marble or other materials will not be repaired unless noted on your Final Closing Checklist. Therefore, you should carefully inspect those items.

EMERGENCY ITEMS

Emergency items take precedence over other activities in our building operation. Please call our office and state that you have an emergency situation. Emergencies are usually limited to plumbing, heating, electrical problems requiring immediate attention, and water leakage into your Home or related building.

ROUTINE MINOR ITEMS

In this category are the multitude of minor items that do not hinder the physical habitability of your Home, even though they are subject to correction under the Builder's Limited Warranty.

REPAIR LISTS

REPAIR REQUESTS WILL BE ACCEPTED ONLY IF IN WRITING AND TURNED IN WITHIN THE TIME PERIODS PROVIDED IN THE BUILDER'S LIMITED WARRANTY.

For non-emergency items covered during the first year of the Builder's Limited Warranty it is our policy to only process two (2) lists of repair requests. The first list (the "60-day list") should not be submitted prior to sixty (60) days after the date of your closing. We will accept the second repair request (the "one-year list") no sooner than the eleventh month after the date of your closing. In any event, you should make sure that your second repair list is postmarked or received by us no later than thirty (30) days after the end of one year after the date you closed on the acquisition of your Home. You will be provided with a form which will contain all of the necessary information you will need to process your repair requests under the Builder's Limited Warranty.

Except for emergencies, any repair requests other than those requested on the 60-day list or the one-year list will be returned to you with a reminder to wait until the submission date of the 60-day or one-year list. Emergencies are usually confined to plumbing, heating, electrical or water leakage into the home. The processing of a repair list includes an inspection by our Representative to ascertain the validity of the request under the terms of the Builder's Limited Warranty, and the follow up and

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correction of all items that are found eligible under the Builder's Limited Warranty. We have found that we must limit the frequency of requests for non-emergency repairs during the first year of warranty coverage so that we can accomplish covered work items for our customers in a reasonably efficient manner.

NOTE REGARDING ACCESS TO HOME

The Builder's Limited Warranty provides that you must cooperate with us and our subcontractors and insurers as we perform our obligations under the Builder's Limited Warranty. Pursuant to the applicable provision (captioned "Cooperate With Us" on page 6 of the sample Builder's Limited Warranty form), you must provide us with reasonable access to your home so that we can perform the repairs required under the Builder's Limited Warranty. Please note that we generally attempt to schedule repairs during normal business hours, which for us means Monday through Friday, from 8:00 A.M. to 4:00 P.M. We expect that you will provide us with access to your Home during those hours.

ACKNOWLEDGMENT OF REPAIRS

As stated in the provision captioned "Sign a Release" on page 6 of the sample Builder's Limited Warranty Form, you will be required to sign a release with regard to the items that have been repaired or corrected once the repairs or corrective work has been completed.

PROCEDURE FOR TURN-OVER OF COMPLETED BUILDINGS

In order to create an orderly and efficient turn-over of completed buildings to the Condominium Association, the following turn-over process will be followed and will be binding upon all Co-owners and the Condominium Association:

1. A building (which contains more than one Home) will be deemed "complete" upon the closing on the sale of the last condominium unit in such building. The building will be known as a "Completed Building".
2. At such time as the Builder completes the one (1) year warranty repairs on the last Home to close in a Completed Building, the Builder will conduct a walk-through of the Common Elements located on the exterior of the Completed Building and the adjacent landscaping. This walk-through will be attended by the following persons: (1) a representative of the Building; (2) a representative of the third-party management company for the Condominium Association, if any; and (3) a member of the Advisory Committee, if an Advisory Committee has been established as required under the Condominium ByLaws; provided, however, that if a non-Developer Co-owner has been elected as a member of the Board of Directors of the Condominium Association, then a non-Developer Co-owner shall attend the walk-through instead of a member of the Advisory Committee. If no Advisory Committee has been established, then this third representative will not be required to attend the walk-through.

3. At the time of the walk-through, a list will be compiled of all outstanding warranty items and will be signed by the representatives attending the walk-through. In the event of a dispute between the Builder and the Advisory Board/Board of Directors representative as to whether or not all outstanding warranty items have been satisfactorily completed, the decision of the third-party management company representative shall be binding on all parties. Prior to the establishment of the Advisory Committee, the mutual agreement of the Building and the third-party management company shall be sufficient and shall be binding upon the Condominium Association.

4. Upon completion of the warranty list, the Completed Building will be deemed to be turned over to the Condominium Association and the Condominium Association will have full responsibility for all repairs, maintenance and replacement of the common elements which are appurtenant to such Completed Building (including, without limitation, adjacent landscaping, parking areas, driveways and exterior portions of the Completed Building). From and after the turnover of a Completed Building, the Co-owner(s) and the Condominium Association will be deemed to have accepted the condition of the Building (including all Homes therein) and the common elements appurtenant thereto and the Developer/Builder will be released from any obligation, liability or responsibility of any kind with respect to such Completed Building; provided that the Builder shall continue to retain responsibility for warranty items included in the "Section B Coverage" and "Section C Coverage" described in Part II, captioned "Warranty Coverage", of the Builder's Limited Warranty for the time periods provided in that document.

**AS PURCHASERS OF UNIT ____ IN CHATTERTON VILLAGE CONDOMINIUM, WE
ACKNOWLEDGE RECEIPT OF THIS PROCEDURAL SUPPLEMENT TO BUILDER'S
LIMITED WARRANTY AND AGREE TO COMPLY WITH THE PROCEDURES
DESCRIBED ABOVE. WE ALSO ACCEPT AND AGREE TO BE BOUND BY THE
TERMS AND CONDITIONS IN THE BUILDER'S LIMITED WARRANTY.**

CENTEX HOMES,
a Nevada general partnership

By: Centex Real Estate Corporation,
a Nevada corporation,
its Managing Partner

By: _____
William T. Stapleton,
Division President

Dated: _____

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CHATTERTON VILLAGE CONDOMINIUM ASSOCIATION
DESIGNATION OF VOTING REPRESENTATIVE

The undersigned, being the Co-Owner(s) of Condominium Unit No. _____ in
CHATTERTON VILLAGE CONDOMINIUM, hereby designates _____
____ pursuant to the Condominium Bylaws as the individual representative who
shall vote at meetings of the Association and receive all notices and other communications from
the Association on behalf of the undersigned Co-Owner(s).

The address of such designee is:

_____ Co-Owner

_____ Co-Owner

Dated: _____

CHATTERTON VILLAGE CONDOMINIUM

CLOSING WAIVER

The undersigned, being the purchaser of Unit No. _____ in CHATTERTON VILLAGE CONDOMINIUM, hereby represents to CENTEX HOMES, a Nevada general partnership doing business as SELECTIVE GROUP that it is necessary that he/she close the purchase of said Unit on or before the expiration of nine (9) business days after receipt of the Condominium Documents, as set forth in Sections 84(2) and 84(5) of the Condominium Act of 1978, as amended, which state, as follows:

"(2) Except as provided in subsection (5), a signed purchase agreement shall not become binding on a purchaser and a purchaser may withdraw from a signed purchase agreement without cause and without penalty before conveyance of the unit and within 9 business days after receipt of the documents required in section 84a.¹ The calculation of the 9 business day period shall include the day on which the documents required under section 84a are received if that day is a business day."

"(5) The right of withdrawal in subsection (2) may be waived in exceptional cases, by a purchaser who is provided all of the documents listed in subsection (4) and who knowingly and voluntarily waives in writing the purchaser's right to the protection provided by the right of withdrawal. The waiver form shall include an explanation of this section."

Purchaser understands that he/she can waive this right of withdrawal under exceptional circumstances. Purchaser further understands that he/she will be closing said purchase prior to the expiration of said nine (9) business day period, but is willing to and does hereby waive all rights to withdraw from said Purchase Agreement after closing.

Purchaser further represents that the closing is being held in advance of the expiration of said nine (9) business day period at his/her request, and that Purchaser's reasons for requesting an early closing constitute an exceptional case and are set forth below:

Date: _____

¹MCLA 559.184a

CHATTERTON VILLAGE CONDOMINIUM

TAX INFORMATION LETTER

SELECTIVE - DELAWARE, L.L.C., a Delaware limited liability company (the "Seller"), wishes to make all Co-owners aware of the situation regarding real estate taxes, both on the closing of the Condominium Unit at CHATTERTON VILLAGE CONDOMINIUM, as well as what Seller expects will occur regarding future real estate taxes for all of the Units.

The amount of real estate taxes pro-rated at closing on the Purchaser's Closing Statement is a share of the "acreage" bills, the only tax bills currently in effect. These taxes were assessed prior to the real estate becoming a condominium. In the future, there will be no real estate tax on the land - as you commonly know taxes on real estate. In its place will be a real estate tax upon the Condominium Unit itself, which, in each case, comprises the area located within the boundaries of the Unit as shown on the Condominium Subdivision Plan.

When the City Assessor assesses the Unit, he or she will be required by Michigan law to assess the Unit (since, by virtue of the recordation of the Condominium Documents, the Unit is now a separate real estate parcel) using the generally understood concept and legally required method of market value approach as to assessment of real estate. There will be no real estate tax to the Association or any Unit owner on the "land" within the Condominium that is located outside of the boundaries of a Unit since that land, by virtue of the Condominium Documents, has become a "common element" of the Condominium Project. When a Co-Owner purchases a Condominium Unit, he or she also receives, together with the deed to their Unit, an undivided interest in all of the common elements of the Condominium Project. Consequently, when the Assessor fully assesses 100% of the Units, he has, in fact, already assessed the "common area" land, which is now a common element as described in the Condominium Documents.

Seller unequivocally states that it would be inaccurate for a Co-Owner to assume that the real estate tax assessment on the Unit (when the Assessor separately assesses each Unit) will be the same as their share of the "acreage" tax bill. Seller believes that a Co-Owner closing on his Unit while the "acreage" bill assessed the property in its "unimproved" state will find a substantially lower amount of taxes to be paid than that which will ultimately occur when the Unit is separately assessed. IN SHORT, SELLER DOES NOT MAKE ANY WARRANTY, REPRESENTATION, COVENANT OR CLAIM THAT THE REAL ESTATE TAXES ON THE UNIT, WHEN SEPARATELY ASSESSED, WILL BE ANYWHERE NEAR THE PROPORTIONATE SHARE OF THE "ACREAGE" REAL ESTATE TAX BILLS PRORATED AT CLOSING. IN FACT, SELLER, BY THIS LETTER, DISCLOSES TO ALL CO-OWNERS CLOSING THEIR UNITS UNDER THESE CIRCUMSTANCES THAT THE TAXES PRORATED ON THE PURCHASER'S CLOSING STATEMENT BEAR NO RELATIONSHIP WHATSOEVER TO ANYTHING OTHER THAN THE UNIQUE CIRCUMSTANCES OF PURCHASING A CONDOMINIUM UNIT IN A NEW CONDOMINIUM PROJECT PRIOR TO THE SEPARATE TAX ASSESSMENT OF EACH UNIT.

SELLER CAN IN NO WAY GUARANTEE THE ASSESSOR'S ACTIONS AND AS SUCH, SELLER MAKES NO REPRESENTATIONS OF ANY NATURE WHATSOEVER REGARDING THE FUTURE REAL ESTATE TAX ASSESSMENT AND/OR TAXES PAID FOR THE CONDOMINIUM UNIT PURCHASED.

In the event that the Assessor does not separately assess each Condominium Unit prior to the issuance of the next real estate tax bill to be paid for the subject property containing the Condominium Project, Seller requests and makes a condition of closing, and the undersigned Co-Owner agrees that, should his Unit not be separately assessed, the Co-Owner will pay to the Condominium Association an amount equal to the percent of value of his Condominium Unit, multiplied by the total tax bill then to be paid.

Further, Seller requests and makes a condition of closing and the undersigned Co-Owner agrees, under such above-stated circumstances, to make such payment, in full, within thirty (30) days of presentation to him by the Condominium Association of a letter stating that:

1. The Township Assessor has not separately assessed each Unit;
2. A photocopy of the then-to-be-paid tax bill is included;
3. A calculation made by the Association showing (in a manner similar to tax prorations used on the Purchaser's Closing Statement) the proportionate share of that tax bill to be paid by such Co-Owner.

THE UNDERSIGNED CO-OWNERS OF CONDOMINIUM UNIT NO. _____ OF CHATTERTON VILLAGE CONDOMINIUM ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE CONTENTS OF THIS LETTER AND AGREE TO ITS TERMS AND CONDITIONS.

Purchaser

Purchaser

Dated: _____

CHATTERTON VILLAGE CONDOMINIUM

RECEIPT

Section 84(a)(1) of the Michigan Condominium Act requires the Developer to provide copies of all of the following documents to a prospective purchaser of a condominium unit:

- (a) The recorded Master Deed and all amendments thereto;
- (b) A copy of the Purchase Agreement, together with a copy of the Escrow Agreement;
- (c) A Condominium Buyer's Handbook; and
- (d) A Disclosure Statement.

Pursuant to Section 84(2) of the Michigan Condominium Act, a signed Purchase Agreement shall not become binding on a purchaser, and a purchaser may withdraw from a signed Purchase Agreement without cause and without penalty before conveyance of the Unit and within nine (9) business days after receipt of the above-described documents. The calculation of the business day period includes the date that those documents are received by you if that day is a business day.

This time limit may be waived in exceptional cases by a purchaser who is provided all of the aforementioned documents and waives, in writing, the purchaser's right to the protection provided by the nine (9) business day advance review period.

Your signature on this form, acknowledging receipt of the documents, shall be *prima facie* evidence that the documents were received and understood by you.

I hereby acknowledge receipt of the following documents and all amendments on the _____ day of _____, 20____.

- (a) The recorded Master Deed and all amendments thereto;
- (b) A copy of the Purchase Agreement, together with a copy of the Escrow Agreement;
- (c) A Condominium Buyer's Handbook; and
- (d) A Disclosure Statement.

UNIT NO. _____

WITNESSED:

PURCHASER

PURCHASER

Address: _____

Telephone: _____

Date: _____, 20____

Expiration date of 9 business days: _____, 20____.

**YOU HAVE NINE (9) BUSINESS DAYS AFTER RECEIVING THESE DOCUMENTS TO
WITHDRAW FROM THE PURCHASE AGREEMENT AND RECEIVE A FULL REFUND OF
ALL SUMS DEPOSITED THEREUNDER.**

Michigan Department of Consumer and Industry Services

Filing Endorsement

This is to Certify that the CERTIFICATE OF AMENDMENT - CORPORATION

for

CHATTERTON VILLAGE CONDOMINIUM ASSOCIATION

ID NUMBER: 768540

received by facsimile transmission on September 10, 2001 is hereby endorsed

Filed on September 11, 2001 by the Administrator.

*The document is effective on the date filed, unless a
subsequent effective date within 90 days after
received date is stated in the document.*

*In testimony whereof, I have hereunto set my
hand and affixed the Seal of the Department,
in the City of Lansing, this 11th day
of September, 2001.*



Andrea S. Maffettone
, Director

Bureau of Commercial Services

Recd by Facsimile Transmission 8/11/01

**MICHIGAN DEPARTMENT OF CONSUMER & INDUSTRY SERVICES
BUREAU OF COMMERCIAL SERVICES**

Date Received	(FOR BUREAU USE ONLY)	
	This document is effective on the date filed, unless a subsequent effective date within 60 days after received date is stated in the document.	
Name		
Amanda L. Allen		
Address		
500 Woodward Ave., Suite 3500		
City	State	Zip Code
Detroit	MI	48226-3435
EFFECTIVE DATE:		

Document will be returned to the name and address you enter above.
If left blank document will be mailed to the registered office.

CERTIFICATE OF AMENDMENT TO THE ARTICLES OF INCORPORATION

For use by Domestic Profit and Nonprofit Corporations
(Please read Information and Instructions on the last page)

Pursuant to the provisions of Act 284, Public Acts of 1972 (profit corporations), or Act 162, Public Acts of 1982 (nonprofit corporations), the undersigned corporation executes the following Certificate:

1. The present name of the corporation is: Chatterton Attached Condominium Association
2. The identification number assigned by the Bureau is: 768540

3. Article I of the Articles of Incorporation is hereby amended to read as follows:

Chatterton Village Condominium Association

COMPLETE ONLY ONE OF THE FOLLOWING:

4. (For amendments adopted by unanimous consent of incorporators before the first meeting of the board of directors or trustees.)

The foregoing amendment to the Articles of Incorporation were duly adopted on the 7th day of Sept., 2001, in accordance with the provisions of the Act by the unanimous consent of the incorporator(s) before the first meeting of the Board of Directors or Trustees.

Signed this 24 day of Sept., 2001

Selective-Delaware, L.L.C.,

a Delaware limited liability company

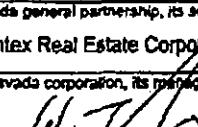
By: Centex Homes,

a Nevada general partnership, its sole member

By: Centex Real Estate Corporation,

a Nevada corporation, its managing partner

By:


William T. Stapleton, Division President

5. (For profit and nonprofit corporations whose Articles state the corporation is organized on a stock or on a membership basis.)

The foregoing amendment to the Articles of Incorporation was duly adopted on the ____ day of ____ by the shareholders if a profit corporation, or by the shareholders or members if a nonprofit corporation (check one of the following)

- at a meeting the necessary votes were cast in favor of the amendment.
- by written consent of the shareholders or members having not less than the minimum number of votes required by statute in accordance with Section 407(1) and (2) of the Act if a nonprofit corporation, or Section 407(1) of the Act if a profit corporation. Written notice to shareholders or members who have not consented in writing has been given. (Note: Written consent by less than all of the shareholders or members is permitted only if such provision appears in the Articles of Incorporation.)
- by written consent of all the shareholders or members entitled to vote in accordance with section 407(3) of the Act if a nonprofit corporation, or Section 407(2) of the Act if a profit corporation.
- by the board of a profit corporation pursuant to section 611(2).

Profit Corporations

Signed this ____ day of ____

By

(Signature of an authorized officer or agent)

(Type or Print Name)

Nonprofit Corporations

Signed this ____ day of ____

By

(Signature of President, Vice-President, Chairperson or Vice-Chairperson)

(Type or Print Name)

(Type or Print Title)

Michigan Department of Consumer and Industry Services

Filing Endorsement

This is to Certify that the ARTICLES OF INCORPORATION - NONPROFIT

for

CHATTERTON ATTACHED CONDOMINIUM ASSOCIATION

ID NUMBER: 768540

received by facsimile transmission on May 22, 2001 is hereby endorsed

Filed on May 29, 2001 by the Administrator.

*The document is effective on the date filed, unless a
subsequent effective date within 90 days after
received date is stated in the document.*



*In testimony whereof, I have hereunto set my
hand and affixed the Seal of the Department,
in the City of Lansing, this 29th day
of May, 2001.*

A handwritten signature in black ink, appearing to read "Andrew S. Miller".

, Director

Bureau of Commercial Services

Scanned by Facsimile Transmission (M 149)

MICHIGAN DEPARTMENT OF CONSUMER & INDUSTRY SERVICES BUREAU OF COMMERCIAL SERVICES		
Date Received	(FOR BUREAU USE ONLY)	
This document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.		
Name Duncan P. Ogilvie		
Address 600 Woodward Avenue, Suite 3500		
City Detroit	State Michigan	Zip Code 48226
EFFECTIVE DATE:		

If left blank document will be mailed to the registered office.

ARTICLES OF INCORPORATION
For use by Domestic Nonprofit Corporations
(Please read Information and Instructions on the last page)

Pursuant to the provisions of Act 162, Public Acts of 1982, the undersigned corporation executes the following Articles:

ARTICLE I

The name of the corporation is: Chatterton Attached Condominium Association

ARTICLE II

The purpose or purposes for which the corporation is organized are:

- (a) To manage and administer the affairs of and to maintain Chatterton Attached Condominium, a condominium (hereinafter called the "Condominium");
- (b) To levy and collect assessments against and from the members of the corporation and to use the same for the purposes of the corporation;
- (c) To carry insurance and to collect and allocate the proceeds thereof;
- (d) To rebuild improvements after casualty;
- (e) To contract for and employ persons, firms, or corporations to assist in management, operation, maintenance and administration of said Condominium;
- (f) To make and enforce reasonable regulations concerning the use and enjoyment of said Condominium;
- (g) To own, maintain and improve, and to buy, sell, convey, assign, mortgage, or lease (as landlord or tenant) any real and personal property, including, but not limited to, any Unit in the Condominium, any easements or licenses or any other real property, whether or not contiguous to the Condominium, for the purpose of carrying out the purposes of this corporation.

ARTICLE II - PURPOSES (Continued)

- (h) To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; to secure the same by mortgage, pledge or other lien;
- (i) To enforce the provisions of the Master Deed and Bylaws of the Condominium and of these Articles of Incorporation and such Bylaws and rules and regulations of this corporation as may hereinafter be adopted;
- (j) To do anything required of or permitted to it as administrator of said Condominium by the Condominium Master Deed or Bylaws or by Act No. 59 of Public Acts of 1978, as amended; and
- (k) In general, to enter into any kind of activity, to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of said Condominium and to the accomplishment of any of the purposes thereof.

ARTICLE III - BASIS OF ORGANIZATION AND ASSETS

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

The value of assets which said corporation possesses is:

Real Property: None
Personal Property: None

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

ARTICLE IV - ADDRESS AND RESIDENT AGENT

1. The Address of the first registered office is:

27655 Middlebelt Road, Suite 130
Farmington Hills, Michigan 48334
2. The mailing address of the registered office if different than above:
3. The name of the first resident agent at the registered office is: David Darkowski

ARTICLE V INCORPORATOR

The name of the incorporator is Selective - Delaware, L.L.C., a Delaware limited liability company, and its place of business is 27655 Middlebelt Road, Suite 130, Farmington Hills, Michigan 48334.

ARTICLE VI - EXISTENCE

The term of corporate existence is perpetual.

ARTICLE VII - MEMBERSHIP AND VOTING

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

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

ARTICLE VII - MEMBERSHIP AND VOTING (Continued)

- (b) Membership in the corporation (except with respect to the incorporator, who shall cease to be a member upon the recording of the Master Deed) shall be established by acquisition of fee simple title to a Unit in the Condominium and by recording with the Register of Deeds of Wayne County, Michigan, a deed or other instrument establishing a change of record title to such Unit and the furnishing of evidence of same satisfactory to the corporation (except that the Developer of the Condominium shall become a member immediately upon establishment of the Condominium) the new Co-owner thereby becoming a member of the corporation, and the membership of the prior Co-owner thereby being terminated. The Developer's membership shall continue until the Developer no longer owns any Unit in the Condominium.
- (c) The share of a member in the funds and assets of the corporation cannot be assigned, pledged, encumbered or transferred in any manner except as an appurtenance to the Co-owner's Unit in the Condominium.
- (d) Voting by members shall be in accordance with the provisions of the Bylaws of this corporation.

ARTICLE VIII- LIMITATION OF LIABILITY OF DIRECTORS AND OFFICERS -

No volunteer director or non-volunteer officer, as those terms are defined in Act 189, Public Act 1628, as amended ("Act"), shall be personally liable to the corporation or its members for monetary damages for breach of the director's or officer's fiduciary duty, provided that the foregoing shall not eliminate the liability of a director or an officer for any of the following: (i) breach of the director's or officer's duty of loyalty to the corporation or its members; (ii) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; (iii) a violation of Section 531(1) of the Act; (iv) a transaction from which the director or officer derived an improper personal benefit; (v) an act or omission occurring before the effective date of the provision granting limited liability; or (vi) an act or omission that is grossly negligent. If the Act hereafter is amended to authorize the further elimination or limitation of the liability of directors or officers, then the liability of a director or officer of the corporation, in addition to the limitation of personal liability contained herein, shall be limited to the fullest extent permitted by the amended Act. No amendment or repeal of this Article VIII shall apply to or have any effect on the liability of any director or officer of the corporation for or with respect to any acts or omissions of such director or officer occurring prior to such amendment or repeal.

ARTICLE IX - ASSUMPTION OF LIABILITY OF VOLUNTEERS

The corporation hereby assumes liability for all acts or omissions of all volunteer directors, volunteer officers, or other volunteers, if all of the following are met: (i) the volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority; (ii) the volunteer was acting in good faith; (iii) the volunteer's conduct did not amount to gross negligence or willful and wanton misconduct; (iv) the volunteer's conduct was not an intentional tort; and (v) 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 the Public Act of 1956, being Section 500.3135 of the Michigan Compiled Laws.

ARTICLE X - JUDICIAL ACTIONS AND CLAIMS

The requirements of this Article shall govern the corporation's commencement and conduct of any civil action against for actions to enforce the Bylaws of the Corporation or collect delinquent assessments. The requirements of this Article will ensure that the members of the corporation are fully informed regarding the prospects and likely costs of any civil actions the corporation proposes to engage in, as well as the ongoing status of any civil actions actually filed by the corporation. These requirements are imposed in order to reduce both the cost of litigation and the risk of improvident litigation, and in order to avoid the waste of the corporation's assets in litigation where reasonable and prudent alternatives to the litigation exist. Each member of the corporation shall have standing to sue to enforce the requirements of this Article. The following procedures and requirements apply to the corporation's commencement of any civil action other than action to enforce by Bylaws of the corporation or to collect delinquent assessments:

ARTICLE X - JUDICIAL ACTIONS AND CLAIMS (CONTINUED)

(a) The Association's Board of Directors ("Board") shall be responsible in the first instance for recommending to the members that a civil action be filed, and supervising and directing any civil actions that are filed.

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

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

- (a) it is in the best interests of the corporation to file a lawsuit;
- (b) that at least one Board member has personally made a good faith effort to negotiate a settlement with the putative defendant(s) on behalf of the corporation, without success;
- (c) litigation is the only prudent, feasible and reasonable alternative; and
- (d) the Board's proposed attorney for the civil action is of the written opinion that litigation is the corporation's most reasonable and prudent alternative.

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

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

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

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

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

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

ARTICLE X - JUDICIAL ACTIONS AND CLAIMS (Continued)

(d) The corporation shall have a written fee agreement with the litigation attorney, and any other attorney retained to handle the proposed civil action. The corporation shall not enter into any fee agreement that is a combination of the retained attorney's hourly rate and a contingent fee arrangement unless the existence of the agreement is disclosed to the members in the text of the corporation's written notice to the members of the litigation evaluation meeting.

(e) At the litigation evaluation meeting the members shall vote on whether to authorize the Board to proceed with the proposed civil action and whether the matter should be handled by the litigation attorney. The commencement of any civil action by the corporation (other than a suit to enforce the Condominium Bylaws or collect delinquent assessments) shall require the approval of a majority in number and in value of the members of the corporation. Any proxies to be voted at the litigation evaluation meeting must be signed at least seven (7) days prior to the litigation evaluation meeting. Notwithstanding any other provision in these Articles, no litigation shall be initiated by the corporation against the Developer of the Condominium until such litigation has been approved by an affirmative vote of seventy-five (75%) percent of all members of the Association in number and value attained after a litigation evaluation meeting held specifically for the purpose of approving such action.

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

(g) During the course of any civil action authorized by the members pursuant to this Article, the retained attorney shall submit a written report ("attorney's written report") to the Board every thirty (30) days setting forth:

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

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

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

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

(5) Whether the originally estimated total cost of the civil action remains accurate.

(h) The Board shall meet monthly during the course of any civil action to discuss and review:

- (1) the status of the litigation;
- (2) the status of settlement efforts, if any; and
- (3) the attorney's written report.

ARTICLE X - JUDICIAL ACTIONS AND CLAIMS (continued)

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

(2) The attorneys' fees, court costs, expert witness fees and all other expenses of any civil action subject to this Article ("litigation expenses") shall be fully disclosed to the members in the corporation's annual budget. The litigation expenses for each civil action subject to this Article shall be listed as a separate line item captioned "litigation expenses" in the corporation's annual budget.

ARTICLE XI - AMENDMENTS

These Articles of Incorporation may only be amended by the affirmative vote of two-thirds (2/3's) of all members of the corporation.

Signed this 18th day of MAY, 2001.

INCORPORATOR

Selective - Delaware, L.L.C.
a Delaware limited liability company

By:


Timothy Stapleton

Its: Executive Vice President

MAR 06 2002

Liber-35573 Page-94
202146569 3/06/2002
Bernard J. Youngblood Co. Register of Deeds

\$4.00 REMONUMENTATION
Receipt #114710
RECORDED
BERNARD J. YOUNGBLOOD, REGISTER OF DEEDS
WAYNE COUNTY, MI

MASTER DEED
OF
CHATTERTON VILLAGE CONDOMINIUM

A RESIDENTIAL CONDOMINIUM
WAYNE COUNTY CONDOMINIUM
SUBDIVISION PLAN NO. 646

This Master Deed is made and executed this 10th day of February, 2002, by
SELECTIVE - DELAWARE, L.L.C., a Delaware limited liability company (hereinafter referred to
as "the Developer"), whose address is 27655 Middlebelt Road, Suite 130, Farmington Hills,
Michigan 48334.

WITNESSETH:

WHEREAS, Developer desires, by recording this Master Deed, together with the
Condominium By-Laws attached hereto as Exhibit A and the Condominium Subdivision Plan
attached hereto as Exhibit B (both of which are hereby incorporated by reference and made a
part hereof), to establish the real property described in Article II below, together with the
improvements located thereon, and the appurtenances thereto, as a condominium under the
provisions of the Michigan Condominium Act (being MCLA 559.101 et seq.)

NOW, THEREFORE, upon the recording hereof, Developer establishes Chatterton
Village Condominium as a Condominium under the Condominium Act and declares that the
Condominium shall be held, conveyed, hypothecated, encumbered, leased, rented, occupied,
improved, or in any other manner utilized, subject to the provisions of said Act, and to the
covenants, conditions, restrictions, uses, limitations, and affirmative obligations set forth in this
Master Deed and the Exhibits hereto, all of which shall be deemed to run with the land and shall
be a burden and a benefit to the Developer, its successors and assigns, and any persons
acquiring or owning an interest in the said real property, their grantees, successors, heirs,
executors, administrators and assigns.

3098182v10
07556/084474

This is to certify that there are no tax liens or dues
on this property and that taxes are paid for FIVE YEARS
previous to date of this instrument EXCEPT
No. 4600 Date 3-6-02

WAYNE COUNTY TREASURER CLerk Miles

EXAMINED AND APPROVED
DATE FEB 21 2002
BY DANIEL P. LAKE B.00
DANIEL P. LAKE
PLAT ENGINEER

Rmoc 2404R 78pm A/R

ARTICLE I
TITLE AND NATURE

The Condominium shall be known as Chatterton Village Condominium, Wayne County Condominium Subdivision Plan No. Lot 1. The architectural plans and specifications for the improvements constructed within the Condominium will be filed with the Township of Canton. The buildings and units contained in the Condominium, including the number, boundaries, dimensions and volume of each Unit therein, are set forth in the Condominium Subdivision Plan attached hereto as Exhibit B. Each building contains individual Units for residential purposes only and each Unit is capable of individual use, having its own access to a Common Element of the Condominium. Each Co-owner in the Condominium shall have an exclusive right to his or her Unit and shall have undivided and inseparable rights to share with the other Co-owners the Common Elements of the Condominium as designated by the Master Deed. Co-owners shall have voting rights in Chatterton Village Condominium Association as set forth herein and in the By-Laws and Articles of Incorporation of such Association. Nothing in this Master Deed shall be construed to impose upon Developer any legal obligation to build, install or deliver any structure or improvement which is labeled "need not be built" on the Condominium Subdivision Plan attached as Exhibit B.

ARTICLE II
LEGAL DESCRIPTION

The land which comprises the Condominium established by this Master Deed is a parcel of land in Canton Township, Wayne County, Michigan, described as follows:

Part of the Northeast $\frac{1}{4}$ of Section 32, Town 2 South, Range 8 East, Canton Township, Wayne County, Michigan, more particularly described as commencing at the Northeast corner of said Section 32; thence South 89°27'26" West, 1063.44 feet, along the North line of said Section 32 and the centerline of Geddes Road (33 ft. $\frac{1}{2}$ right-of-way), to the POINT OF BEGINNING; thence South 00°00'00" West, 1134.48 feet; thence South 54°32'48" East, 85.46 feet; thence South 00°00'00" West, 137.36 feet; thence South 89°40'41" West, 281.46 feet; thence North 00°00'00" East, 138.80 feet; thence North 90°00'00" West, 109.50 feet; thence North 00°00'00" East, 64.01 feet; thence North 34°26'49" West, 71.19 feet; thence North 00°00'00" East, 662.51 feet; thence South 89°27'26" West, 10.15 feet; thence North 00°00'00" East, 67.89 feet; thence North 54°51'49" West, 63.76 feet; thence North 35°37'37" West, 24.01 feet; thence North 55°28'48" West, 91.89 feet; thence South 89°27'26" West, 157.37 feet; thence South 89°27'26" West, 63.00 feet; thence North 00°01'17" West, 218.01 feet, to the North line of said Section 32 and the centerline of Geddes Road (33 ft. $\frac{1}{2}$ right-of-way); thence North 89°27'26" East, 734.07 feet, along the North line of said Section 32 and the centerline of said Geddes Road, to the Point of Beginning. All of the above

containing 12.741 Acres. All of the above being subject to the rights of the public in Geddes Road.

Part of Tax Item No. 71-125-99-0001-000 and part of Tax Item No. 71-125-99-0003-000.

ARTICLE III DEFINITIONS

Certain terms used in this Master Deed and the Exhibits hereto, and in the Articles of Incorporation and By-Laws of Chatterton Village Condominium Association are defined as follows:

(a) The "Act" or "Condominium Act" means Act 59 of the Public Acts of Michigan of 1978, as amended.

(b) "Association" means Chatterton Village Condominium Association, a Michigan nonprofit corporation, of which all Co-owners shall be members, which Association shall administer, operate, manage and maintain the Condominium. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Condominium Documents or the laws of the State of Michigan.

(c) "By-Laws" means Exhibit A hereto, which are the By-Laws required for the Condominium and also the By-Laws required for the Association as a non-profit corporation.

(d) "Common Elements" means the portions of the Condominium other than the Condominium Units.

(e) "Condominium", "Condominium Project" or "Project" means Chatterton Village Condominium as a Condominium established pursuant to the provisions of the Act, and includes the land and the buildings, all improvements and structures thereon, and all easements, rights and appurtenances belonging to the Condominium.

(f) "Condominium Documents", wherever used, means and includes this Master Deed, the Exhibits hereto, and the Articles of Incorporation of the Association.

(g) "Condominium Unit" or "Unit" means the enclosed space constituting a single complete residential Unit designed and intended for separate ownership and use in the Condominium as such space may be described on Exhibit B hereto.

(h) "Condominium Subdivision Plan" or "Plan" means the Plan attached to this Master Deed as Exhibit B. The Plan assigns a number to each Condominium Unit and includes a description of the nature, location and approximate size of certain Common Elements.

(i) "Co-owner" or "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. Developer is a Co-owner as long as Developer owns one or more Units. Notwithstanding the foregoing, a Co-owner or Owner does not include a vendee under a land contract with the Developer unless otherwise elected in writing by the Developer on or before the date such land contract is executed by such vendee and the Developer.

(j) "Developer" means Selective - Delaware, L.L.C., a Delaware limited liability company, and its successors or assigns; provided, however, that if the Condominium is expanded to include the Future Development Area described in Article XI hereof, and Geddes/Beck Land Co. L.L.C. is the initial owner of all of the Units created within the Future Development Area and title to all of such Units is not conveyed to Selective - Delaware, L.L.C., the "Developer" shall mean each of Selective - Delaware, L.L.C. and Geddes/Beck Land Co. L.L.C. and their respective successors and assigns, and the rights and obligations of the Developer under the Condominium Documents and the Act shall be apportioned between Selective - Delaware, L.L.C. and Geddes/Beck Land Co. L.L.C. and/or their respective successors and assigns as set forth in that certain Agreement Regarding Developer's Rights dated October 15, 2001 between Selective - Delaware, L.L.C. and Geddes/Beck Land Co. L.L.C. All development rights reserved to Developer herein are assignable in writing; provided, however, that conveyances of Units by Developer, including the conveyance of Units to a "successor developer" pursuant to Section 135 of the Act, shall not serve to assign Developer's development rights unless the instrument of conveyance expressly so states.

(k) "Development and Sales Period" means the period beginning on the date this Master Deed is recorded and continuing for as long as Developer or any "successor developer" as defined by the Act holds for sale any Unit within the Condominium.

(l) "Future Development Area" means the land described in Article XI below, some or all of which may be added to the Condominium in one or more amendments of this Master Deed.

(m) "General Common Elements" means the Common Elements other than the Limited Common Elements.

(n) "Limited Common Elements" means a portion of the Common Elements reserved in this Master Deed for the exclusive use of less than all of the Co-owners.

(o) "Master Deed" means this document to which the Condominium By-Laws and Condominium Subdivision Plan are attached as exhibits.

(p) "Mortgagee" means the named mortgagee or owner of any mortgage on all or any portion of this Condominium.

(q) "Percentage of Value" means the percentage assigned to each Condominium Unit in this Master Deed. The Percentages of Value of all Units shall total one hundred (100%) percent. Percentages of Value shall be determinative only with respect to those matters to which they are specifically deemed to relate either in the Condominium Documents or in the Act.

(r) "Person" means an individual, firm, corporation, partnership, association, trust, the state or an agency of the state or other legal entity, or any combination thereof.

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

ARTICLE IV COMMON ELEMENTS

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

(a) The General Common Elements are:

(1) The land and beneficial easements, if any, described in Article VII hereof, including any storm water detention areas, recreational areas, parking areas, walks, entrance facilities, and landscaped and open areas; except to the extent any of the foregoing are designated herein or in the Plan as Limited Common Elements.

(2) The roads throughout the Condominium, designated on the Plan so long as neither the Developer nor the Association has dedicated the roads to public use through the acceptance of such a dedication by Wayne County or any other governmental entity.

(3) The electrical system throughout the Condominium, including that contained within Unit walls up to the point of connection with electrical outlets within any Unit.

(4) The gas transmission lines throughout the Condominium, including that contained within Unit walls up to the point of connection with gas fixtures within any Unit.

(5) The water distribution system throughout the Condominium up to the point where service is connected or enters each Unit, including all common sprinkling system fixtures and connections, as well as all common sprinkling system controls; and all fire hydrants and attendant equipment.

(6) The sanitary sewer system throughout the Condominium up to the point where service enters or is connected with each Unit.

(7) The storm sewer system throughout the Condominium.

(8) The plumbing network throughout the Condominium, including that contained within Unit walls up to the point of connection with plumbing fixtures within any Unit.

(9) The cable television transmission system throughout the Condominium (if any) and any telephone or other communication lines, including that part of such system and lines contained within Unit walls up to the point of connection with outlets within any Unit.

(10) The structural members, materials and components which comprise the exterior walls, the roof, furnace chimneys, the foundations (including support components), the basement foundations, walls and floors, the ceilings and the floors which envelop the air space within the Unit and the air space within the attics, if any, the crawl spaces, if any, outside of a Unit, and Unit perimeter walls (including window and door frames therein, excluding the glass within the frames and glass sliding doors including the frames). The air space outside of a Unit but within the structural items which envelop a Unit is a General Common Element.

(11) The site lighting, including all wiring, fixtures, posts and meters throughout the Condominium.

(12) All beneficial utility and drainage easements.

(13) Such recreational amenities as may be constructed within the Condominium, including any pool house or swimming pool.

(14) Such other elements of the Condominium not herein designated as Limited Common Elements which are not enclosed within the boundaries of a Unit.

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 a local public authority, municipality or a utility company or other private 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 and the Developer makes no warranty whatsoever with respect to the nature or extent of such interest.

(b) The Limited Common Elements are:

(1) The balconies, patios, porches and deck areas, if any, designated on the Condominium Subdivision Plan as limited common elements are appurtenant to the Units which open onto the aforesaid balconies, patios, porches and deck areas and are limited to the sole use of the Co-owners of the Units to which they are appurtenant.

(2) The glass in a window and the glass sliding doors, including the frames which comprise the glass sliding doors, which are located at or on the perimeter of a Unit shall be limited to the sole use of Co-owners of such Unit.

(3) The fireplace combustion chamber, if any, in each individual Unit shall be limited to the sole use of Co-owners of such Unit.

(4) The portions of the driveways immediately in front of each of the attached garages included in the Units is designated on the Plan as a limited common element and is limited to the sole use of the Co-owners of the Unit that gain access to their garages over that portion of the driveway.

(5) The entire heating, ventilation and air conditioning systems and its component parts serving each Unit to the point of connection with the outside walls of the Unit shall be appurtenant to and limited to the sole use of the Co-owners of the Unit served by the system.

(6) Each Unit shall have one of the cluster mailboxes assigned to it and such mailbox shall be limited to the sole use of the Co-owners of the Unit to which the mailbox is assigned.

(7) Any other amenity or appurtenance, if any, outside of a Unit, that is identified as a Limited Common Element in the Condominium Subdivision Plan attached as Exhibit B, unless otherwise described in this Master Deed.

(c) The responsibility for the full cost of maintenance, decoration, repair and replacement of the General and Limited Common Elements shall be the sole responsibility of the Association, except where specific exceptions are stated in the Condominium Documents and are to be paid for according to the provisions of these Condominium Documents. The full responsibility for the Unit shall be borne by the Co-owners of the Unit.

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

The common expenses associated with the maintenance, repair, renovation, restoration or replacement of a Limited Common Element shall be specially assessed against the Unit or

Units to which that Limited Common Element was assigned at the time the expenses were incurred. Any other unusual common expenses benefiting less than all of the Units or any expenses incurred as a result of the conduct of less than all of those entitled to occupy the Condominium Project or by their licensees or invitees shall be specially assessed against the Unit or Units involved, as set forth in Section 69(2) of the Act.

The amount of all common expenses not specially assessed in accordance with the foregoing shall be assessed against the Units in proportion to the assigned Percentage of Value appertaining to each Unit as provided in Section 69(3) of the Act.

(d) The Association shall have specific responsibility to decorate, maintain, repair and replace the following items relating to Units and the costs for these items shall be considered expenses of administration:

(1) All landscaped areas (excluding such landscaping as may be installed and maintained by a Co-owner upon a balcony, patio, porch or deck in accordance with the By-Laws attached hereto as Exhibit A).

(2) All sidewalks, driveways, roadways and boundary fences.

(3) Snow removal from the roads, driveways, parking areas and any sidewalks (including driveways designated as Limited Common Elements).

(4) The exterior of all buildings (excluding individual balconies, patios, porches, decks, glass windows and glass sliding doors) including trim and hardware and the concrete pads upon which air conditioning compressors are situated.

(5) The exterior of entry doors and garage doors (but excluding any electric garage door openers).

(6) Rubbish removal systems, if any.

(7) Common site lighting, if any.

(8) All other items identified above in subparagraph (a) of this Article IV as General Common Elements.

Notwithstanding anything to the contrary contained herein, if any maintenance, repair or replacement of any Common Element or other item under this Master Deed by the Association is required because of the negligence or wilful act of any Co-owner or occupant of a Unit or a guest thereof and the cost thereof is not covered by insurance maintained or required to be maintained by the Association under the Condominium Documents, the Co-owner of such Unit shall bear the cost of such maintenance, repair or replacement.

(e) Notwithstanding anything to the contrary contained herein, each Co-owner of a Unit shall have the responsibility to decorate, maintain, repair and replace the following items:

(1) All appliances within a Unit and supporting hardware, including, but not limited to, garbage disposals, dishwashers, ranges and ovens, vent fans, duct work, vent covers and filters, hot water heaters, furnaces, humidifiers, air cleaners, and air conditioners and compressors (whether located within or outside of a Unit, but excluding the concrete pad, which shall be the Association's responsibility).

(2) The interior of entry doors, all doors, windows, doorwalls (including all glass doorwall frames and tracks), screens and related hardware within or leading to the individual Unit.

(3) Any landscaping installed upon a balcony, patio, porch or deck in accordance with the By-Laws attached hereto as Exhibit A.

(4) The fireplace combustion chamber, if any, located within the individual Unit.

(5) All electrical fixtures or appliances within an individual Unit including, but not limited to, lighting fixtures, switches, outlets, antenna outlets and circuit breakers. (Note: Any modification to the existing electrical system must be approved in writing by the Board of Directors and must be completed by a licensed electrician.)

(6) Any electrical outlets connected to an individual Unit's electrical meter, but located on the exterior of the Unit; including, without limitation, the exterior porch lights to be installed near the road on the garage of each Unit.

(7) All plumbing fixtures, including shut-off valves, rings and washers located on or within an individual Unit's perimeter walls.

(8) All cabinets, counters, interior doors, closet doors, sinks, tile and wood, either floor or wall, and related hardware.

(9) All improvements or decorations including, but not limited to, paint, wallpaper, carpeting and trim.

(10) Individual Unit drain lines located within Unit perimeter walls.

(11) All individual balconies, decks, porches and patios and stairs or steps leading to such individual balconies, decks, porches or patios.

(12) All electric garage door openers.

(13) All other items not specifically enumerated above which may be located within an individual Unit's perimeter walls.

ARTICLE V USE OF PREMISES

Each Unit shall only be used for residential purposes. No Co-owner shall use his or her Unit or the Common Elements in any manner inconsistent with the purposes of the Condominium or in any manner which will interfere with or impair the rights of any other Co-owner in the use and enjoyment of his or her Unit or any Common Element.

ARTICLE VI CONDOMINIUM UNIT DESCRIPTION AND PERCENTAGE OF VALUE

The Condominium initially consists of ninety-six (96) residential Units. Each Unit is described in this paragraph with reference to the Condominium Subdivision Plan as prepared by Seiber Keast & Associates, a copy of which is attached hereto as Exhibit B. Each Unit shall consist of the interior air space measured from the entire interior surface enveloping the Unit air space, including basement and garage areas; including (i) interior unpainted surfaces of inside walls; (ii) the inside surfaces of windows, doorwalls, doors and access panels; (iii) the unpainted interior surfaces of ceilings; and (iv) the interior and unfinished surfaces of the sub/floors and/or basement floor. In addition to the above described air space, each Unit shall also include all items, components, fixtures and mechanisms, from the point of connection inward, which provide the Unit with its plumbing, electrical, waste disposal, water, heating and air conditioning services. For all purposes, individual Units may hereafter be defined and described by reference to this Master Deed and the individual number assigned to the Unit in the Condominium Subdivision Plan.

The Percentage of Value assigned to each Unit shall be determinative of the proportionate share of each respective Co-owner in the proceeds and expenses of the Association and the Value of such Co-owner's vote at meetings of the Association and the undivided interest of the Co-owner in the Common Elements. Rights to use the General Common Elements shall not be increased or decreased as between Co-owners as a result of disparate assigned values; nor shall the assigned value of ownership in the Limited Common Elements increase or decrease the right to use Limited Common Elements as prescribed in this Master Deed and the Act. The total percentage value of the Condominium is one hundred (100%) percent.

Based on the nature of the Condominium Project and the fact that the Association's responsibility for maintenance of Common Elements will not be substantially different among all of the Units, the Percentages of Value assigned to the Units shall be equal.

ARTICLE VII
EASEMENTS AND ENCUMBRANCES

The Condominium is subject to the following easements, restrictions, and agreements:

(a) Developer (on its behalf and on behalf of its successors or assigns) hereby reserves permanent easements for ingress and egress over the roads and walks in the Condominium and permanent easements to use, tap into, enlarge or extend all roads, walks, centers common areas and utility lines in the Condominium, including, without limitation, all communications, water, gas, electric, storm and sanitary sewer lines, and any pumps, sprinklers or water detention areas, all of which easements shall be for the benefit of the Future Development Area described herein, whether or not such Future Development Area is hereafter added to the Condominium; provided, however, that any such use, tapping into, enlargement or extension shall be in accordance with the plans and specifications therefor approved by Canton Township and/or any other applicable governmental authority. These easements shall run with the land in perpetuity, and shall survive the six (6) year period for adding the Future Development Area to the Condominium. Developer has no financial obligation to support such easements, except as otherwise described in this Master Deed and except that any dwelling unit using the roads, if such dwelling unit is not included within the Condominium, shall pay a pro rata share of the expense of maintenance, repair, or replacement of the portion of the road which is used, which share shall be determined pro rata according to the total number of dwelling units using such portion of the road.

(b) By recordation of this Master Deed, Developer reserves the right and power to dedicate all the roads in the Condominium to public use, and all persons acquiring any interest in the Condominium, including without limitation all Co-owners and Mortgagees, shall be deemed irrevocably to have appointed Developer and its successors or assigns as agent and attorney-in-fact to make such dedication and to act on behalf of all Co-owners and their Mortgagees in any statutory or special assessment proceedings with respect to the dedicated roads. After certificates of occupancy are issued for one hundred (100%) percent of the Units in the Condominium, the foregoing rights and powers may be exercised by the Association. Nothing herein shall be deemed to impose any obligation upon the Developer or the Association to dedicate any or all of the roads within the Condominium to public use and, in fact, Developer intends that the roads within the Condominium shall be private roads.

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

(d) Developer reserves the right and power to grant easements over, or dedicate portions of, any of the Common Elements for utility, drainage, street, safety or construction purposes, and all persons acquiring any interest in the Condominium, including without limitation all Co-owners and Mortgagees shall be deemed to have appointed Developer and its successors or assigns as agent and attorney-in-fact to make such easements or dedications. After certificates of occupancy are issued for one hundred (100%) percent of the Units in the Condominium, the foregoing right and power may be exercised by the Association.

(e) If any portion of a Unit or Common Element encroaches upon another Unit or Common Element due to shifting, settling, or moving of a building, or due to survey errors or construction deviations, reconstruction or repair, reciprocal easements shall exist for the maintenance of such encroachment for as long as such encroachment exists, and for maintenance thereof after rebuilding in the event of any destruction. There shall be permanent, non-exclusive easements to, through and over those portions of the Units and Common Elements for the installation, maintenance and servicing of all utilities in the Condominium, including, but not limited to, lighting, heating, power, sewer, water, communications, telephone and cable television lines. There shall exist easements of support with respect to any Unit interior wall which supports a common element.

(f) There shall be easements to and in favor of the Association, and its officers, directors, agents and designees (and the Developer prior to the First Annual Meeting), in, on and over all Units, for access to the Units to conduct any activities authorized by this Master Deed or the Condominium By-Laws.

(g) The Developer, the Association and all public and private utility companies shall have such easements over, under, across and through the Condominium, including all Units and Common Elements, as may be necessary to develop, construct, market and operate the Condominium, to fulfill their responsibilities of maintenance, repair and replacement of common amenities or improvements (whether or not such common amenities or improvements are integrated into the Condominium) and also to fulfill any responsibilities of maintenance, repair, decoration or replacement which they or any of them are required or permitted to perform under the Condominium Documents or by law or to respond to any emergency or common need of the Condominium.

(h) Easements for the construction, installation and maintenance of public utilities are reserved as shown on the Plan.

(i) Developer (on its behalf and on behalf of its successors or assigns) hereby reserves permanent easements to use, tap into, enlarge or extend all utility lines in the Condominium, including, without limitation, all communications, water, gas, electric, storm and sanitary sewer lines, and any pumps, sprinklers or water detention areas, all of which easements shall be for the benefit of the Developer in any property west of the Condominium which Developer (or Developer's successors and/or assigns) may currently own or own in the future,

whether or not such adjacent property or properties are hereafter added to the Condominium; provided, however, that any such use, tapping into, enlargement or extension shall be in accordance with the plans and specifications therefor approved by Canton Township and/or any other governmental authority. These easements shall run with the land in perpetuity. Developer has no financial obligation to support such easements except as otherwise described in this Master Deed.

(j) The property upon which the Condominium is located is subject to that certain Agreement for Chatterton Planned Development District dated January 23, 2001, as amended, which has been recorded with the Wayne County Register of Deeds (the "PDD Agreement"). The PDD Agreement also covers other land. The PDD Agreement includes certain development, construction and use restrictions and requirements, which are binding on the Developer and all Co-owners in the Condominium, to the extent applicable. Pursuant to the PDD Agreement, the Association shall be responsible for the continuing maintenance and preservation of the open space areas and recreational facilities constituting General Common Elements which are retained or constructed within the Condominium.

(k) There shall exist for the benefit of the Township of Canton or any emergency service agency, an easement over all roads and driveways in the Condominium for use by the Township and/or emergency vehicles. Said easement shall be for purposes of ingress and egress to provide, without limitation, fire and police protection, ambulance and rescue services and other lawful governmental or private emergency services to the Condominium Project and Co-Owners thereof. The U.S. Postal Service shall also have an easement over the roads in the Condominium for its vehicles for delivery of mail. The granting of these easements shall not be construed as a dedication of any streets, roads or driveways to the public.

(l) The Condominium is subject to an Agreement for Maintenance of Condominium Landscaping ("Landscaping Maintenance Agreement"), an Agreement re Private Roads (the "Private Road Agreement") and an Agreement for Maintenance of Storm Drainage Facilities (the "Drainage Agreement") between Canton Township and the Developer and the successors and assigns of the Developer, including the Association. The Private Road Agreement permits the installation of public utilities, sewers, drainage lines and pipe lines within the private road rights of ways and provides Canton Township with access to those facilities for purposes of constructing, repairing, maintaining and replacing them. The Landscape Maintenance Agreement requires that landscaped areas within the Condominium be maintained by the Association and gives Canton Township the right to perform such maintenance of those areas and be reimbursed by the Association if the Association fails to maintain the landscaped areas within the Condominium. The Drainage Agreement requires that storm drainage facilities within the Condominium (other than the portion of the retention pond located within the Condominium) be maintained by the Association and gives Canton Township the right to perform such maintenance of those facilities and be reimbursed by the Association if the Association fails to maintain such storm drainage facilities. The Township has the right under the Landscape Maintenance Agreement and Drainage Agreement to assess the Co-owners of Units in the

Condominium for a prorata portion of maintenance costs incurred by the Township that are not paid by the Association within 30 days of the Association's receipt of a bill from the Township.

(m) The Condominium drains into and through (i) a retention pond, a portion of which is located within the Condominium and the balance of which is located on a parcel of land located immediately east of and adjacent to the Condominium (the "Apartment Parcel"), and (ii) certain other storm water drainage facilities located within the Apartment Parcel (the portion of the retention pond located on the Apartment Parcel and such other storm water drainage facilities are referred to herein as the "Apartment Parcel Drainage Facilities"). Permanent easements have been created to provide for the drainage of storm water from the Condominium into and through the Apartment Parcel Drainage Facilities. Pursuant to the terms of a Retention Pond Easement Agreement, the owner of the Apartment Parcel is, subsequent to the issuance of a certificate of occupancy for a completed residential dwelling unit or building containing such Unit on the Apartment Parcel, responsible for maintaining, repairing and replacing the Apartment Parcel Drainage Facilities and the portion of the retention pond located within the Condominium and the landscaping associated with the retention pond. The Developer has an easement to perform such maintenance, repair and replacement prior to the date the Owner of the Apartment Parcel becomes responsible therefor. The Association shall bear one-sixth (1/6) of the costs incurred in connection with the maintenance, repair and replacement of the Retention Pond and associated landscaping and the portion of the other Drainage Facilities located within the Apartment Parcel unless the Future Development Area is added to the Condominium, in which event the Association's share of such costs shall be one-third (1/3).

(n) Pursuant to that certain Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions for Common Recreational Facilities (the "Recreational Facilities Declaration"), (a) the owners and tenants of residences located within any part of the Future Development Area not included in this Condominium and their respective guests, the owners and tenants of condominium units located within that certain condominium project located immediately west of and adjacent to the Future Development Area and commonly known as Chatterton Square Condominium ("Chatterton Square") and their respective guests, and the owners and tenants of residences located within any part of certain land located immediately west of and adjacent to Chatterton Square (the "Chatterton Square Future Development Area") not included in Chatterton Square and their respective guests have an easement to use the swimming pool and pool house and related parking areas located within the Condominium in common with Co-owners and tenants of Units and their respective guests and (b) Co-owners and tenants of Units and their respective guests, owners and tenants of residences located within any part of the Future Development Area not included in this Condominium and their respective guests, and the owners and tenants of residences located within any part of the Chatterton Square Future Development Area not included in Chatterton Square and their respective guests have an easement to use the parking area located within the northwest corner of Chatterton Square and related to the pool and pool house in common with the owners and tenants of condominium units located within Chatterton Square and their respective guests. The Association shall be responsible for operating, maintaining, repairing and replacing such

recreational facilities and parking areas. The Association shall bear that percentage of the costs incurred by the Association in operating, maintaining, repairing and replacing such recreational facilities and parking areas obtained by dividing the number of dwelling units located within the Condominium, as the same may be expanded as provided herein, by the total number of dwelling units located within this Condominium, as the same may be expanded, Chatterton Square, as the same may be expanded, the Future Development Area (to the extent not added to this Condominium) and the Chatterton Square Future Development Area (to the extent not added to Chatterton Square). The balance of such costs shall be borne by the owners of the dwelling units entitled to use such recreational facilities and related parking areas and/or the associations created to administer the affairs of the projects within such dwelling units are located. Pursuant to the Recreational Facilities Declaration, a seven member advisory committee shall be established to oversee the operation and management of the recreational facilities and related parking areas. Four of the members of the advisory committee shall be appointed by the Association, through its Board of Directors, and the remaining members of the advisory committee shall be appointed by the Chatterton Square Condominium Association, through its Board of Directors. The Recreational Facilities Declaration provides that in the event a dispute arises between the parties affected by the Recreational Facilities Declaration pertaining to the maintenance, use or operation of the recreational facilities or related parking areas, such dispute, upon the consent of the parties to the dispute, shall be submitted to arbitration. The books and records maintained by the Association with respect to the operation, maintenance and repair of the recreational facilities and related parking areas shall be kept separate from the Association's other operations and shall be made available for inspection by Co-owners.

(c) Pursuant to a Reciprocal Easement Agreement, Co-owners have an easement to use the roads, walkways and open and landscaped areas that may be located within the Future Development Area, regardless of whether the Future Development Area is added to this Condominium. Similarly, the owners of residences located within the Future Development Area have an easement pursuant to the Reciprocal Easement Agreement to use such roads, walkways and open and landscaped areas, regardless of whether the Future Development Area is added to this Condominium. Under the Reciprocal Easement Agreement, the Association will be responsible for maintaining, repairing and replacing the monuments, landscaping and boulevard improvements installed as part of the entranceway into the Condominium, including all of the landscaping installed along Geddes Road (the "Entranceway Improvements"). Additionally, the Association is responsible under the Reciprocal Easement Agreement to maintain, repair, and replace the walkways and open landscaped areas that will comprise the common open areas to be constructed and installed upon this Condominium and the Future Development Area, regardless of whether the Future Development Area is added to this Condominium (such common open areas and the Entranceway Improvements are collectively referred to herein as the "Common Improvements"). If the Future Development Area is developed separately from this Condominium and not added to this Condominium, the Reciprocal Easement Agreement provides that (i) prior to the completion of construction of 25% of the residences to be constructed within the Future Development Area pursuant to approved

site plans, the owners of residences located within the Future Development Area or the association, if any, created to administer the affairs of such development, shall bear the percentage of costs incurred in maintaining, repairing and replacing the Common Improvements obtained by dividing the number of completed residences constructed within the Future Development Area by the total number of completed residences located within the Future Development Area and this Condominium, and the Association shall bear the balance of such costs, and (ii) upon completion of 25% of the residences to be constructed within the Future Development Area pursuant to approved site plans, the owners of residences constructed within the Future Development Area or the association, if any, created to administer the affairs of such development shall bear the percentage of the costs of maintaining, repairing and replacing the Common Improvements obtained by dividing the number of residences that may be constructed within the Future Development Area pursuant to approved site plans by the total number of residences that may be constructed within the Future Development Area and this Condominium pursuant to approved site plans, and the Association shall bear the balance of such costs.

(p) Developer reserves the right to expand and enlarge the easements described above by amending this Master Deed and the Plan attached as Exhibit "B" pursuant to the right of amendment reserved in Article VIII, subparagraph (c) without the consent of any Co-Owner or Mortgagee.

ARTICLE VIII AMENDMENTS

This Master Deed and any Exhibit hereto may be amended in the following manner:

(a) Amendments may be made and recorded by Developer or by the Association without the approval of any Co-owner or Mortgagee if the amendment does not materially alter or change the rights of a Co-owner or Mortgagee.

(b) If the amendment will materially change the rights of the Co-owners or Mortgagees, then such amendment requires the consent of not less than two-thirds (2/3) in value of the votes of the Co-owners and Mortgagees of the Units. A Mortgagee shall have one vote for each mortgage held. Notwithstanding anything to the contrary contained herein, Mortgagees are entitled to vote on amendments to this Master Deed or any Exhibit hereto only under the following circumstances:

(1) Termination of the Condominium;

(2) A change in the method or formula used in to determine the Percentage of Value assigned to a Unit subject to the Mortgagee's mortgage;

(3) A reallocation of responsibility for maintenance, repair, replacement or declaration for a Unit, its appurtenant Limited Common Elements, or the General Common Elements from the Association to the Unit subject to the Mortgagee's mortgage;

(4) Elimination of a requirement for the Association to maintain insurance on the Condominium as a whole or a Unit subject to the Mortgagee's mortgage or reallocation of responsibility for obtaining or maintaining, or both, insurance from the Association to the Unit subject to the Mortgagee's mortgage;

(5) The modification or elimination of an easement benefiting the Unit subject to the Mortgagee's mortgage; or

(6) The partial or complete modification, imposition or removal of leasing restrictions for Units in the Condominium.

(c) Notwithstanding subparagraphs (a) or (b) above, but subject to the limitation of subparagraph (d) below, Developer reserves the right to materially amend this Master Deed or any of its Exhibits for any of the following purposes without the consent of Co-owners or Mortgagees:

(1) To eliminate unsold Units and to modify the locations, types and sizes of unsold Units and the General and/or Limited Common Elements adjoining or appurtenant to unsold Units;

(2) To correct arithmetic errors, typographical errors, survey errors, or any similar errors in the Master Deed, Plan or Condominium By-Laws;

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

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

(5) To convert the Convertible Areas of the Condominium and to redefine Common Elements and Units and adjust Percentages of Value in connection therewith;

(6) To expand the Condominium and to redefine Common Elements and adjust Percentages of Value in connection therewith and to make any other amendment expressly permitted by this Master Deed;

ARTICLE IX
CONVERTIBLE AREAS

(a) The Common Elements and all Units have been designated on the Condominium Subdivision Plan as Convertible Areas within which the Units and Common Elements may be modified and within which Units may be expanded, moved and eliminated as provided in this Article IX. The Developer reserves the right, but not an obligation, to convert the Convertible Areas.

(b) The Developer reserves the right, in its sole discretion, during a period ending six (6) years from the date of recording this Master Deed, to modify the size, location, and configuration of any Unit that it owns in the Condominium, and to make corresponding changes to the Common Elements, subject to the requirements of local ordinances and building authorities. The changes could include (by way of illustration and not limitation) the elimination of Units from the Condominium and the substitution of General and Limited Common Elements therefor. The maximum number of units in the Condominium, as established by the recording of this Master Deed, may not exceed two hundred four (204) Units.

(c) All improvements constructed or installed within the Convertible Areas described above shall be restricted exclusively to residential use and to such Common Elements as are compatible with residential use. There are no other restrictions upon such improvements except those which are imposed by state law, local ordinances or building authorities. The extent to which any structure erected within the Convertible Areas will be compatible with structures located on other portions of the Condominium is not limited by this Master Deed but lies solely within the discretion of the Developer, subject only to the restrictions contained in this Master Deed and the requirements imposed by state law, local ordinances and building authorities.

(d) The consent of any Co-owner shall not be required to convert the Convertible Areas. All of the Co-owners and Mortgagees and other persons interested or to become interested in the Condominium from time to time shall be deemed to have irrevocably and unanimously consented to such conversion of the Convertible Areas and any amendment or amendments to this Master Deed to effectuate the conversion and to any reallocation of Percentages of Value of existing Units which Developer may determine necessary in connection with such amendment or amendments. All such interested persons irrevocably appoint the Developer or its successors or assigns, as agent and attorney for the purpose of execution of such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be effected without the necessity of rerecording an entire Master Deed or the Exhibits thereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits hereto. Nothing herein contained, however, shall in any way obligate Developer to convert the Convertible Areas. These provisions give notice to all Co-owners, Mortgagees and other persons acquiring interests in the

Condominium that such amendments of this Master Deed may be made and recorded, and no further notice of such amendment shall be required.

(e) All modifications to Units and Common Elements made pursuant to this Article IX 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 VI hereof shall be proportionately readjusted, if the Developer deems it to be applicable, in order to preserve a total value of one hundred (100%) percent for the entire Condominium 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 Developer. Such readjustments, however, shall reflect a continuing reasonable relationship among Percentages of Value based upon the original method and formula described in Article VI of this Master Deed. Such amendments to the Master Deed shall also contain such further definitions and redefinitions of General or Limited Common Elements as may be necessary to adequately describe and service the Units and Common Elements being modified by such amendments. In connection with any such amendments, Developer shall have the right to change the nature of any Common Element previously included in the Condominium for any purpose reasonably necessary to achieve the purposes of this Article IX.

ARTICLE X CONTRACTION OF CONDOMINIUM

(a) As of the date this Master Deed is recorded, the Developer does not intend to dedicate to public use any of the roads or road right-of-ways shown on the Condominium Plan as being located within the Condominium. Developer nevertheless reserves the right to withdraw from the Condominium portions of the land described in Article II that consist of the Condominium roads and road right-of-ways as the same are shown on the Condominium Plan. At the option of the Developer, within a period ending no later than six (6) years from the date of recording this Master Deed, the land included in the Condominium may be contracted to withdraw from the Condominium the roads and road right-of-ways dedicated to public use.

(b) In connection with such contraction, Developer unconditionally reserves the right to withdraw from the Condominium that portion of the land described in Article II that is dedicated to public use as a road and/or road right-of-way. The withdrawal of such land pursuant to this Article X shall be effected by an amendment of the Master Deed as provided in Paragraph (e) below and by a single conveyance of all roads and road right-of-ways in the Condominium to the Wayne County Department of Public Services (or other appropriate governmental unit with appropriate jurisdiction).

(c) Apart from satisfying any governmental conditions to dedication of the road and road right-of-ways, there are no restrictions on Developer's right to contract the Condominium as provided in this Article X. Developer makes no representation whatsoever that roads

constructed to provide access in and to the Condominium meet the requirements imposed by the appropriate governmental agencies for dedication of roads.

(d) The consent of any Co-owner shall not be required to contract the Condominium or to dedicate the roads and road right-of-ways to public use as described above. All of the Co-owners and Mortgagees and other persons interested or to become interested in the Condominium from time to time shall be deemed to have irrevocably and unanimously consented to such contraction of the Condominium and any amendment or amendments to this Master Deed to effectuate the contraction. All such interested persons irrevocably appoint the Developer or its successors, or assigns, as agent and attorney for the purpose of execution of such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be effected without the necessity of rerecording an entire Master Deed or the Exhibits thereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits hereto. Nothing herein contained, however, shall in any way obligate Developer to dedicate the roads and road right-of-ways in the Condominium to public use and/or to contract the Condominium as herein provided. These provisions give notice to all Co-owners, Mortgagees and other persons acquiring interests in the Condominium that such amendments of this Master Deed may be made and recorded, and no further notice of such amendment shall be required.

ARTICLE XI

FUTURE EXPANSION OF CONDOMINIUM

The Condominium is established as an expandable Condominium in accordance with the provisions of this Article.

(a) Developer (on its behalf and on behalf of its successors and assigns, and no other third party, unless assigned in writing by the Developer), reserves the right, but does not undertake any obligation, to expand the Condominium. Except as set forth herein, no other person or entity may exercise the right to expand the Condominium.

(b) There are no restrictions or limitations on Developer's right to expand the Condominium except as stated in this Article XI. The consent of any Co-owner shall not be required to expand the Condominium. All of the Co-owners and Mortgagees of Units and persons interested or to become interested in the Condominium from time to time shall be deemed to have irrevocably and unanimously consented to such expansion of the Condominium and any amendment or amendments to this Master Deed to effectuate the expansion and to any reallocation of Percentages of Value of existing Units which Developer 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 executing such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be made without the necessity of

rerecording an entire Master Deed or the Exhibits thereto and may incorporate by reference all or any pertinent portions of this Master Deed or the Exhibits hereto. Nothing herein contained, however, shall in any way obligate Developer to enlarge the Condominium and Developer may, in its discretion, establish all or a portion of the Future Development Area described below as a rental development, a separate condominium, or any other form of development. These provisions give notice to all persons acquiring interests in the Condominium that such amendments of this Master Deed may be made and recorded, and no further notice of amendment shall be required.

(c) The Developer's right to expand the Condominium shall expire six (6) years after the initial recording of this Master Deed.

(d) The land which may be added to the Condominium (herein referred to as the "Future Development Area") is referred to in the Plan as the proposed Future Development Area, and is situated in the Township of Canton, Wayne County, Michigan, being more specifically described as follows:

Land located in the Charter Township of Canton, Wayne County, Michigan and described as:

Part of the Northeast $\frac{1}{4}$ of Section 32, Town 2 South, Range 8 East, Canton Township, Wayne County, Michigan, more particularly described as commencing at the Northeast Corner of said Section 32; thence South 89°27'26" West, 1797.51 feet, along the North line of said Section 32 and the centerline of Geddes Road (33 ft. $\frac{1}{2}$ right-of-way); thence South 00°01'17" East, 218.01 feet, thence North 89°27'26" East, 63.00 feet, to the POINT OF BEGINNING; thence North 89°27'26" East, 157.37 feet; thence South 55°28'48" East, 91.89 feet; thence South 35°37'37" East, 24.01 feet; thence South 54°51'49" East, 63.76 feet; thence South 00°00'00" West, 67.89 feet; thence North 89°27'26" East, 10.15 feet; thence South 00°00'00" West, 662.51 feet; thence South 34°26'49" East, 71.19 feet; thence South 00°00'00" West, 64.01 feet; thence South 90°00'00" East, 109.50 feet; thence South 00°00'00" West, 138.80 feet; thence South 89°40'41" West, 495.00 feet; thence North 10°19'57" East, 201.89 feet; thence North 00°01'17" West, 902.79 feet, to the Point of Beginning. All of the above containing 8.251 Acres. All of the above being subject to easements, restrictions, and right-of-ways of record.

(e) The Future Development Area may be added to the Condominium in its entirety or in parcels, in one amendment to this Master Deed or in separate amendments, at the same time or at different times, all in Developer's discretion. There are no restrictions upon the order in which portions of the Future Development Area may be added to the Condominium.

(f) There are no restrictions upon the locations of any improvements that may be made on any portions of the Future Development Area, and Developer reserves the right to locate such improvements in Developer's sole discretion subject only to such applicable laws

and ordinances which may affect the Condominium, and the approved site plan for the Project, as the same may be amended. By way of illustration, and not as a limitation on Developer, the Developer has the right to create larger Units in the Future Development Area and/or to create a portion of the Units as site condominium units.

(g) The number of Units which Developer reserves the right to establish, all or in part, upon the Future Development Area is up to 108 Units, for a maximum of up to 204 Units which may be included in the Condominium (including the Units now shown on the Plan).

(h) All land and improvements added to the Condominium shall be restricted exclusively to residential units and to such Common Elements as may be consistent and compatible with residential use. There are no other restrictions upon such improvements except those which are imposed by state law, local ordinances or building authorities.

(i) The extent to which any structure erected on any portion of the Future Development Area added to the Condominium is compatible with structures on land included in the original Master Deed is solely within the discretion of the Developer, subject only to the requirements of local ordinances and building authorities, and is not limited by this Master Deed.

(j) There are no restrictions as to types of Condominium Units which may be created upon the Future Development Area except that such Units must comply with state law, local ordinances and the requirements of building authorities.

(k) Developer may create Limited Common Elements upon the Future Development Area and designate Common Elements thereon which may be subsequently assigned as Limited Common Elements. The nature of any such Limited Common Elements to be added to the Condominium is exclusively within the discretion of the Developer.

(l) If the Condominium is expanded, it shall be expanded by an amendment to the Master Deed or by a series of successive amendments to the Master Deed, each adding Future Development Area and/or improvements to the Condominium.

(m) Any amendment to the Master Deed which alters the number of Units in the Condominium shall proportionately readjust the existing Percentages of Value of Condominium Units to preserve a total value of one hundred (100%) percent for the entire Condominium. Percentages of Value shall be readjusted and determined in accordance with the method and formula described in Article VI of this Master Deed.

(n) Any expansion shall be deemed to have occurred at the time of the recording of an amendment to this Master Deed embodying all essential elements of the expansion. At the conclusion of expansion of the Condominium, not later than one year after completion of construction, a Consolidating Master Deed and plans showing the Condominium "as built" shall

be prepared and recorded by the Developer. A copy of the recorded Consolidating Master Deed shall be provided to the Association.

ARTICLE XII
SUBDIVISION, CONSOLIDATION
AND OTHER MODIFICATIONS OF UNITS

Notwithstanding any other provision of the Master Deed or the By-Laws, 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 XII. Such changes in the affected Unit or Units shall be promptly reflected in a duly recorded amendment or amendments to this Master Deed.

(a) By Developer. Until the First Annual Meeting, Developer reserves the sole right, (without the consent of any other Co-owner or any mortgagee of any Unit) to take the following actions:

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

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

(3) Amendments to Effectuate Modifications. In any amendment or amendments resulting from the exercise of the rights reserved to Developer above, each portion of the Unit or Units resulting from such consolidation or relocation of boundaries shall be separately identified by number. Such amendment or amendments to the Master Deed shall also contain such further definitions of General or Limited Common Elements as may be necessary to adequately describe the Units in the Condominium Project as so modified. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments of this Master Deed to effectuate the foregoing.

(4) Conformity with Laws and Ordinances. All actions taken under this Article XII must comply with all applicable laws and ordinances, including, without limitation, any approvals required by Canton Township.

(b) Limited Common Elements. Limited Common Elements, if any are created, shall be subject to assignment and reassignment in accordance with Section 39 of the Act and in furtherance of the rights to consolidate Units or relocate boundaries described in this Article.

ARTICLE XIII
DEVELOPER'S RIGHT TO USE FACILITIES

Until the end of the Development and Sales Period, the Developer, its successors and assigns, agents and employees may maintain such offices, model units, reasonable parking, storage areas and other facilities on the Condominium as it deems necessary to facilitate the development and sale of the Condominium Project. Throughout the entire duration of the Development and Sales Period, Developer, its successors and assigns, agents and employees shall have such access to, from and over the Condominium as may be reasonable to enable the development and sale of the Condominium Project, as it may be expanded. Developer shall pay the cost related to such use and restore the facilities to habitable status upon termination for such use.

ARTICLE XIV
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.

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

WITNESSES:

SIGNED BY:

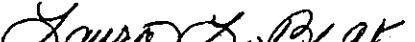
SELECTIVE - DELAWARE, L.L.C.,
a Delaware limited liability company

By: CENTEX HOMES, a Nevada
general partnership,
its sole Member

By: CENTEX REAL ESTATE
CORPORATION, a Nevada corporation,
its Managing Partner

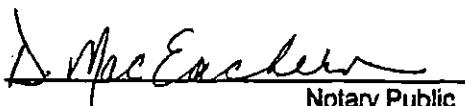
By: 
William T. Stapleton,
Division President

Name: 
Tim Kohnen

Name: 
Laura L. Beck

STATE OF MICHIGAN)
COUNTY OF Oakland) ss

The foregoing instrument was acknowledged before me this 18th day of February, 2002, by William T. Stapleton, a Division President of Centex Real Estate Corporation, a Nevada corporation, the Managing Partner of Centex Homes, a Nevada general partnership, the sole Member of SELECTIVE - DELAWARE, L.L.C., a Delaware limited liability company, on behalf of the company.


D. MacEachern
Notary Public
County of _____, State of Michigan
My Commission Expires: _____

D. MAEACHEURN
Notary Public, Oakland County, MI
My Commission Expires Nov. 22, 2005

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PREPARED BY AND WHEN RECORDED RETURN TO:

Timothy M. Koltun, Esq.
Clark Hill PLC
500 Woodward Avenue, Suite 3500
Detroit, Michigan 48226-3435
(313) 965-8326

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CHATTERTON VILLAGE CONDOMINIUM

EXHIBIT A

BY-LAWS

ARTICLE I ASSOCIATION OF CO-OWNERS

Chatterton Village Condominium, a residential Condominium Project located in Canton Township, Wayne County, Michigan, shall be administered by an Association of Co-owners which shall be a nonprofit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Condominium Documents and the laws of the State of Michigan. These By-Laws shall constitute both the By-Laws referred to in the Master Deed and required by Section 8 of the Act and the By-Laws provided for under the Michigan Nonprofit Corporation Act. Each Co-owner shall be entitled to membership and no other person or entity shall be entitled to membership. The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium Project available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium Project. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

ARTICLE II ASSESSMENTS

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

Section 1. Assessments for Common Elements. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project, including but not limited to all sums payable by the Association pursuant to the Retention Pond Easement, shall constitute expenditures affecting the administration of the Condominium Project, and all sums received as the proceeds of, or pursuant to, any policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute receipts affecting the administration of the Condominium Project, within the meaning of Section 54(4) of the Act.

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

(a) Annual 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 major repairs and replacements of those Common Elements which the Association is responsible for repairing and replacing under the Master Deed 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 ten (10%) percent of the Association's current annual budget on a noncumulative basis. The minimum standard required by this subsection may prove to be inadequate for a 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. 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 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, that the assessments levied are or may prove to be insufficient (1) to pay the costs of operation and management of the Condominium, (2) to provide repairs or replacements of existing Common Elements, (3) to provide additions to the Common Elements not exceeding Five Thousand (\$5,000.00) Dollars annually for the entire Condominium Project, or (4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Board of Directors also shall have the authority, without a Co-owner's consent, to levy assessments pursuant to the provisions of Article V, Section 3 hereof regarding the Association's responsibilities for repair and maintenance. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof.

(b) Special Assessments. Special assessments, in addition to those required in subparagraph (a) above, may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other requirements of the Association, including, but not limited to: (1) assessments for additions to the Common Elements of a cost exceeding Five Thousand (\$5,000.00) Dollars 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 subparagraph (b) (but not including those assessments referred to in subparagraph 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 (60%) percent of all Co-owners. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or of the members thereof.

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 among and paid by the Co-owners in accordance with the Percentage of Value allocated to each Unit in Article VI of the Master Deed, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit. Annual assessments as determined in accordance with Article II, Section 2(a) above shall be payable by Co-owners in twelve equal monthly installments, quarterly, semi-annually or annually in the discretion of the Board of Directors, subject to Section 7 below, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit (other than a vendee's interest pursuant to a land contract with the Developer), 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 fee of Twenty Five (\$25.00) Dollars shall be imposed on each installment which is in default for ten (10) or more days. In addition, each installment in default for ten or more days shall bear interest from the initial due date thereof at the rate of seven percent (7%) per annum until such installment is paid in full. The Association may increase or assess such other reasonable automatic late charges or may, pursuant to Article XIX hereof, levy additional fines for late payment of assessments as the Association deems necessary from time to time. Each Co-owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment) pertinent to his Unit which may be levied while such Co-owner is the owner thereof, except a land contract purchaser from any Co-owner other than 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 attorneys' fees; second, to any interest charges and fines for late payment on such installments; and third, to installments in default in order of their due dates.

Section 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. Liens. Sums assessed to a Co-owner by the Association that are unpaid, together with interest on such sums, collection and late charges, advances made by the Association for taxes or other liens to protect its lien, attorney fees, and fines in accordance with the Condominium Documents, constitute a lien upon the Unit or Units in the Condominium

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Project owned by the Co-owner at the time of the assessment before all other liens except tax liens on the Unit in favor of any state or federal taxing authority and sums unpaid on a first mortgage of record, except that past due assessments that are evidenced by a notice of lien, recorded as set forth in Section 6 below, have priority over a first mortgage recorded subsequent to recording of the notice of lien. The lien upon each Unit owned by the Co-owner shall be in the amount assessed against the Unit, plus a proportionate share of the total of all other unpaid assessments attributable to Units no longer owned by the Co-owner but which became due while the Co-Owner had title to the Units.

Section 6. Enforcement.

(a) **Remedies.** In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. An action for money damages and foreclosure may be combined in one action. An action to recover money judgments for unpaid assessments may be maintained without foreclosing or waiving the lien. 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 services to a Co-owner in default upon seven (7) days' written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to utilize any of the General Common Elements of the Condominium and shall not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-owner of ingress or egress to and from his Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him, and may be empowered to take possession of the Unit if not occupied by the Co-owner and to lease the Unit and to collect and apply the rental therefrom. The Association may also assess fines for late payment or non-payment of assessments in accordance with the provisions of Article XIX of these By-Laws. 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 Condominium, 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; provided, however, that notwithstanding the foregoing, the Association shall be entitled to reasonable interest, expenses, costs and attorney's fees for foreclosure by advertisement or judicial action. The Association, acting on behalf of all Co-owners, may bid in at the foreclosure sale and acquire, hold, lease, mortgage or sell the Unit with respect to which the

assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of any such lease, mortgage or sale in accordance with the priorities established by applicable law. The redemption period for foreclosure is six months from the date of sale unless the Unit is abandoned, in which event the redemption period is one month from the date of sale. The Co-owner of a Unit subject to foreclosure, and any purchaser, grantee, successor, or assignee of such Co-owner's interest in the Unit, is liable for assessments by the Association chargeable to the Unit that become due before expiration of the period of redemption, together with interest, advances made by the Association for taxes or other liens to protect the lien, costs and attorney fees incurred in their collection.

(c) Power of Sale. Further, each Co-owner and every other person who from time to time has any interest in the Condominium 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 at public sale in accordance with the statutes providing therefor 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 Condominium acknowledges that at the time of acquiring title to such Unit, he was notified of the provisions of this subparagraph and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit.

(d) Notice of Lien. The Association may not commence proceedings to foreclose a lien for unpaid assessments without recording and serving a notice of lien in the following manner:

(1) The notice of lien shall set forth the legal description of the Unit or Units to which the lien attaches, the name of the Co-owner of record thereof, the amount due the Association as of the date of the notice, exclusive of interest, costs, attorneys' fees and future assessments.

(2) The notice of lien shall be in recordable form, executed by an authorized representative of the Association, and may contain such other information as the Association deems appropriate.

(3) The notice of lien shall be recorded in the office of the Wayne County Register of Deeds and shall be served upon the delinquent Co-owner by first class mail, postage prepaid, addressed to the last known address of the Co-owner at least ten (10) days in advance of the commencement of the foreclosure proceedings.

(e) Expenses of Collection. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien,

shall be chargeable to the Co-owner in default and shall be secured by the lien on his Unit.

Section 7. Liability of Mortgagor. Notwithstanding any of the provisions of the Condominium Documents, if the holder of any first mortgage covering, or other purchaser of, any Unit in the Condominium Project obtains title to the Unit as a result of foreclosure of the first mortgage, such person, and its heirs, representatives, successors and assigns, are not liable for the assessments chargeable to such Unit which became due prior to the acquisition of title to the Unit by such person except for assessments that have priority over the first mortgage under Section 108 of the Act (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit).

Section 8. Developer's Responsibility for Assessments. Until the First Annual Meeting is held in accordance with the provisions of Article IX, Section 2 of these By-Laws, the Developer, even though a member of the Association, shall not be responsible for payment of the regular assessments of the Association established pursuant to subsection 2(a) above. The Developer, however, shall during the period up to the First Annual Meeting pay a proportionate share of the Association's current maintenance expenses actually incurred from time to time based upon the ratio of completed Units owned by the Developer at the time the expense is incurred to the total number of completed Units in the Condominium. In no event shall the Developer be responsible for payment, until after the First Annual Meeting, of any assessments for deferred maintenance, reserves for replacement, capital improvements or other special assessments, except with respect to occupied Units owned by it. Any assessments levied by the Association against the Developer for any 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. After the First Annual Meeting, Developer shall be responsible for payment of the full amount of any regular Association assessments for all completed Units owned by it. Developer shall not be responsible at any time for payment of regular assessments or payment of any expenses whatsoever with respect to unbuilt Units notwithstanding the fact that such unbuilt Units may have been included in the Master Deed. "Completed Unit" shall mean a Unit with respect to which a certificate of occupancy has been issued by the local public authority.

Section 9. 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 10. 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 11. 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 12. Statement as to Unpaid Assessments. The purchaser or grantee 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 or grantee holds the right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser or grantee to request such statement at least five (5) days prior to the closing of the purchase of such Unit shall render any unpaid assessments, together with interest, costs, fines, late charges and attorney fees incurred in the collection of such assessments, and the lien securing the same fully enforceable against such purchaser or grantee and the Unit itself, to the extent provided by the Act.

13. Payment of Unpaid Assessments at Time of Sale. Upon the sale or conveyance of a Unit, all unpaid assessments, interest, late charges, fines, costs and attorneys' fees against such Unit shall be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except (a) amounts due the State of Michigan, or any subdivision thereof, or any municipality for taxes and special assessments due and unpaid on the Unit and (b) payments due under a first mortgage having priority thereto.

14. Foreclosure of First Mortgage. The Mortgagee of a first mortgage of record of a Unit shall give notice to the Association of the commencement of foreclosure of the first mortgage by advertisement by serving a copy of the published notice of foreclosure sale required by statute upon the Association by certified mail, return receipt requested, addressed to the resident agent of the Association at the agent's address as shown on the records of the Michigan Corporation and Securities Bureau, or to the address the Association provides to the Mortgagee, if any, in those cases where the address is not registered, within ten days after the first publication of the notice. The Mortgagee of a first mortgage of record of a Unit shall give notice to the Association of intent to commence foreclosure of the first mortgage by judicial action by serving a notice setting forth the names of the mortgagors, the Mortgagors, and the foreclosing assignee of a recorded assignment of the mortgage; the date of the mortgage and the date the mortgage was recorded; the amount claimed to be due on the mortgage on the date of the notice; and a description of the mortgaged premises that substantially conforms with the description contained in the mortgage, upon the Association by certified mail, return receipt requested, addressed to the resident agent of the Association at the agent's address as shown on the records of the Michigan Corporation and Securities Bureau, or to the address the Association provides to the Mortgagee, if any, in those cases where the address is not registered, not less than ten days before commencement of the judicial action. Failure of the Mortgagee to provide notice as required by this Section shall only provide the Association with legal recourse and will not, in any event, invalidate any foreclosure proceeding between the Mortgagee and mortgagor.

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 Co-owners and the Association shall, 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 in the State of Michigan may be rendered upon any award pursuant to such arbitration) and written notice to the Association, be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding. At the exclusive option of the Association, a contract to settle by arbitration shall be executed by the Developer with respect to any claim that might be the subject of a civil action against the Developer, which claim arises out of or relates to the Common Elements of the Condominium Project if the amount of the claim is Ten Thousand (\$10,000.00) Dollars or less. At the exclusive option of a Co-owner, any claim which might be the subject of a civil action against the Developer which involves an amount less than Two Thousand Five Hundred (\$2,500.00) Dollars and arises out of or relates to a Co-owner's Unit or the Condominium Project, shall be settled by binding arbitration. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration.

Section 2. 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. Association Coverage. The Association shall carry all risk insurance covering all commonly insured occurrences against all risks of direct physical loss; and against all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements, including the roads and walks within the Condominium. Such insurance shall include, but not be limited to, fire and extended coverage, vandalism and malicious mischief, host liability, all inclusive liability insurance and worker's compensation insurance, where applicable and available.

(a) Basic Policy Provisions. Insurance policies carried by the Association shall, if available without extraordinary premium charges, provide that:

(i) Each Unit Owner is an insured person under the policy with respect to liability arising out of his interest in the Common Elements or membership in the Association.

(ii) The insurer waives its right to subrogation under the policy against any Co-owner or member of such Co-owner's household.

(iii) No act or omission by any Co-owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or be a condition for recovery under the policy.

(iv) If, at the time of a loss under the policy, there is other insurance in the name of a Co-owner covering the same risk covered by the policy, the Association's policy shall provide primary insurance.

(v) That insurance proceeds must be disbursed first for repairs or restoration of the damaged property, unless and subject to the following:

A. The Condominium is terminated;

B. Repair or replacement would be illegal under any state or local health or safety statute or ordinance; or

C. More than eighty (80%) percent of the Co-owners of all of the Units in the Condominium vote not to rebuild.

The cost of repair or replacement in excess of insurance proceeds and reserves is a common expense.

Insurance proceeds attributable to (1) Units and Limited Common Elements which are not rebuilt must be distributed to the Co-owners of those Units and the Co-owners of the Units to which those Limited Common Elements were assigned, or to lien holders, as their interests may appear; and (2) General Common Elements which are not rebuilt must be distributed to all of the Co-owners or lien holders, as their interests may appear, in proportion to the Common Element interest of all of the Units. If the Co-owners vote not to rebuild any Unit, that Unit's allocated interests are automatically reallocated as if the Unit had been condemned under Article V, Section 5 of these By-Laws, and the Association shall promptly prepare, execute, and record an amendment to the Master Deed reflecting the reallocations.

(b) Insurance Replacement Values for Common Elements. All Common Elements of the Condominium shall be insured against all risks, in an amount equal to the current insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association or by an insurance

agent retained by the Board of Directors at each anniversary renewal date of said insurance. The Board may engage professional appraisers for this purpose.

(c) Insurance for Standard Improvements Located Within Unit Interiors and Limited Common Elements. The standard interior improvements in all Units (including the Limited Common Elements appurtenant to a Unit) (the "Standard Improvements") shall be covered by all risk insurance procured and paid for by the Association as part of its policy of insuring the Common Elements in amounts equal to the insurable replacement value of all of the interior structural and attendant and related building materials required to establish a structure for the Unit at the points and surfaces where it begins, including, without limitation, the finished subfloors; basement floors; basement walls; drywall; cabinets, finished carpentry; electrical and plumbing conduits, supplies and fixtures; tile; lighting fixtures; doors; door jams; glass doorwalls; hardware and all other materials as may be defined as standard by the Board of Directors of the Association from time to time in a published set of specifications (the "Standard Specifications"). Should the Board fail to publish such specifications, the Standard Specifications to be used for repair and replacement shall be determined by reference to the original installations, given the passage of time, as a standard.

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

(e) Receipt and Distribution of 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, that whenever repair or reconstruction of damaged portions of the Condominium shall be required as provided in Article V of these By-Laws, the insurance proceeds received by the Association shall be first applied to such repair or reconstruction unless the other provisions of the Condominium Documents mandate otherwise.

Section 2. Authority of Association to Maintain Insurance and Settle Claims. Each Co-owner appoints the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance for all insurance for the Condominium Project, including the insurance to be carried by such Co-owner under this Article IV, Section 3 below, if the Co-owner fails to meet his responsibilities thereunder. 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 to limiting or defining provisions of the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of the Association and any of its Co-owner members as shall be necessary to accomplish the foregoing.

Section 3. Insurance Responsibilities of Co-Owners. Each Co-owner shall be obligated and responsible for:

(a) Obtaining all risk liability and property insurance (generally in the form of an HO(6) policy, or such other specifications as the Association may prescribe or as may be commonly extant from time to time, and herein sometimes referred to as "Co-owner's Insurance") with respect to the improvements, decorations and any other personal property in his Unit which have been added to the Standard Improvements defined (or to be defined) in Section 1(c) of this Article IV or any other property contained within his Unit which is not covered by the Association's policy. This provision shall not preclude the Association from acquiring a blanket policy which covers the contents within a Unit under terms and conditions acceptable to the Association and the insurance carrier.

(b) Providing insurance coverage for all risk liability for injury to property and persons occurring in the Unit to the limits prescribed from time to time by the Board of Directors of the Association, but in amounts not less than \$100,000.00 for damage to property and \$500,000.00 for injury to persons on a per event basis.

(c) Insuring his personal property located within his Unit or elsewhere on the Condominium project.

All Co-owner property insurance shall be carried in an amount equal to the maximum insurable replacement value of said improvements. A Co-owner's failure to fully insure his contents shall be a risk which he solely carries. Each Co-owner shall, on or before the annual anniversary dates of the issuance of his Co-owners' insurance, deliver certificates of such insurance to the Association. The Co-owner's policy of insurance shall also name the Association as an insured under his liability coverage. If a Co-owner fails to obtain such insurance (which may be assumed to be the case if the Co-owner fails to timely provide evidence thereof to the Association), the Association may obtain such insurance on behalf of such Co-owner and the premiums therefor (if not reimbursed by the Co-owner on demand) shall constitute a lien against the Co-owner's Unit which may be collected from the Co-owner in the same manner that Association assessments may be collected in accordance with Article II hereof. The Association shall under no circumstance have any obligation to obtain any of the insurance coverage described in this Section 3 or incur any liability to any person for failure to do so. The Association may, on its own or through its paid agents, maintain a roster of Co-owners' insurance setting forth such relevant data as it deems helpful and useful to monitor the implementation of this Section 3.

The Co-owner's policy hereunder shall contain a thirty (30) day non-cancelable clause with mandatory thirty (30) day notice of cancellation to be mailed to the Association.

Section 4. Waiver of Rights 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. Additional Insurance. The Association may, as an expense of administration, purchase an umbrella insurance policy which covers any risk required hereunder which was not covered due to lapse or failure to procure.

Section 6. Modifications to Insurance Requirements and Criteria. The Board of Directors of the Association may, with the consent of thirty-three and one-third (33-1/3%) percent of the Co-owners, revise the types, amounts, provisions, specifications and other provisions of this Article IV, except where prohibited by the Act.

ARTICLE V RECONSTRUCTION OR REPAIR

Section 1. Responsibility for Reconstruction or Repair. If any part of the Condominium Premises shall be damaged as a result of fire, vandalism, weather or other natural or person caused phenomenon or casualty, 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 by the Association, subject to insurance proceeds being disbursed therefor.

(b) Unit or Improvements Thereon. If the damaged property is a Unit or an improvement thereon or appurtenance thereto, the Association shall expeditiously rebuild and/or repair the damaged property to the specifications set forth in these By-Laws, subject to insurance proceeds being disbursed therefor. Pending rebuilding or repair, the Co-owner shall remove all debris and maintain the Unit and improvements thereon in a clean and sightly manner and in the best condition reasonable efforts can achieve. The Co-owner shall be responsible for the determination and coordination of the rebuilding of internal improvements beyond the Standard Specifications established pursuant to Article IV, Section 1(c) above if the Co-owner elects to exceed the Standard Specifications. The Association may reject any changes to the Standard Specifications which it deems not to be in the best interest of the Condominium Project. No change to the exterior appearance of any building shall be permitted. The Association and Co-owner shall cooperate in coordinating their respective responsibilities.

Section 2. Repair in Accordance with Master Deed. Reconstruction or repair shall be substantially in accordance with the Master Deed, the Condominium Subdivision Plan attached thereto as Exhibit B, and the original plans and specifications for the Condominium as updated by the published Standard Specifications.

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 and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated cost

of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessment shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation.

Section 4. Timely Reconstruction and Repair. If damage to the Common Elements adversely affects the appearance of the Condominium, 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 by eminent domain, the award for such taking shall be paid to the Co-owner of such Unit and the Mortgagors 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 Common Elements.** If there is any taking of any portion of the 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 VI of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the Percentages of Value of the remaining Units based upon the continuing value of the Condominium of 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 Mortgagee Interests. Nothing contained in the Condominium Documents shall be construed to give a Co-owner or any other party priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Co-owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

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

ARTICLE VI RESTRICTIONS

Section 1. Uses Permitted. No Unit shall be used for other than single-family residential purposes; provided, however, that from time to time a Unit may also be occupied by a reasonable number of guests (which may include all of the members of another family). In no event may any Unit be used as a residence for more than one family and no Unit shall be used to conduct any business, trade or profession; provided, however, that any Co-owner may maintain a professional library in a Unit, maintain personal records and conduct personal business within a Unit, and participate in business or professional telephone calls from within the Unit. In no event may any Unit be used for the operation of a family day care home or other day care facility, regardless of whether or not such home or other facility is operated as a business or trade.

Section 2. Architectural and Aesthetic Control; Rules and Regulations.

(a) Standards for Construction of Improvements. During the Development and Sales Period, any and all improvements constructed within the Condominium shall be constructed by Developer or with the prior written approval of Developer and any such approval shall require a detailed review of architectural plans submitted to the Developer in accordance with standards determined by the Developer. The approval of any improvement not constructed by Developer during the Development and Sales Period shall be within the sole and absolute discretion of the Developer for the purpose of

insuring that the Condominium is developed as an attractive residential development that is in harmony with its surroundings and provides a high quality living environment.

(b) Aesthetic and Architectural Control. The Board of Directors of the Association, on its own initiative, acting through a sub-committee of one or more persons appointed by the Board with the Board's approval, may issue and enforce reasonable rules and uniform rules which deal with one or more of the following:

- (i) Posting of "For Sale" signs;
- (ii) The exterior appearance of exterior and interior (which are visible from the exterior) window treatments;
- (iii) The display, maintenance or placement of any plants, furniture, decorations or any other item on porches, patios or decks;
- (iv) The establishment and publication of Standard Specifications consistent with the Condominium Documents for the rebuilding, repair or renovation of the exteriors and interiors of each Unit and the Common Elements;
- (v) Any other rules and regulations permitted by the Act and the Condominium Documents which are reasonable and promulgated for the common benefit of the Co-owners.

The Board of Directors may establish and publish other rules and regulations which deal with the implementation of the criteria it establishes for architectural and aesthetic controls which shall be uniformly, fairly and reasonably applied.

(c) General Rules and Regulations. Reasonable regulations consistent with all laws and the Condominium Documents concerning the use of the Common Elements, including any recreational facilities constructed within the Condominium, or the rights and responsibilities of the Co-owners and the Association with respect to the Condominium or the manner of operation of the Association and of the Condominium 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 or posted on a General Common Element. Any such regulation or amendment may be revoked at any time by the affirmative vote of a majority of the Co-owners.

Section 3. Proscribed Activities. No noxious or offensive activity shall be performed within any Unit or upon the Common Elements, nor shall anything be done thereon that tends to cause embarrassment, discomfort, annoyance or nuisance to the occupants or Co-owners of Units within the Condominium. No charcoal grills or grills using any other type of fuel, other than propane gas, shall be used anywhere within the Condominium, including, without limitation, on any deck, balcony, patio or porch. All windows must have white-backed draperies or white-

backed window treatments. There shall not be maintained any animal or device or thing of any sort whose normal activities or existence is in any way noxious, noisy, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the reasonable enjoyment of Units. The Board of Directors of the Association shall be the final arbiter of whether a particular animal, device or thing is in violation of the foregoing restrictions. No Co-owner shall do or permit anything to be done or keep or permit to be kept in the Co-owner's Unit or on the Common Elements anything that will increase the cost 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, which increased cost may be assessed to and collected from the Co-owner in the manner provided in Article II hereof.

Section 4. Animals or Pets. No animals or fowl (except animals normally kept as household pets and in no event more than two pets) shall be kept or maintained on any Unit at any time. The weight of any such pet shall not exceed 50 pounds, fully grown. Any pets kept in the Condominium shall have such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions. No savage or dangerous animal shall be kept. No animal may be permitted to run loose upon the Common Elements, and any animal shall at all times be attended by a responsible person while on the Common Elements. Each Co-owner shall be responsible for collection and disposition of all fecal matter deposited by any pet maintained by such Co-owner. No dog which barks and can be heard on a frequent or continuing basis shall be kept in any Unit or on the Common Elements. Any person who causes or permits an animal to be brought or kept on the Condominium shall indemnify the Association and hold it harmless for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the Condominium.

Section 5. Vehicles.

(a) No trailers, boats, aircraft, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobile trailers, jet skis, jet ski trailers or other recreational vehicles, or any other vehicles, other than passenger cars, passenger vans, pick-up trucks and sport utility vehicles, shall be parked or maintained within the Condominium unless in an attached garage included within a Unit.

(b) No vehicle that is used to promote a commercial enterprise, or used in connection with such an enterprise, shall be parked in the Condominium, or on any Unit, unless parked in a garage as provided above, except while making deliveries or pickups in the normal course of business. Parking on the roadways and streets within the Condominium or within any easement established for the benefit of the Condominium is expressly prohibited.

Section 6. Signs, Advertising. No commercial signs of any kind shall be placed or maintained within or upon any Unit except with the written permission of the Board of Directors or except as may be required by legal proceedings. If such permission is granted, the Board of Directors shall have the right to restrict the size, color and content of such signs.

Section 7. Co-owner Maintenance. Each Co-owner shall maintain his or her Unit and any Limited Common Elements appurtenant thereto for which the Co-owner has maintenance responsibility in a safe, clean and sanitary condition. All vacant Units must be kept free of debris, litter and trash and appropriate measures must be taken to protect such Units from winter weather-caused damage. 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 the Co-owner or the Co-owner's family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association in which case there shall be no such responsibility, unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount. Any costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

Section 8. Common Elements. The Common Elements shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and absolutely intended. No Co-owner may leave personal property of any description (including by way of example and not limitation: bicycles, vehicles, chairs and benches) unattended on or about the Common Elements. No Co-owner may decorate or modify the exterior of any building in the Condominium, except in accordance with rules adopted by the Association (this limitation includes the installation of lights and other decorations during holiday seasons). Use of all Common Elements may be limited to such times and in such manner as the Board of Directors shall determine by duly adopted regulations.

Section 9. Alterations and Modifications of the Common Elements. Except for the Developer or as provided in the Act, no Co-owner shall make changes in any of the Common Elements, Limited or General (including, without limitation, the addition or removal of any plants, trees, shrubs or flowers), or make any structural repair or modification of his Unit, without the express written approval of the Board of Directors (and the Developer during the Development and Sales Period). The Board of Directors may adopt reasonable rules permitting the addition and maintenance of plants and flowers to Limited Common Element deck and/or patio areas as may be situated within the Condominium. Except for the Developer, no Co-owner shall construct or maintain any improvement of any sort upon any General or Limited Common Elements.

Section 10. Weapons. No Co-owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his or her family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows, sling shots, or other similar weapons, projectiles or devices anywhere on or about the Condominium.

Section 11. Leasing and Rental. Developer may rent any number of Units at any time, without limitation as to the term of occupancy. Co-owners, excluding the Developer, may rent any number of Units at any time for any term of occupancy of not less than one (1) year and covering not less than the entire Unit, subject to the following:

(a) Disclosure of Lease Terms to Association. A Co-owner, including the Developer, desiring to rent or lease a Unit as permitted above, shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a potential lessee and, at the same time, shall supply the Association with a copy of the exact lease form for its review for compliance with the Condominium Documents.

(b) Compliance with Condominium Documents. 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.

(c) Procedures in the Event of Noncompliance with Condominium Documents. 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 actions:

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

(ii) The Co-owner shall have fifteen (15) days (or such additional time as may be granted by the Association if the Co-owner is diligently proceeding to cure) 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 an action for eviction against the tenant or non-owner occupant and, in the same action, sue the Co-owner and tenant or non-owner occupant for money damages for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages to the Common Elements caused by the Co-owner or tenant in connection with the Unit or Condominium. If the Association is under the control of the Developer, individual Co-owners may pursue the judicial relief provided in this subparagraph (c)(iii) derivatively on behalf of the Association.

(d) Notice to Co-owner's Tenant Permitted When Co-owner is in Arrears to the Association for Assessments. 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 the 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 further assessments as they fall due and pay them to the Association. The deductions shall not constitute a breach of the rental agreement or lease by the tenant. If a tenant, after being so notified by the Association, fails or refuses to remit rent otherwise due the Co-owner to the Association, then the Association may do the following:

(i) 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.

(ii) Initiate proceedings pursuant to subsection (c)(iii) above.

Section 12. Non-Disturbance of Natural Areas. No Co-owner shall cause or permit any disturbance to such landscaped buffer areas as may be installed within the Condominium nor shall any Co-owner cause or permit any activity that shall cause or contribute to the erosion or crumbling of the banks of such storm water detention or retention areas as may be located within the Condominium.

Section 13. Reserved Rights of Developer.

(a) **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 of the Developer with respect to unoccupied Units owned by the Developer, or of the Association in furtherance of its powers and purposes. Notwithstanding anything to the contrary elsewhere herein contained, until all Units in the entire Condominium are sold by Developer, Developer shall have the right to maintain a sales office, a business office, a construction office, model units, storage areas for supplies and construction materials and reasonable parking incident to the foregoing and such access to, from and over the Condominium as may be reasonable to enable development and sale of the entire Condominium by the Developer.

(b) **Enforcement of By-Laws.** The Condominium shall at all times be maintained in a manner consistent with the highest standards of a first class, beautiful, serene, private residential community for the benefit of the Co-owners and all persons having an interest in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace or landscape in a manner consistent with the maintenance of such high standards, then the Developer, or any entity to which it may assign this right, at its option, may elect to maintain, repair and/or replace any Common Elements and/or do any landscaping required by the By-Laws and charge the cost thereof to the Association as an expense of administration. The Developer shall have the right to enforce these By-Laws during 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 By-Laws.

(c) **Method of Evidencing Developer's Approval.** ANY APPROVAL, WAIVER, OR OTHER ACTION HEREUNDER BY DEVELOPER WILL NOT BE EFFECTIVE UNLESS THAT APPROVAL, WAIVER, OR OTHER ACTION IS IN WRITING AND IS SIGNED BY DEVELOPER. CO-OWNERS, THE ASSOCIATION (AND ANY OTHER PERSONS OR ENTITIES) MAY NOT RELY UPON ANY APPROVAL, WAIVER, OR OTHER ACTION HEREUNDER IF THAT APPROVAL, WAIVER, OR OTHER ACTION IS GRANTED OR TAKEN BY ANY PERSON (INCLUDING, WITHOUT LIMITATION, ANY EMPLOYEES OR REPRESENTATIVES OF DEVELOPER) OTHER THAN

DEVELOPER, AGENTS, EMPLOYEES, CONSULTANTS, ATTORNEYS AND OTHER REPRESENTATIVES AND ADVISORS OF DEVELOPER ARE NOT LIABLE WITH RESPECT TO ANY APPROVALS, WAIVERS OR OTHER ACTIONS UNDER THE CONDOMINIUM DOCUMENTS.

Section 14. Right of Access of Association. The Association or its duly authorized agent shall have access to each Unit and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements therein or accessible therefrom. The Association or its duly authorized agent shall also have access to each Unit and any Limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit or both. It shall be the responsibility of each Co-owner to provide the Association means of access to his Unit and the Limited Common Elements appurtenant thereto during all periods of absence, and in the event of the failure of such Co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any damage to his Unit or any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of any doors or windows damaged in gaining such access.

Section 15. Additional Restrictions. The Developer reserves the right to create additional restrictions and/or to revise or eliminate restrictions in connection with the development of the Project, as deemed necessary by the Developer, in the Developer's sole discretion, by amending this Article VI of the Condominium By-Laws and providing each Co-owner with a copy thereof.

ARTICLE VII MORTGAGES, MORTGAGE INSURERS AND MORTGAGE GUARANTORS

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 Condominium Project written notification of any default in the performance of the obligations of the Co-owner of such Unit that is not cured within sixty (60) days.

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

Section 3. Notification of Meetings. Upon request submitted to the Association, any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to

receive written notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

Section 4. Applicability to Mortgage Insurers and Guarantors. Any of the rights in the Condominium Documents which are granted to first Mortgagees shall also be extended to insurers and guarantors of such mortgages, provided that they have given the Association notice of their interests. However, when voting rights are attributed to a Mortgagee, only one vote may be cast per mortgage as to the mortgage in question regardless of the number of Mortgagees, assignees, insurers and guarantors interested in the mortgage.

Section 5. Notification of Amendments and Other Matters. All holders of first mortgages and insurers and guarantors thereof who have requested notice, are entitled to timely written notice of: (a) any amendment affecting a Unit in which they have an interest, (b) any amendment affecting a change in the General Common Elements, or Limited Common Element appurtenant to a Unit in which they have an interest, (c) a material change in the voting rights or use of a Unit in which they have an interest, (d) any proposed termination of the Condominium, (e) any condemnation or casualty loss which affects a material portion of the Condominium or a Unit in which they have an interest or (f) any lapse, cancellation or material modification of any insurance policy maintained by the Association.

ARTICLE VIII VOTING

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

Section 2. Eligibility to Vote. No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium Project to the Association. Except as provided in Article XI, Section 2 of these By-Laws, no Co-owner, other than the Developer, shall be entitled to vote prior to the date of the First Annual Meeting of members held in accordance with Section 2 of Article IX. The vote of each Co-owner may be cast only 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 the Co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

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

Section 6. 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 or the laws of the State of Michigan.

Section 2. First Annual Meeting. The First Annual Meeting of members of the Association may be convened only by the Developer and may be called at any time after more than fifty (50%) percent of the total number of Units that may be created in the Condominium have been sold and the purchasers thereof qualified as members of the Association. In no event, however, shall such meeting be called later than one hundred twenty (120) days after the conveyance of legal or equitable title to non-developer Co-owners of seventy five (75%) percent of the total number of Units that may be created in the Condominium, or fifty four (54) months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Condominium Project, whichever first occurs. Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting of members and no such meeting shall be construed as the First Annual Meeting of members. The date, time and

place of such meeting shall be set by the Board of Directors, and at least ten (10) days' written notice thereof shall be given to each Co-owner.

Section 3. Annual Meetings. Annual meetings of members of the Association shall be held on a date chosen by the Board of Directors of the Association in each succeeding year after the year in which the First Annual Meeting is held, at such time and place as shall be determined by the Board of Directors; provided, however, that the second annual meeting shall not be held sooner than eight (8) months after the date of the First Annual Meeting. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article XI of these By-Laws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

Section 4. Special Meetings. It shall be the duty of the President to call a special meeting of the Co-owners as directed by resolution of the Board of Directors or upon a petition signed by one third (1/3) of the Co-owners presented to the Secretary of the Association. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Co-owner of record, at least ten (10) days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Article VIII, Section 3 of these By-Laws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

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

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

Section 8. Action Without Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in

Section 5 for the giving of notice of meetings of members. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt, within the time period specified in the solicitation, of (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 to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be *prima facie* evidence that such notice was given.

ARTICLE X ADVISORY COMMITTEE

Within one year after conveyance of legal or equitable title to the first Unit in the Condominium to a purchaser or within one hundred twenty (120) days after conveyance to purchasers of one third (1/3) of the total number of Units which may be created in the Condominium, whichever first occurs, the Developer shall cause to be established an Advisory Committee consisting of at least three (3) non-developer Co-owners. The Committee shall be established and perpetuated in any manner the Developer deems advisable except that if more than fifty (50%) percent of the non-developer Co-owners petition the Board of Directors for an election to select the Advisory Committee, then an election for such purpose shall be held. The purpose of the Advisory Committee shall be to facilitate communications between the temporary Board of Directors and the other Co-owners and to aid in the transition of control of the Association from the Developer to purchaser Co-owners. The Advisory Committee shall cease to exist automatically when the non-developer Co-owners have the voting strength to elect a majority of the Board of Directors 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 shall be comprised of five (5) members, all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association, except for the first Board of Directors. Directors shall serve without compensation.

Section 2. Election of Directors.

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

(b) Appointment of Non Developer Co-owners to Board Prior to First Annual Meeting. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-owners of twenty five (25%) percent in number of the Units that may be created, one of the five (5) Directors shall be selected by non-Developer Co-owners. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-owners of fifty (50%) percent in number of the Units that may be created, two (2) of five (5) directors 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. Upon certification by the Co-owners to the Developer of the Director so elected, the Developer shall then immediately appoint such Director to the Board to serve until the First Annual Meeting of members unless he is removed pursuant to Section 7 of this Article or he resigns or becomes incapacitated.

(c) Election of Directors at and After First Annual Meeting.

(i) Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Co-owners of seventy five (75%) percent in number of the Units that may be created, the non-Developer Co-owners shall elect all Directors on the Board, except that the Developer shall have the right to designate at least one (1) Director as long the Developer owns and offers for sale at least ten percent (10%) of the Units in the Project or as long as ten percent (10%) of the Units remain that may be created. 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) Upon the expiration of fifty four (54) months after the first conveyance of legal or equitable title to a non-Developer Co-owner of a Unit in the Condominium Project, if title to less than seventy-five percent (75%) of the Units that may be created has been conveyed, the non-Developer Co-owners have the right to elect a number of

members of the Board of Directors equal to the percentage of Units they own, and the Developer has the right to elect a number of members of the Board of Directors equal to the percentage of Units which are owned by the Developer and for which 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 Subsection (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 one (1) Director as provided in subsection (i).

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

(d) Conveyance to a Residential Builder. For purposes of calculating the timing of events described in this Section 2, conveyance by the Developer to a residential builder, even though not an affiliate of the Developer, is not considered a sale to a non-Developer Co-owner until such time as the residential builder conveys that Unit with a completed residence on it or until it contains a completed residence which is occupied.

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

Section 4. Other Duties. In addition to the foregoing duties imposed by these By-Laws or any further duties which may be imposed by resolution of the members of the Association, the Board of Directors shall be responsible specifically for the following:

- (a) To manage and administer the affairs of and to maintain the Condominium Project and the 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, subject to all of the other applicable provisions of the Condominium Documents;
- (e) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium Project;
- (f) To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit in the Condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association;
- (g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of seventy five (75%) of all of the members of the Association in number and in value;
- (h) To make rules and regulations in accordance with Article VI, Section 2(b) of these By-Laws;
- (i) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committees any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board; and
- (j) To enforce the provisions of the Condominium Documents.

Section 5. Management Agent. The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto) at reasonable compensation established by the Board to perform such duties

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

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

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

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

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

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

Section 11. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any 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 twenty four (24) hours prior written notice delivered to all Directors not present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for purposes of determining a quorum.

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

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

ARTICLE 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 (1) 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 do so 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 FINANCES

Section 1. Records. The Association shall keep detailed books of account showing all expenditures and receipts affecting the Condominium Project and its administration, and which shall specify the operating expenses of the Condominium Project, including but not limited to the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records shall be open for inspection by the Co-owners and their Mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual audited financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration.

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

Section 3. Bank. Funds of the Association shall be initially deposited in such bank or savings association as may be designated by the Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time. The funds may be invested from time to time in accounts or deposit certificates of such bank or savings association as are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or their current statutory successors and may also be invested in interest bearing obligations of the United States Government.

ARTICLE XV INDEMNIFICATION OF OFFICERS AND DIRECTORS

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

ARTICLE XVI COMPLIANCE

The Association and all present or future Co-owners, tenants, future tenants, or any other persons acquiring an interest in or using the Condominium Project in any manner are subject to and shall comply with the Act, as amended, the Master Deed, these By-Laws and the rules and regulations of the Association, if any, and the mere acquisition, occupancy or rental of any Unit or an interest therein or the utilization of or entry upon the Condominium 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 XVII DEFINITIONS

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

ARTICLE XVIII 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 or the Co-owner, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (not limited to statutory fees) as may be determined by the court.

Section 3. Removal and Abatement. The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements or into any Unit, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.

Section 4. Assessment of Fines. The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, 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 XIX below.

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 Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

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

ARTICLE XIX 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.

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 these By-Laws.

(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 but in no event shall the Co-owner be required to appear less than ten (10) days from the date of the Notice.

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

(d) Hearing and Decision. Upon appearance by the Co-owner before the Board and presentation of evidence of defense, or, in the event of the Co-owner's default, the 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. A fine of Seventy-Five Dollars (\$75.00).

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

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

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

Section 4. Collection. 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 day of the next following month. Failure to pay the fine will subject the Co-owner to all liabilities set forth in the Condominium Documents including, without limitation, those described in Article II and this Article XIX of these By-Laws.

ARTICLE XX JUDICIAL ACTIONS AND CLAIMS

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

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

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

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

- (i) it is in the best interests of the Association to file a lawsuit;
- (ii) that at least one member of the Board of Directors has personally made a good faith effort to negotiate a settlement with the putative defendant(s) on behalf of the Association, without success;
- (iii) litigation is the only prudent, feasible and reasonable alternative; and
- (iv) the Board of Directors' proposed attorney for the civil action is of the written opinion that litigation is the Association's most reasonable and prudent alternative.

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

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

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

- (e) The Litigation Attorney's proposed written fee agreement.
- (f) The amount to be specially assessed against each Unit in the Condominium to fund the estimated cost of the civil action both in total and on a monthly per Unit basis, as required by Section 6 of this Article.

Section 3. Independent Expert Opinion. If the lawsuit relates to the condition of any of the Common Elements of the Condominium, the Board of Directors shall obtain a written independent expert opinion as to reasonable and practical alternative approaches to repairing the problems with the Common Elements, which shall set forth the estimated costs and expected viability of each alternative. In obtaining the independent expert opinion required by the

preceding sentence, the Board of Directors shall conduct its own investigation as to the qualifications of any expert and shall not retain any expert recommended by the Litigation Attorney or any other attorney with whom the Board of Directors consults. The purpose of the independent expert opinion is to avoid any potential confusion regarding the condition of the Common Elements that might be created by a report prepared as an instrument of advocacy for use in a civil action. The independent expert opinion will ensure that the Co-owners have a realistic appraisal of the condition of the Common Elements, the likely cost of repairs to or replacement of the same, and the reasonable and prudent repair and replacement alternatives. The independent expert opinion shall be sent to all Co-owners with the written notice of the litigation evaluation meeting.

Section 4. Fee Agreement with Litigation Attorney. The Association shall have a written fee agreement with the Litigation Attorney, and any other attorney retained to handle the proposed civil action. The Association shall not enter into any fee agreement that is a combination of the retained attorney's hourly rate and a contingent fee arrangement unless the existence of the agreement is disclosed to the Co-owners in the text of the Association's written notice to the Co-owners of the litigation evaluation meeting.

Section 5. Co-owner Vote Required. At the litigation evaluation meeting the Co-owners shall vote on whether to authorize the Board of Directors to proceed with the proposed civil action and whether the matter should be handled by the Litigation Attorney. The commencement of any civil action by the Association (other than a suit to enforce these By-Laws or collect delinquent assessments) shall require the approval of a majority in number and in value of the Co-owners. Any proxies to be voted at the litigation evaluation meeting must be signed at least seven (7) days prior to the litigation evaluation meeting. Notwithstanding any other provision of the Condominium Documents, no litigation shall be initiated by the Association against the Developer until such litigation has been approved by an affirmative vote of seventy-five (75%) percent of all members of the Association in number and value attained after a litigation evaluation meeting held specifically for the purpose of approving such action.

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

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

- (a) The attorney's fees, the fees of any experts retained by the attorney, and all other costs of the litigation during the thirty (30) day period immediately preceding the date of the Attorney's Written Report ("Reporting Period").
- (b) All actions taken in the civil action during the reporting period, together with copies of all pleadings, court papers and correspondence filed with the court or sent to opposing counsel during the reporting period.
- (c) A detailed description of all discussions with opposing counsel during the reporting period, written and oral, including, but not limited to, settlement discussions.
- (d) The costs incurred in the civil action through the date of the written report, as compared to the attorney's estimated total cost of the civil action.
- (e) Whether the originally estimated total cost of the civil action remains accurate.

Section 8. Monthly Board Meetings. The Board of Directors shall meet monthly during the course of any civil action to discuss and review:

- (a) the status of the litigation;
- (b) the status of settlement efforts, if any; and
- (c) the Attorney's Written Report.

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

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

ARTICLE 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 entities or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its acceptance of such powers and rights and such assignee or transferee shall thereupon have the same rights and powers as herein given and reserved to the Developer. Any rights and powers reserved or granted to the Developer or its successors shall terminate, if not sooner assigned to the Association, upon expiration of the Development and Sales Period. The immediately preceding sentence dealing with the termination of certain rights and powers granted or reserved to the Developer is intended to apply, 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 interests or easements created, excepted or 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, exception or reservation and not hereby).

ARTICLE XXII
SEVERABILITY

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

EXHIBIT B

CONDOMINIUM SUBDIVISION PLAN

3098182v10
07556/084474

WAYNE COUNTY CONDOMINIUM SUBDIVISION PLAN NO. L24402
 EXHIBIT "B" TO THE MASTER DEED OF
CHATTERTON VILLAGE CONDOMINIUM
 CANTON TOWNSHIP, WAYNE COUNTY, MICHIGAN

SURVEYOR: SHERRER, SEEST AND ASSOCIATES, INC.
 40358 GRAND RIVER AVE., STE. 110
 NOVI, MICHIGAN 48375-2123

DEVELOPER: SELECTIVE - DELAWARE, LLC
 2755 MUDUBLISH, SUITE 110
 FARMINGTON HILLS, MICHIGAN 48336

LEGAL DESCRIPTION

Part of the Northeast 1/4 of Section 32, Town 2 South, Range 8 East, Canton Township, Wayne County, Michigan, more particularly described as commencing at the Northeast corner of said Section 32; thence South 89°27'26" West, 1063.44 feet, along the North line of said Section 32 and the centerline of Geddes Road (33 ft. 1/2 right-of-way), to the POINT OF BEGINNING; thence South 00°00'00" West, 1134.48 feet; thence South 54°32'48" East, 85.46 feet; thence South 00°00'00" West, 137.36 feet; thence South 89°40.41 West, 281.46 feet; thence North 00°00'00" East, 138.80 feet; thence North 90°00'00" West, 108.50 feet; thence North 00°00'00" East, 64.01 feet; thence North 34°05'49" West, 71.19 feet; thence North 00°00'00" East, 682.51 feet; thence South 89°27'26" West, 10.15 feet; thence North 00°00'00" East, 67.89 feet; thence North 54°51'43" West, 63.75 feet; thence North 35°37'37" West, 24.01 feet; thence North 55°28'48" West, 51.89 feet; thence South 89°27'26" West, 157.37 feet; thence South 88°27'26" West, 63.00 feet; thence North 00°01'17" West, 218.01 feet, to the North line of said Section 32 and the centerline of Geddes Road (33 ft. 1/2 right-of-way); thence North 88°27'26" East, 734.07 feet, along the North line of said Section 32 and the centerline of said Geddes Road, to the Point of Beginning. All of the above containing 12.741 Acres.

ATTENTION COUNTY REGISTER OF DEEDS
 THE CONDOMINIUM SUBDIVISION PLAN NUMBER MUST BE
 ASSIGNED IN CONSECUTIVE SEQUENCE. WHEN A NUMBER
 HAS BEEN ASSIGNED TO THIS PROJECT, IT MUST BE
 PROPERLY SHOWN IN THE TITLE SHEET 1 AND THE
 SURVEYOR'S CERTIFICATE, SHEET 2.

INDEXES

1. TITLE PAGE, DESCRIPTIONS.
2. SURVEY PLAN.
3. SITE PLAN, UNITS 1 - 12.
4. SITE PLAN, UNITS 13 - 36.
5. SITE PLAN, UNITS 37 - 60.
6. SITE PLAN, UNITS 61 - 64.
7. UTILITY AND EASEMENT PLAN, UNITS 1 - 12.
8. UTILITY AND EASEMENT PLAN, UNITS 13 - 36.
9. PERIMETER PLAT UNIT TYPE "A", "B", AND "C".
10. FIRST FLOOR PLAT UNIT TYPE "A", "B", AND "C".
11. SECOND FLOOR PLAT UNIT TYPE "A", "B", AND "C".
12. OTHERS SECTIONAL UNIT TYPE "A", "B", AND "C".

PROPOSED DATED
 10-26-2001

CHATTERTON VILLAGE CONDOMINIUM	
TITLE PAGE	
<input checked="" type="checkbox"/> SOBER, NEAST & ASSOCIATES, INC.	Attn: Mr. [Signature]
<input type="checkbox"/> SURVEYOR: [Signature]	Attn: Mr. [Signature]
RECEIVED MICHIGAN REGISTER OF DEEDS DETROIT, MICHIGAN	
10-26-2001	
12	

EXISTING 33' R.O.W. LINE
GEDDES ROAD
(66 FT. WD.)
N89°27'26"E 734.07

P.O.B.

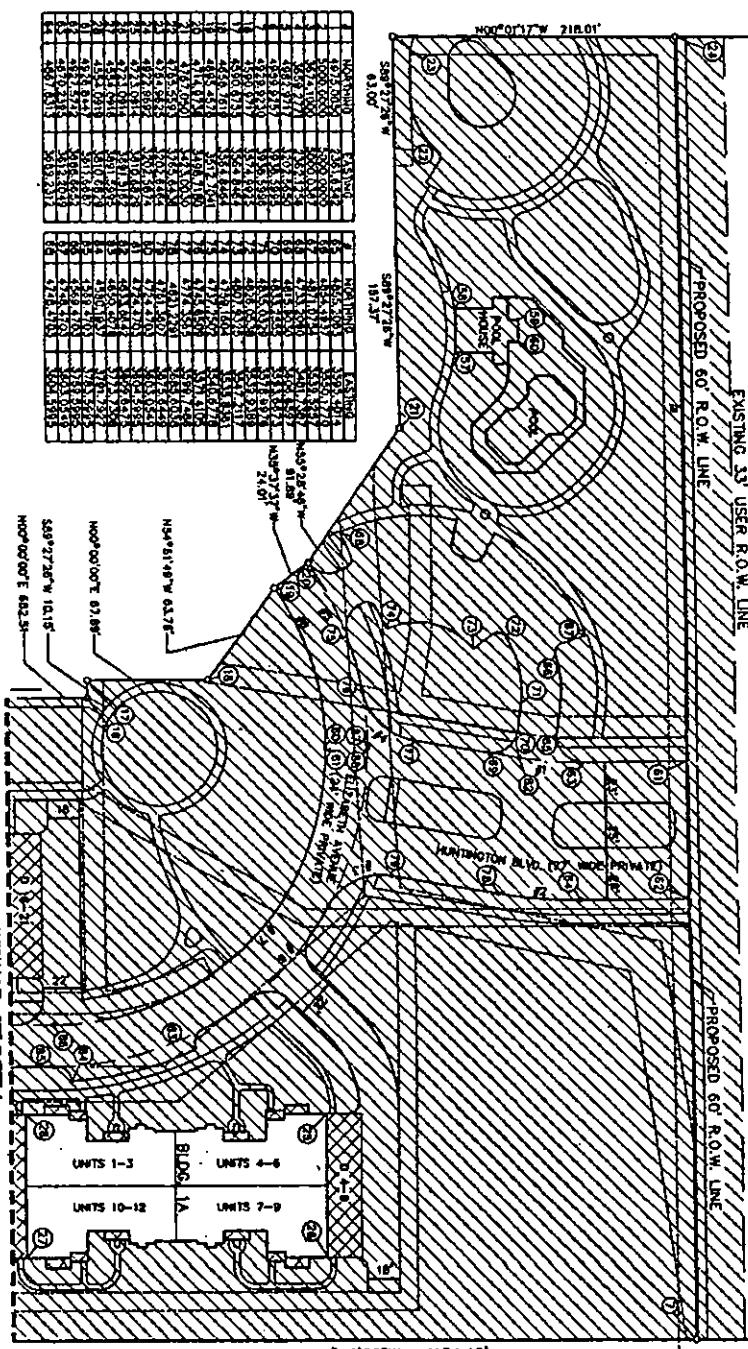
⑤

EXISTING 33' USER R.O.W. LINE
PROPOSED 60' R.O.W. LINE
PROPOSED 60' R.O.W. LINE

⑥

N89°27'26"E 632.59

⑦



NOTE:
UNITS 1-12 AND THE ROADS, DRIVES AND UTILITIES SHOWN
ON THIS PLAN WHICH ARE REQUIRED TO SERVE HOUSE AND
UNITS MUST BE BUILT; THE POOL, HOUSE, AND
THE ROADS, DRIVES AND UTILITIES SHOWN ON THIS PLAN
WHICH ARE REQUIRED TO SERVE THE POOL AND POOL
HOUSE MUST BE BUILT; ALL OTHER IMPROVEMENTS SHOWN
ON THIS PLAN NEED NOT BE BUILT.
COMMON ELEMENTS AND ALL UNITS ARE CONVERTIBLE AS
DESCRIBED IN ARTICLE IV OF THE MASTER DEED.

THE POOL, HOUSE, POOL AND RELATED PLANNING AREAS
ARE SUBJECT TO THE REQUIREMENTS OF THE CONDOMINIUM
LOCATED TO THE WEST OF THE CONDOMINIUM AS
DESCRIBED IN ARTICLE IV OF THE MASTER DEED.

BASIS OF COORDINATES:
NORTHWEST CORNER
NORTH = 5000.0000
EAST = 5000.0000

PROPOSED DATE
10-26-2001

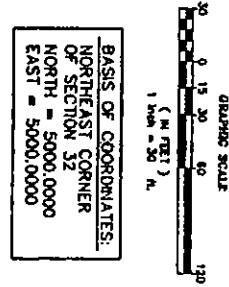
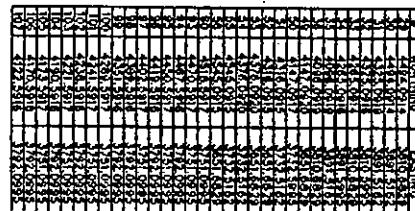
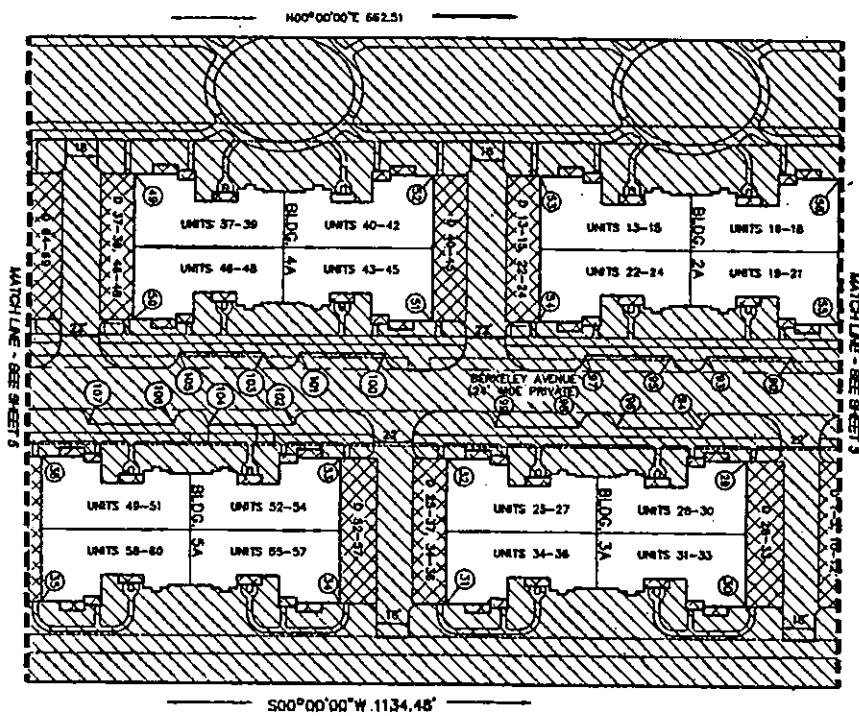
RECEIVED AND
NOTIFIED
PARKER
HARDY
FIRE
DEPARTMENT
10/26/01

CHATTERTON VILLAGE CONDOMINIUM
SITE PLAN, UNITS 1 - 12

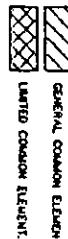
SERIES, REAGAN &
ASSOCIATES, INC.

Architects and
Engineers, Inc.

3
12



<i>Printed & Drawn</i>	
SOMER, REAST & ASSOCIATES, INC.	
Site Plan, Units 13 - 60	
CHATTERTON VILLAGE CONDOMINIUM	
PROPOSED DATE 10-26-2001	
	
SOMER, REAST & ASSOCIATES, INC.	Architects and Planners, Inc.
1000 University Street, Suite 1000 Seattle, Washington 98101-3143	
(206) 467-1222	
FAX: (206) 467-1223	



- ① INDICATES COORDINATE POINT NUMBER.
• INDICATES POINT OF CURVATURE.
GENERAL COMMON ELEMENT.

NOTE:
UNITS 1-12 AND THE ROADS, DRIVES AND
UTILITIES SHOWN ON THIS PLAN WHICH
ARE REQUIRED TO SERVE THOSE UNITS
HAVE BEEN LOCATED AS CLOSE TO THE POOL
HOUSE AND THE POOL AREA AS POSSIBLE.
UTILITIES SHOWN ON THIS PLAN WHICH
ARE RELATED TO SERVE THE POOL AND
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IMPROVEMENTS SHOWN ON THIS PLAN
NEED NOT BE BUILT.

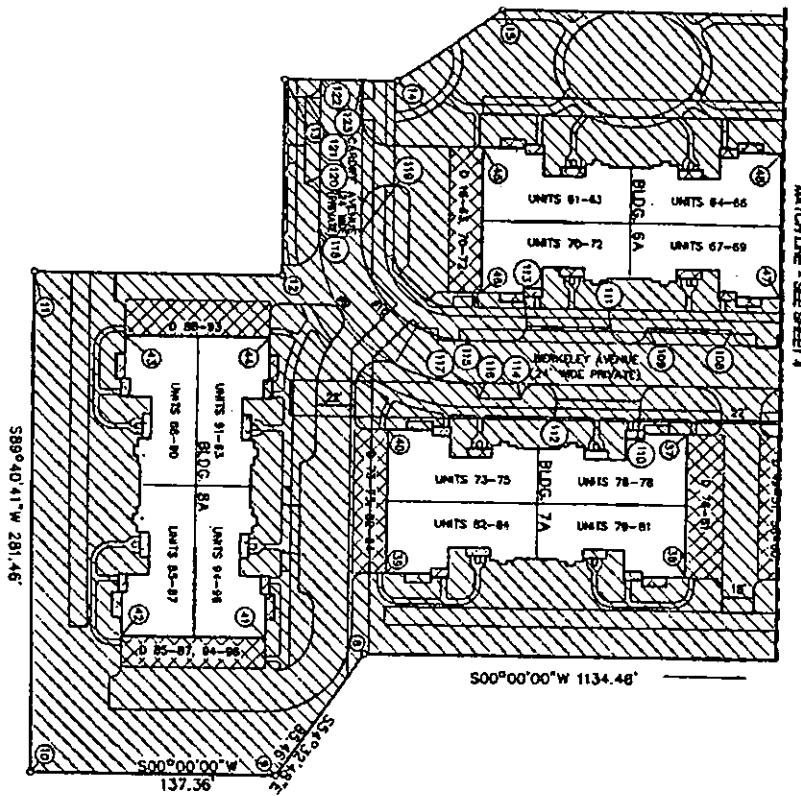
COMMON ELEMENTS AND ALL UNITS ARE
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XII OF THE WAIVER DEED.

THE POOL, HOUSE, POOL AND RELATED
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THE WEST OF THE CONDOMINIUM AS
DESCRIBED IN ARTICLE XI OF THE
WAIVER DEED.

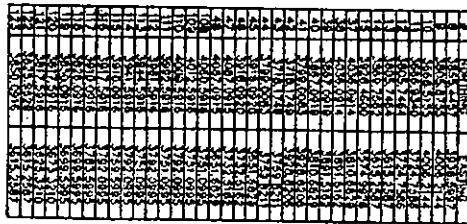
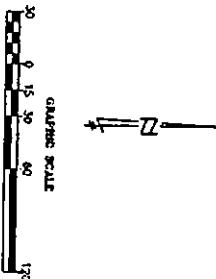
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MONUMENT TO BE SET (CONSISTING OF A
1/2" DIAMETER STEELrod Encased w/
1/2" DIAMETER CONCRETE CEMENT, 3'
LONG).

O INDICATES DRIVEWAY AREA.

LIMITED COMMON ELEMENT.



BASIS OF COORDINATES:
NORTH EAST CORNER
OF SECTION 32
NORTH = 5000,0000
EAST = 5000,0000



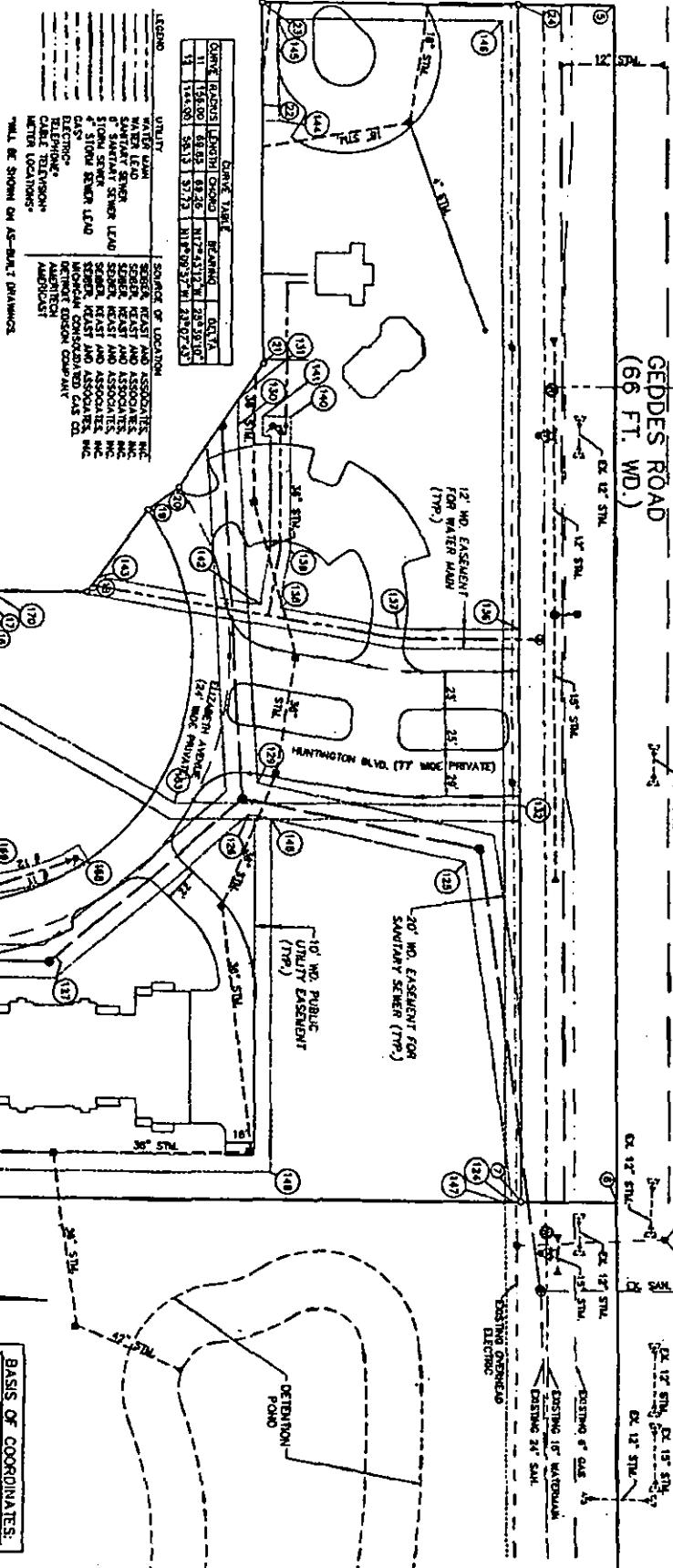
Revised A-6-1

Chatterton Village Condominium

Proposed Date	10-26-2001
Site Plan Units	61 - 96
Architect	SAPER, REAST & ASSOCIATES, INC.
Surveyor	WILLIAM H. SAPER, L.S.P.
Scale	1" = 30'-0"
Sheet No.	5
Page No.	12

CURE RADIUS (FEET)	DRIVE CLEARANCE (FEET)	RADIAL DISTANCE	
		12'	24'
10	10.6	8.5	18.6
12	12.6	10.5	20.6
14	14.6	12.5	22.6
16	16.6	14.5	24.6

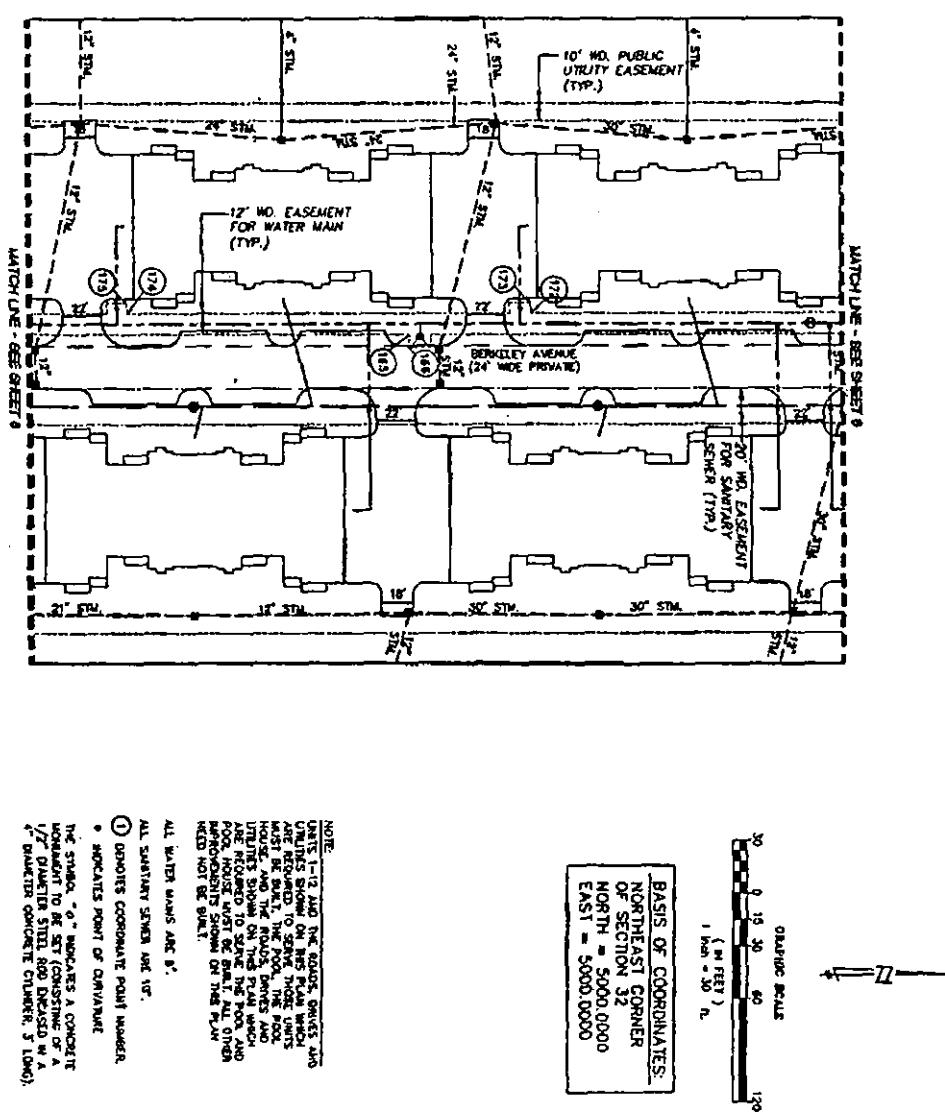
CURE RADIUS (FEET)	DRIVE CLEARANCE (FEET)	RADIAL DISTANCE	
		12'	24'
10	10.6	8.5	18.6
12	12.6	10.5	20.6
14	14.6	12.5	22.6
16	16.6	14.5	24.6

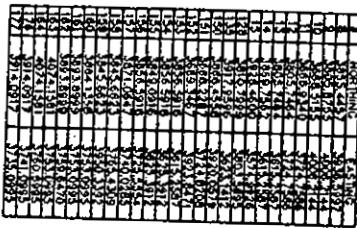


UNIT NO.	TYPE	SIZE (sq ft)
111	COND.	1,036
112	COND.	1,036
113	COND.	1,036
114	COND.	1,036
115	COND.	1,036
116	COND.	1,036
117	COND.	1,036
118	COND.	1,036
119	COND.	1,036
120	COND.	1,036
121	COND.	1,036
122	COND.	1,036

LEGEND	UTILITY	SOURCE OF LOCATION
- - - - -	WATER MAIN	SUBER, REAST AND ASSOCIATES INC.
- - - - -	SANITARY SEWER	SUBER, REAST AND ASSOCIATES INC.
- - - - -	SEWER, REAST AND ASSOCIATES INC.	SUBER, REAST AND ASSOCIATES INC.
- - - - -	SEWER, REAST AND ASSOCIATES INC.	SUBER, REAST AND ASSOCIATES INC.
- - - - -	SEWER, REAST AND ASSOCIATES INC.	SUBER, REAST AND ASSOCIATES INC.
- - - - -	SEWER, REAST AND ASSOCIATES INC.	SUBER, REAST AND ASSOCIATES INC.
- - - - -	CABLE TELEVISION	MICHIGAN CONSOLIDATED GAS CO.
- - - - -	TELEPHONE	DOWNTOWN EDISON COMPANY
- - - - -	ELECTRIC	AUSTIN
- - - - -	METRA LOCATIONS	AMERICAN AEROSPACE

WILL BE SHOWN ON AS-BUILT DRAWINGS.





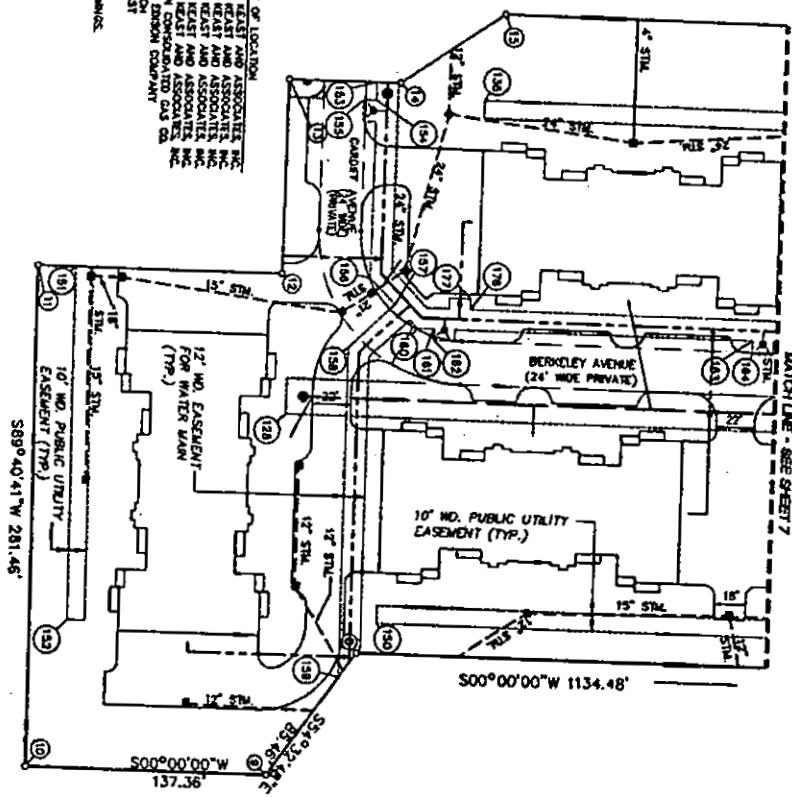
LEGEND

Source of Location

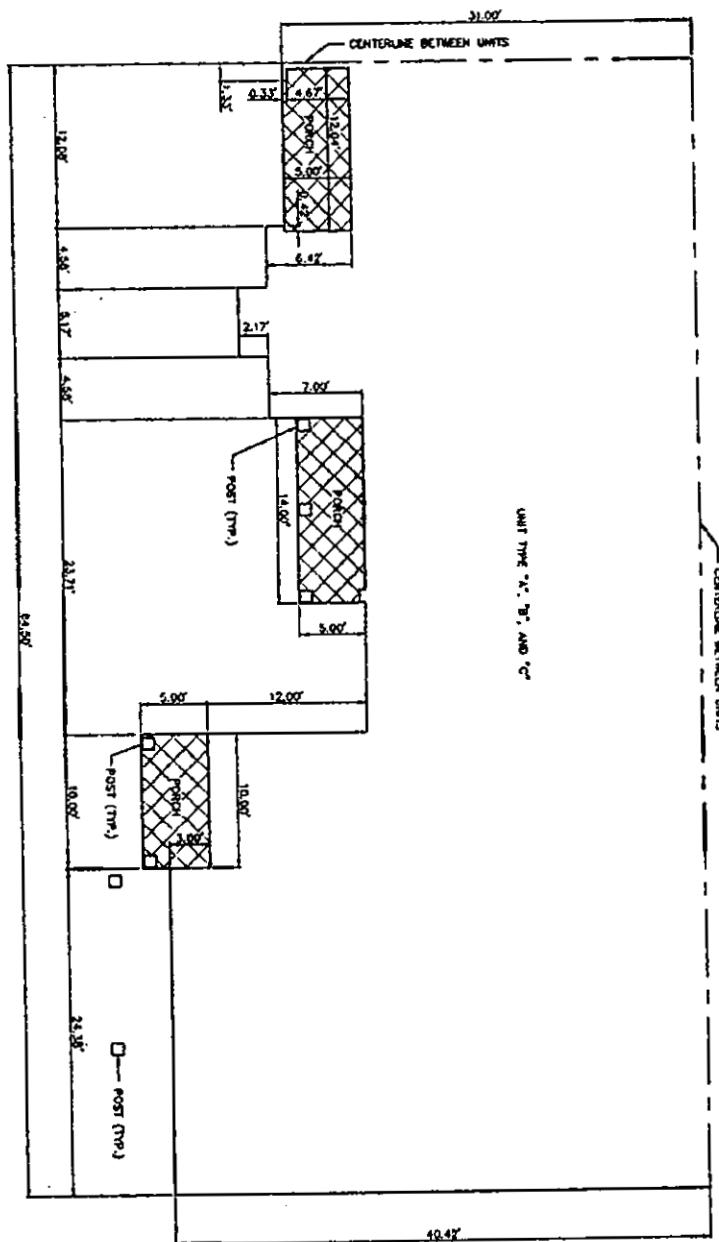
UTILITY

- WATER MAIN
- SEWER, HEAT AND ASSOCIATES, INC.
- WATER LEAD
- SEWER, HEAT AND ASSOCIATES, INC.
- SANITARY SEWER LEAD
- SEWER, HEAT AND ASSOCIATES, INC.
- STORM SEWER
- SEWER, HEAT AND ASSOCIATES, INC.
- CABLE TELEVISION
- ELECTRIC
- TELEPHONE
- MICHIGAN CONSOLIDATED GAS CO.
- DETROIT EDISON COMPANY
- AEROCAST
- METER LOCATIONS

WILL BE SHOWN ON AS-BUILT DRAWINGS.

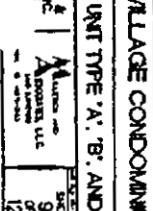
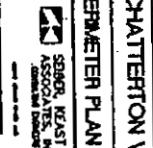


Printed at best	
Hannan & Associates, Inc. Architects Engineers Planners Surveyors	
CHATTERTON VILLAGE CONDOMINIUM	
UTILITY AND EASEMENT PLAN UNITS 61 - 96	
 HANNAN & ASSOCIATES, INC. Architects • Engineers • Planners • Surveyors	PROPOSED DATE 10-26-2001
SOWER, HEAT & ASSOCIATES, INC. Architects • Engineers	APPROVED DATE 8/12/01 12



PERIMETER PLAN UNIT TYPE "A", "B", AND "C"

GRAPHIC SCALE
1/8 (IN FEET)
1/8 INCH = 10 FT.

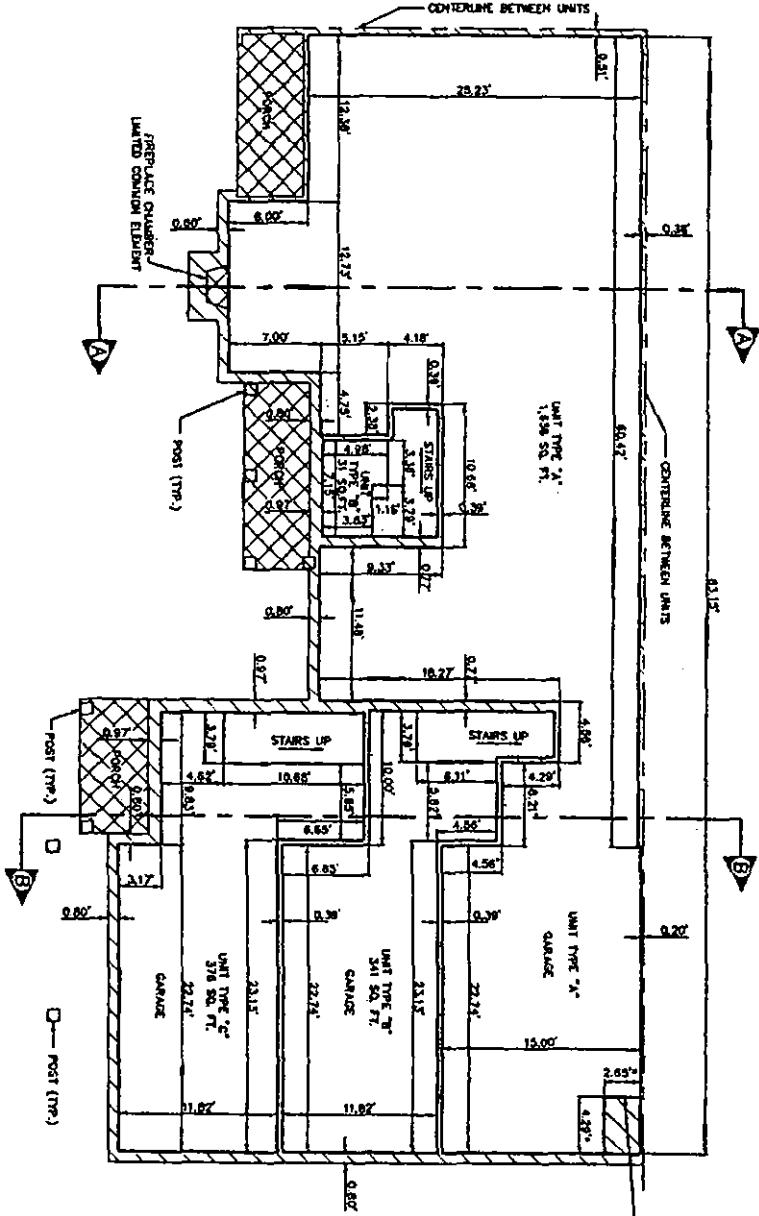


PROPOSED DATE
10-26-2001

CHATTEERTON VILLAGE CONDOMINIUM

PERIMETER PLAN UNIT TYPE "A", "B", AND "C"

ASSOC. MEMBER



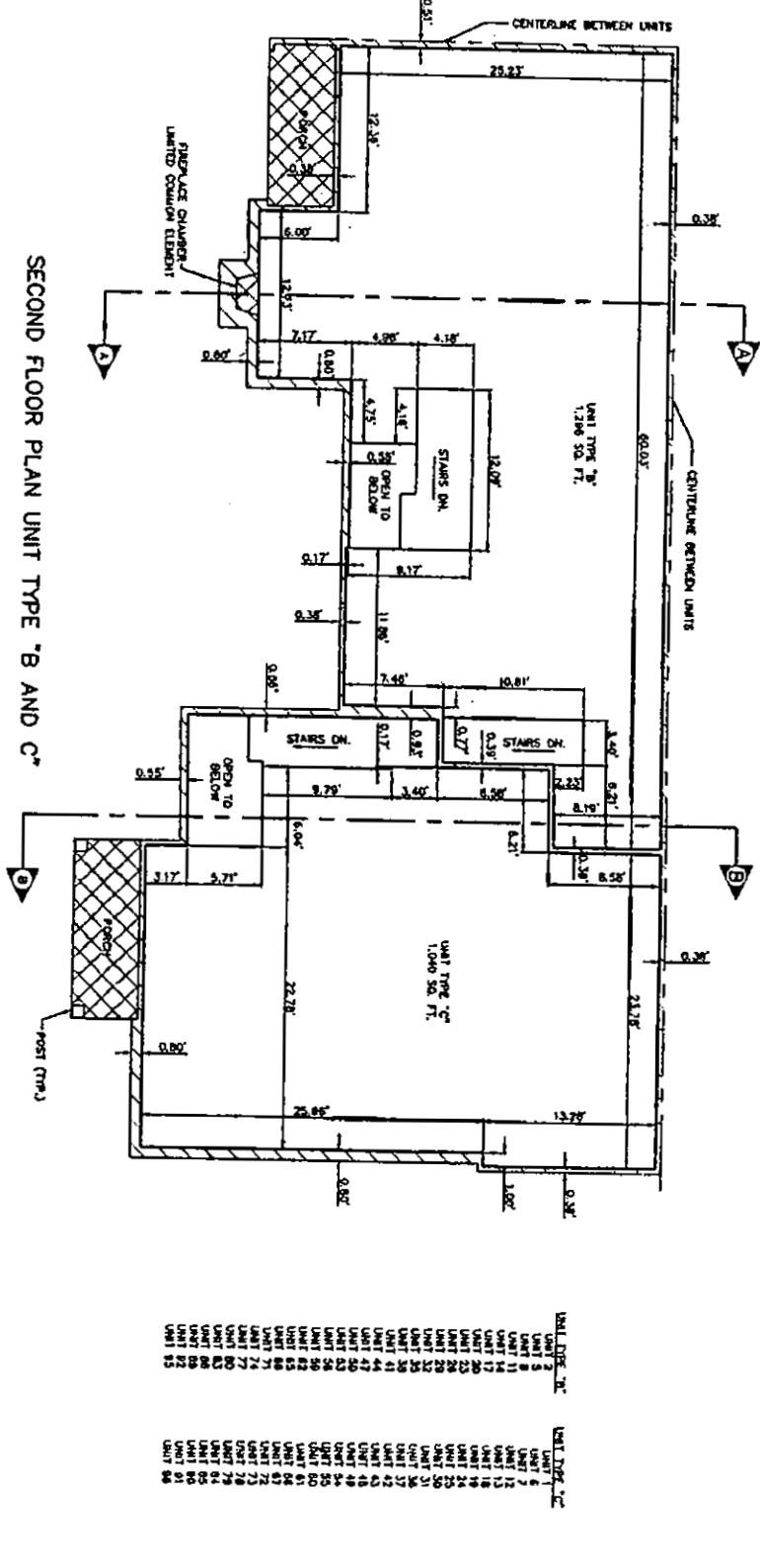
FIRST FLOOR PLAN UNIT TYPE "A", "B", AND "C"

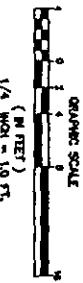
UNITS OF OWNERSHIP

	COMMON ELEMENT
	LIMITED COMMON ELEMENT

ALL OWNERSHIP LINES ARE 80" TO EACH OTHER.
ALL WALLS ARE 80" THICK UNLESS OTHERWISE NOTED.
ALL WALLS ARE GENERAL COMMON ELEMENT.

<i>Frank Adcock</i>	
CHATTERTON VILLAGE CONDOMINIUM GENERAL CONTRACTOR	
FIRST FLOOR PLAN UNIT TYPE "A", "B", AND "C"	
SCHIRMER, REAST & ASSOCIATES, INC.	A Associates and Associates, Inc.
PROPOSED DATED 10-28-2001	
12	





UNITS OF OWNERSHIP

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

ALL OWNERSHIP LINES ARE "TOP TO EACH OTHER."

ALL WALLS ARE OWNED UNLESS OTHERWISE NOTED.

ALL WALLS ARE GENERAL COMMON ELEMENT.

PROPOSED DATED
10-26-2011

CHATTERTON VILLAGE CONDOMINIUM

CROSS SECTIONS UNIT TYPE 'B' AND 'C'

SIEBEL, REIST & ASSOCIATES INC.

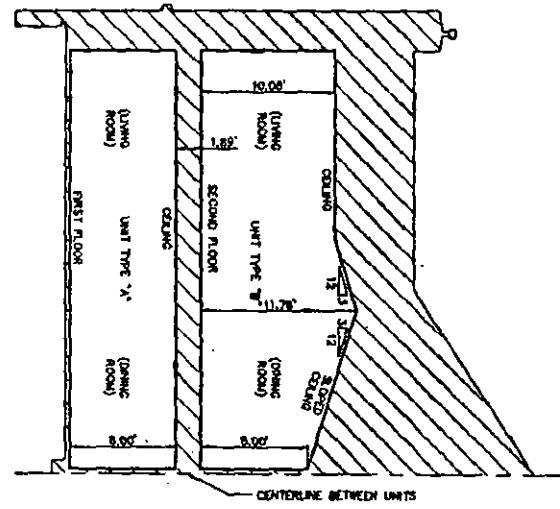
AIA REGISTERED

ASCE 31

12

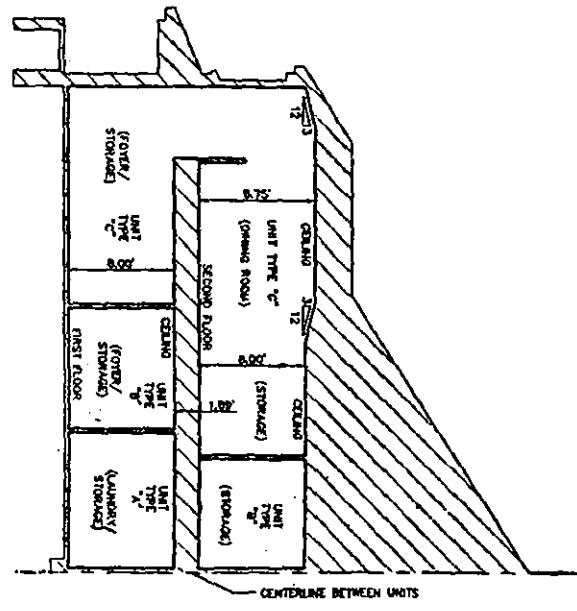
12

CROSS SECTION A-A UNIT TYPE "A" AND "B"



UNIT TYPE "A"	UNIT TYPE "B"	UNIT TYPE "C"
UNIT 1	UNIT 2	UNIT 3
UNIT 4	UNIT 5	UNIT 6
UNIT 7	UNIT 8	UNIT 9
UNIT 10	UNIT 11	UNIT 12
UNIT 13	UNIT 14	UNIT 15
UNIT 16	UNIT 17	UNIT 18
UNIT 19	UNIT 20	UNIT 21
UNIT 22	UNIT 23	UNIT 24
UNIT 25	UNIT 26	UNIT 27
UNIT 28	UNIT 29	UNIT 28
UNIT 30	UNIT 31	UNIT 32
UNIT 33	UNIT 34	UNIT 35
UNIT 36	UNIT 37	UNIT 38
UNIT 39	UNIT 40	UNIT 41
UNIT 42	UNIT 43	UNIT 42
UNIT 44	UNIT 45	UNIT 44
UNIT 46	UNIT 47	UNIT 46
UNIT 48	UNIT 49	UNIT 48
UNIT 50	UNIT 51	UNIT 52
UNIT 52	UNIT 53	UNIT 52
UNIT 54	UNIT 55	UNIT 54
UNIT 56	UNIT 57	UNIT 56
UNIT 58	UNIT 59	UNIT 58
UNIT 60	UNIT 61	UNIT 60
UNIT 62	UNIT 63	UNIT 62
UNIT 64	UNIT 65	UNIT 64
UNIT 66	UNIT 67	UNIT 66
UNIT 68	UNIT 69	UNIT 68
UNIT 70	UNIT 71	UNIT 70
UNIT 72	UNIT 73	UNIT 72
UNIT 74	UNIT 75	UNIT 74
UNIT 76	UNIT 77	UNIT 76
UNIT 78	UNIT 79	UNIT 78
UNIT 80	UNIT 81	UNIT 80
UNIT 82	UNIT 83	UNIT 82
UNIT 84	UNIT 85	UNIT 84
UNIT 86	UNIT 87	UNIT 86
UNIT 88	UNIT 89	UNIT 88
UNIT 90	UNIT 91	UNIT 90
UNIT 92	UNIT 93	UNIT 92
UNIT 94	UNIT 95	UNIT 94
UNIT 96	UNIT 97	UNIT 96
UNIT 98	UNIT 99	UNIT 98
UNIT 99	UNIT 100	UNIT 99

CROSS SECTION B-B UNIT TYPE "A", "B", AND "C"



02 FEB 13 P 3:50

**AMENDED AND RESTATED DECLARATION OF COVENANTS,
CONDITIONS, EASEMENTS AND RESTRICTIONS
FOR COMMON RECREATIONAL FACILITIES**

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR COMMON RECREATIONAL FACILITIES (this "Declaration") is made this 7th day of February, 2002, by and among SELECTIVE-DELAWARE, L.L.C., a Delaware limited liability company ("Selective"), the address of which is 27655 Middlebelt Road, Suite 130, Farmington Hills, Michigan 48334, GEDDES/BECK LAND CO., L.L.C., a Michigan limited liability company ("GBLC"), the address of which is 6024 W. Maple Road, Suite 106, West Bloomfield, Michigan 48322, the CHATTERTON VILLAGE CONDOMINIUM ASSOCIATION, a Michigan non-profit corporation, the address of which is 27655 Middlebelt Road, Suite 130, Farmington Hills, Michigan 48334, and the CHATTERTON SQUARE CONDOMINIUM ASSOCIATION, a Michigan non-profit corporation, the address of which is 27655 Middlebelt Road, Suite 130, Farmington Hills, Michigan 48334.

WITNESSETH:

WHEREAS, Selective is the fee simple owner of two parcels of real property located in the Township of Canton, Wayne County, Michigan, which parcels are more particularly described in Exhibit A attached hereto and made a part hereof (collectively, "Phase I"); and

WHEREAS, Selective intends to develop (a) that portion of Phase I identified on Exhibit A as Parcel 1 as a condominium project to be known as Chatterton Village Condominium (such condominium project, including the portion of Phase I contained therein and all buildings and structures now or hereafter located thereon, is referred to herein as the "Attached Condominium"), and (b) that portion of Phase I identified on Exhibit A as Parcel 2 as a condominium project to be known as Chatterton Square Condominium (such condominium project, including the portion of Phase I contained therein and all buildings and improvements now or hereafter located thereon, is referred to herein as the "Detached Condominium"); and

WHEREAS, the Chatterton Village Condominium Association (referred to herein as the "Attached Condominium Association") was established to administer the common affairs of the owners of condominium units in the Attached Condominium and Chatterton Square Condominium Association (referred to herein as the "Detached Condominium Association") was

established to administer the common affairs of the owners of condominium units in the Detached Condominium; and

WHEREAS, GBLC is the fee simple owner of (a) a parcel of real property contiguous to and located between the Attached Condominium and the Detached Condominium which parcel is more particularly described in **Exhibit B** attached hereto and made a part hereof (the "Attached Condominium Future Expansion Area") and (b) a parcel of real property located immediately west of and contiguous to the Detached Condominium which parcel is more particularly described in **Exhibit C** attached hereto and made a part hereof (the "Detached Condominium Future Expansion Area") (Phase I, the Attached Condominium Future Expansion Area and the Detached Condominium Future Expansion Area are collectively referred to herein as the "Land"; Parcel 1, Parcel 2, the Attached Condominium Future Expansion Area, and the Detached Condominium Future Expansion Area are referred to herein individually as a "Parcel" and collectively as the "Parcels"); and

WHEREAS, the Master Deed to be recorded with respect to the Attached Condominium will reserve to Selective the right to expand the Attached Condominium to include the Attached Condominium Future Expansion Area and the Master Deed to be recorded with respect to the Detached Condominium will reserve to Selective the right to expand the Detached Condominium to include the Detached Condominium Future Expansion Area; and

WHEREAS, Selective intends to construct a pool and pool house within the Attached Condominium and related parking facilities within the Attached Condominium and Detached Condominium.

WHEREAS, the parties hereto previously executed and recorded with the Wayne County Register of Deeds a Declaration of Covenants, Conditions, Easements and Restrictions for Common Recreational Facilities dated October 15, 2001 which allows the owners of portions of the Attached Condominium Future Expansion Area, Detached Condominium and Detached Condominium Future Expansion Area, as well as owners of condominium units in the Attached Condominium, to use such recreational facilities and related parking facilities located within the Attached Condominium and provides for the continuing maintenance and operation of such facilities and the sharing of costs related thereto (the "Original Declaration"); and

WHEREAS, the parties hereto desire to amend and restate the Original Declaration for the purpose of allowing owners of portions of the Attached Condominium, Attached Condominium Future Expansion Area and Detached Condominium Future Expansion Area to use related parking facilities located within the Detached Condominium and to provide for the continuing maintenance and operation of such parking facilities and the sharing of costs related thereto.

NOW, THEREFORE, based on the above and in consideration of the mutual covenants, undertakings and understandings set forth herein, the parties hereby amend and restate the Original Declaration as follows:

ARTICLE I
DEFINITIONS

The following terms shall have the meanings ascribed to them below:

Section 1. "Benefited Parcel" means the Attached Condominium Future Expansion Area, the Detached Condominium, or the Detached Condominium Future Expansion Area. The Attached Condominium Future Expansion Area and the Detached Future Expansion Area comprise Benefited Parcels even if they are developed separately from the Attached Condominium and the Detached Condominium.

Section 2. "Completed Unit" means (a) a Unit for which a certificate of occupancy or the equivalent thereof has been issued by the Township of Canton, or (b) if a certificate of occupancy is not issued with respect to individual Units located within a building, a Unit located within a building for which building a certificate of occupancy or the equivalent thereof has been issued by the Township of Canton.

Section 3. "Facilities" means the Parking Area and Recreational Facility (as each is defined below).

Section 4. "Owner" means the record owner, whether one or more persons, of fee simple title to a Unit (as defined below); provided, however, that if a Unit is subject to a land contract with a vendor other than a Developer (as defined in the Michigan Condominium Act), the vendee under such land contract, and not the vendor under such land contract, shall be deemed to be the Owner of such Unit for purposes of this Declaration.

Section 5. "Parking Area" means the two portions of the Attached Condominium and Detached Condominium identified as the Recreational Parking Area on **Exhibit D** attached hereto and all improvements now or hereafter located thereon, including but not limited to parking spaces, medians, curbing, aisle ways and landscaping. The easterly most Parking Area as shown on attached **Exhibit D** is referred to herein as the "East Parking Area" and the westerly most Parking Area as shown on attached **Exhibit D** is referred to herein as the "West Parking Area".

Section 6. "Person" means an individual or any partnership, corporation, limited liability company, association or other entity.

Section 7. "Recreational Facility" means those portions of the Attached Condominium and Detached Condominium, other than the Parking Area, located within the area designated by heavy black outline on attached **Exhibit D** and all improvements now or hereafter located thereon, including but not limited to a pool, pool house, sidewalks and landscaping, together with all pool, exercise and other recreational equipment and personal property (such as lounge chairs, tables and umbrellas) owned by the Attached Condominium Association and hereafter located thereon.

Section 8. "Responsible Person" means the condominium or homeowner's association created to administer the common affairs of a Parcel, or if no such association exists with respect to a Parcel, the Owners of such Parcel.

Section 9. "Unit" means a condominium unit, rental unit or other dwelling hereafter located within a Benefited Parcel or within the Attached Condominium.

ARTICLE II EASEMENTS

Section 1. Selective grants to each Owner of a Completed Unit located within a Benefited Parcel, for the benefit of each Owner, tenant and occupant of a Unit located within such Benefited Parcel and their respective guests, perpetual non-exclusive easements for (a) vehicular ingress and egress over and across all roads now or hereafter located within the Attached Condominium for the purpose of vehicular access to the East Parking Area, the scope of which easement is limited to the roads installed between Geddes Road and the entrance to the East Parking Area, and (b) pedestrian ingress and egress over and across all sidewalks and walkways now or hereafter located within the Attached Condominium for the purpose of pedestrian access to the Recreational Facility. Selective grants to each Owner of a Completed Unit located within the Attached Condominium, Attached Condominium Future Expansion Area or Detached Condominium Future Expansion Area, for the benefit of each Owner, tenant and occupant of a Unit located within such Parcel and their respective guests, perpetual non-exclusive easements for (c) vehicular ingress and egress over and across all roads now or hereafter located within the Detached Condominium for the purpose of vehicular access to the West Parking Area, the scope of which easement is limited to the roads installed between Geddes Road and the entrance to the West Parking Area, and (d) pedestrian ingress and egress over and across all sidewalks and walkways now or hereafter located within the Detached Condominium for the purpose of pedestrian access to the Recreational Facility.

Section 2. Selective hereby grants to (a) each Owner of a Completed Unit located within a Benefited Parcel, for the benefit of each Owner, tenant and occupant of a Unit located within such Benefited Parcel and their respective guests, a perpetual non-exclusive easement for the parking of automobiles and pick-up trucks in the parking spaces located within that portion of the Parking Area located within the Attached Condominium solely in connection with the use of the Recreational Facility and (b) each Owner of a Completed Unit located within the Attached Condominium, Attached Condominium Future Expansion Area or Detached Condominium Future Expansion Area, for the benefit of each Owner, tenant and occupant of a Unit located within such Parcel and their respective guests, a perpetual non-exclusive easement for the parking of automobiles and pick-up trucks in the parking spaces located within that portion of the Parking Area located with the Detached Condominium solely in connection with the use of the Recreational Facility.

Section 3. Selective hereby grants to each Owner of a Completed Unit located within a Benefited Parcel, for the benefit of each Owner, tenant and occupant of a Unit located within

such Benefited Parcel and their respective guests, a perpetual, non-exclusive easement to use the Recreational Facility for its intended recreational purposes. The Recreational Facility shall be used solely as a recreational facility, subject to such limitations, rules and regulations as may be imposed in accordance with this Declaration. Neither Selective nor any successor or assign of Selective, including the Attached Condominium Association or any Owner, shall grant easements or take any other action to permit the use of the Facilities by persons other than the Owners, tenants and occupants of Units and their respective guests.

ARTICLE III ENCUMBRANCES

The easements herein granted are made subject to all covenants, conditions, restrictions, encumbrances and easements of record as of the date hereof. Selective may grant other easements and encumbrances over and across the areas encumbered by the easements granted so long as such other easements and encumbrances do not materially interfere with the use and enjoyment of the easements granted herein by the beneficiaries of said easements.

ARTICLE IV OPERATION, MAINTENANCE, REPAIR AND REPLACEMENT OF FACILITIES

Section 1. The Attached Condominium Association shall be responsible for operating, maintaining, repairing and replacing the Facilities and shall keep the same clean and in good condition and repair; provided, however, that Selective shall be responsible for initially constructing the Facilities. Selective hereby grants to the Attached Condominium a perpetual non-exclusive easement for entry from time to time upon the Detached Condominium by the Attached Condominium Association and its contractors and agents to the extent reasonably necessary for the performance of the maintenance, repair and replacement obligations imposed upon the Attached Condominium Association pursuant to the immediately preceding sentence. The Attached Condominium Association shall maintain a separate account of the costs of maintaining, repairing, replacing and operating the Facilities and a separate account of any funds received in from the operation and maintenance of the Facilities, including funds received as a result of any and all insurance claims. After the initial construction of the Facilities (which will be funded by Selective), the net cost of maintaining, repairing, replacing and operating the Facilities shall be shared by the Responsible Persons as provided below.

Section 2. Oversight of the operation and management of the Facilities shall be performed by a seven-member advisory committee (the Advisory Committee). No later than thirty (30) days prior to completion of the initial construction of the Facilities, the Attached Condominium Association shall appoint four (4) members to the Advisory Committee and the Detached Condominium Association shall appoint the remaining three (3) members to the Advisory Committee; provided that the number of members appointed to the Advisory Committee shall be adjusted as set forth below in the event that the either or both of the Attached Condominium Future Expansion Area or the Detached Condominium Future Expansion Area are

developed separately from the Attached Condominium and the Detached Condominium. Vacancies on the Advisory Committee shall be filled by the Association that appointed the vacating member. The Advisory Committee shall adopt operating bylaws governing the operation of the Advisory Committee. The Advisory Committee shall have the authority and the responsibility for promulgating rules and regulations governing the use of the Facilities, including rules governing the time of day during which the Facilities may be used. The Advisory Committee shall also be responsible for establishing an annual budget for the operation and maintenance of the Facilities which shall be used initially as the basis for the assessments imposed on the Responsible Persons for Benefited Parcels pursuant to Section 3 below. An adequate reserve fund for repair and replacement of the Facilities in an amount not less than ten percent (10%) of the annual budget on a non-cumulative basis shall be included in the annual budget.

If the Attached Condominium Future Expansion Area is developed separately from the Attached Condominium, the Attached Condominium Association shall appoint two (2) of the members of the Advisory Committee and the Responsible Person for the Attached Future Expansion Area shall appoint the remaining two (2) members of the Advisory Committee that would otherwise be appointed by the Attached Condominium Association. If the Detached Condominium Future Expansion Area is developed separately from the Detached Condominium, the Detached Condominium Association and the Responsible Person for the Detached Condominium Future Expansion Area shall each appoint one (1) member to the Advisory Committee and a third member of the Advisory Committee shall be appointed on a rotating basis for a term of not more than one-year by first the Detached Condominium Association and then the Responsible Person for the Detached Condominium Future Expansion Area. The term of this third member of the Advisory Committee shall end on December 31 of each year or such other date as may be mutually agreed upon by the Detached Condominium Association and the Responsible Person for the Detached Condominium Future Expansion Area.

Section 3. Each Responsible Person for a Benefited Parcel shall pay to the Attached Condominium Association such Responsible Person's Proportionate Share (as defined below) of the Facilities Expenses (as defined below). The balance of the Facilities Expenses shall be borne by the Attached Condominium Association. "Facilities Expenses" shall mean all costs incurred by the Attached Condominium Association in maintaining, repairing, replacing or operating the Facilities, including but not limited to all personal property taxes and assessments, the portion of all insurance premiums reasonably allocable to the Facilities, all utility costs of the Facilities, all costs of maintaining, repairing, replacing or operating equipment used in connection with the operation of the Facilities, including pool heating equipment, the portion of all management fees and expenses and employee expenses (including taxes, health insurance costs, costs of retirement and similar employee benefit plans, vacation and similar costs) reasonably allocable to the Facilities, and all capital repair and replacement costs in connection therewith, including a reasonable reserve for replacements and major repairs. In the event any of the Facilities Expenses is also incurred with respect to other property managed or operated by the Attached Condominium Association, the Attached Condominium Association shall make a reasonable, good-faith allocation thereof. A Responsible Person's Proportionate Share of Facilities Expenses shall be determined at any point in time by dividing the total number of

Completed Units (as defined in Article I above) located within the Parcel for which such Responsible Person is the Responsible Person as of such point in time by the total number of Completed Units located within the Land as of such point in time.

Based on the annual budget adopted by the Advisory Committee, the Attached Condominium Association shall fix the annual assessment for the Proportionate Share of Facilities Expenses of each Responsible Person for a Benefited Parcel for a calendar year. The Attached Condominium Association shall have the authority to, from time to time, increase the annual assessment and to levy such special assessment or assessments on each Responsible Person for a Benefited Parcel as it shall reasonably deem necessary to make up for each Responsible Person's Proportionate Share of any deficit arising or reasonably anticipated to arise from the Facilities Expenses incurred or to be incurred by the Attached Condominium Association. Written notice of any annual assessment or special assessment shall be sent to each Responsible Person for a Benefited Parcel promptly after the adoption of such assessment by the Attached Condominium Association. Annual assessments shall be due and payable by each Responsible Person for a Benefited Parcel in equal monthly installments on the first day of each month; provided, however, that the Attached Condominium Association may elect, by written notice given to each Responsible Person for a Benefited Parcel, to require annual assessments to be paid on a less frequent, periodic basis. Special assessments shall be due and payable by each Responsible Person for a Benefited Parcel within 20 days after written notice of such special assessment is given to such Responsible Person by the Attached Condominium Association. Within 120 days after the end of each calendar year, the Attached Condominium Association shall furnish to each Responsible Person for a Benefited Parcel a statement of the Facilities Expenses actually incurred during the immediately preceding calendar year.

Section 4. Any non-special assessment levied hereunder against a Responsible Person for a Benefited Parcel which is not paid within twenty (20) days after its due date and any special assessment levied hereunder which is not paid within twenty (20) days after written notice of such special assessment is given to a Responsible Person for a Benefited Parcel by the Attached Condominium Association (together with expenses of collection as set forth below) shall bear interest from the due date of such assessment at the lesser of seven percent (7%) per annum or the highest rate permitted by applicable law. The Attached Condominium Association may suspend the right of Owners, tenants and occupants of any portion of a Parcel and their respective guests to use the Facilities during such periods of time that the Responsible Person for such Parcel is in default of any of its payment obligations under this Declaration. Any such suspended rights will automatically be reinstated upon payment of all delinquent amounts including, without limitation, all interest thereon and costs of collection.

The Attached Condominium Association may bring an action against a Responsible Person to recover any unpaid sums owed by such Responsible Person pursuant to this Declaration. The expenses incurred in collecting any such delinquent sums, including interest, costs and reasonable attorneys' fees, shall be chargeable to such Responsible Person. Any sums which are due and payable by a Responsible Person to the Attached Condominium Association shall be a lien upon the Parcel for which such Responsible Person is the

Responsible Person. Any such lien shall be a continuing lien and shall not be affected by a sale or transfer of any portion of the Parcel subject to such lien. The Attached Condominium Association shall have the right to foreclose any such lien in the same manner as a mortgage lien may be foreclosed under Michigan law. Further, the Responsible Person for a Parcel, each Owner of a Unit located within such Parcel, and every other person or entity which from time to time has any interest in such Parcel shall be deemed to have authorized and empowered the Attached Condominium Association to sell such Parcel at public sale in accordance with the statutes governing foreclosure by advertisement. A Responsible Person may not waive or otherwise escape liability for the assessments provided for in this Section 3 by non-use of the Facilities by any or all of the beneficiaries of the easements described above. The foregoing remedies shall not be exclusive and shall be in addition to all remedies at law or in equity which might otherwise be available to the Attached Condominium Association.

ARTICLE V INSURANCE

The Attached Condominium Association shall carry casualty insurance against damage and destruction of the Facilities in amounts equal to the replacement cost of the Facilities, as determined from time to time by the Advisory Committee.

ARTICLE VI GENERAL

Section 1. For a violation or breach of any covenants, conditions or restrictions contained herein, Selective, any Owner or Responsible Person, individually or severally, shall have the right to proceed at law and/or in equity to compel compliance with the terms hereof or to enjoin or obtain damages for the violation or breach of any provision hereof. The failure of Selective, any Owner or Responsible Person to enforce or the failure to enforce promptly any of the covenants, conditions or restrictions herein contained shall not bar other or subsequent enforcement.

Section 2. If any provision of this Declaration, or the application thereof to any party or circumstance, shall, for any reason and to any extent, be invalid or unenforceable, such provision shall to that extent be omitted, and the remainder of this Declaration and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the maximum extent permitted by law.

Section 3.

(a) Funds collected by the Attached Condominium Association pursuant to this Declaration shall be deposited in a bank or savings association and shall not be commingled with any other funds of the Attached Condominium Association. 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 and may also be invested in interest-bearing obligations of the United States Government.

(b) The Attached Condominium Association shall keep detailed books of account showing all expenditures incurred and sums received pursuant to this Declaration. Such accounts shall be open for inspection at the Attached Condominium Association's office by Responsible Persons, Owners and their mortgagees during reasonable working hours.

Section 4. Nothing contained in this Declaration shall be deemed to be a gift or a dedication of any property to the general public or for any public use or purpose whatsoever.

Section 5.

(a) This Declaration shall be effective as of the date the Declaration is recorded with the Wayne County Register of Deeds and shall continue and remain in full force and effect in perpetuity unless sooner terminated by subsequent written agreement of all of the Owners and holders of first mortgages on Units. No termination shall be effective until a proper instrument in writing has been executed by all Owners and holders of first mortgages on Units, acknowledged and recorded with the Wayne County Register of Deeds.

(b) This Declaration, including but not limited to this Section 5(b), may not be amended except with the written consent of (i) at least 80% of all Owners in each Condominium and (ii) each Developer (as defined in the Michigan Condominium Act) of a condominium project located within a Parcel to the extent that such Developer owns a Unit therein, except that Selective may, as long as it owns any Unit, amend this Declaration without the prior approval of any person other than GBLC (whose consent shall not be unreasonably withheld or delayed) for the purposes of correcting errors herein, or making such other amendments as shall not materially increase or decrease the benefits or obligations, or otherwise materially affect the rights, of any person having an interest in any Parcel or any portion thereof, whether as Owner, mortgagee or otherwise. Without intending to limit the generality of the foregoing, Selective shall be entitled to amend this Declaration without the prior approval of any person or entity for the purpose of facilitating mortgage loan financing for existing or prospective Owners and to enable the purchase of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association or any other institutional participant in the secondary mortgage market. No amendment of this Declaration shall be effective until a proper instrument in writing has been executed and recorded with the Wayne County Register of Deeds.

Section 6. In the event that a dispute arises between parties affected by this Declaration, with regard to the maintenance, use or operation of the Facilities, such dispute, upon the consent of the parties to the dispute, shall be submitted to arbitration. The award rendered by the arbitrator or arbitrators shall be final and binding, and judgment may be entered upon the award in any court having jurisdiction thereof.

Section 7. Notices permitted or required hereunder shall be in writing and shall be delivered or sent by certified mail to the addresses first provided above, provided that any party may change such address by written notice to the other party.

Section 8. If any term, provision or condition contained in this Declaration shall, to any extent, be invalid or unenforceable, the remainder of this Declaration (or the application of such term, provision or condition to persons or circumstances, other than those with respect to which it is invalid or unenforceable) shall not be affected thereby, and each term, provision or condition of this Declaration shall be valid and enforceable to the fullest extent permitted by law..

Section 9. The terms, conditions and easements contained in this Declaration shall constitute covenants running with the land, shall burden and benefit each Parcel, and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, including all successors in title to all or any portion of the Land and all Responsible Persons.

Section 10. This Declaration may be executed in one or more counterparts, each of which shall be deemed an original. Said counterparts shall constitute but one and the same instrument and shall be binding upon each of the parties hereto as fully and completely as if all had signed but one instrument.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the parties have caused this Declaration to be executed by their authorized representatives as of the date and year first above written.

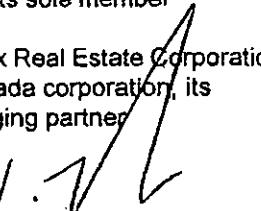
IN THE PRESENCE OF:

SELECTIVE:

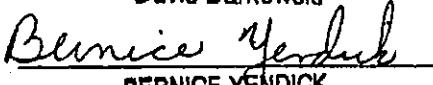
SELECTIVE-DELAWARE, L.L.C., a Delaware limited liability company

By: Centex Homes, a Nevada general partnership, its sole member

By: Centex Real Estate Corporation, a Nevada corporation, its managing partner

By: 
William T. Stapleton
Its: Division President


David Darkowski


BERNICE YENDICK

GBLC:

GEDDES/BECK LAND CO., L.L.C., a Michigan limited liability company

By: F & H Holdings, Inc., a Michigan corporation, Manager

By: 
Michael P. Horowitz
Its: Vice President

IN WITNESS WHEREOF the parties have caused this Declaration to be executed by their authorized representatives as of the date and year first above written.

IN THE PRESENCE OF:

SELECTIVE:

SELECTIVE-DELAWARE, L.L.C., a Delaware limited liability company

By: Centex Homes, a Nevada general partnership, its sole member

By: Centex Real Estate Corporation, a Nevada corporation, its managing partner

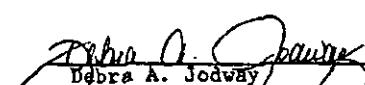
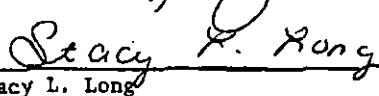
By: _____
William T. Stapleton
Its: Division President

GBLC:

GEDDES/BECK LAND CO., L.L.C., a Michigan limited liability company

By: F & H Holdings, Inc., a Michigan corporation, Manager

By: _____
Michael P. Horowitz
Its: Vice President


Debra A. Jodway

Stacy L. Long

ATTACHED CONDOMINIUM ASSOCIATION:

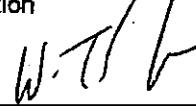
CHATTERTON VILLAGE CONDOMINIUM
ASSOCIATION, a Michigan non-profit
corporation


By: 
William T. Stapleton
Its: President

David Darkowski
Bernice Yendick
BERNICE YENDICK

DETACHED CONDOMINIUM ASSOCIATION:

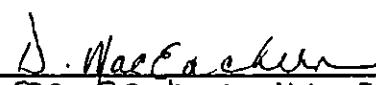
CHATTERTON SQUARE CONDOMINIUM
ASSOCIATION, a Michigan non-profit
corporation


By: 
William T. Stapleton
Its: President

David Darkowski
Bernice Yendick
BERNICE YENDICK

STATE OF MICHIGAN)
)SS.
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me this 31st day of January, 2002,
by William T. Stapleton, Division President of Centex Real Estate Corporation, a Nevada
corporation, the Managing Partner of Centex Homes, a Nevada general partnership, the sole
member of SELECTIVE - DELAWARE, L.L.C., a Delaware limited liability company, on behalf of
the company.


D. MacEachern, Notary Public
Oakland County, Michigan
My Commission Expires: 11-22-2005

STATE OF MICHIGAN)
)SS.
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me this 1st day of January, 2002 by
Michael P. Horowitz, Vice President of F & H Holdings, Inc., a Michigan corporation, the
Manager of GEDDES/BECK LAND CO., L.L.C., a Michigan limited liability company, on behalf
of the company.

Debra A. Jodway
Notary Public
Oakland County, Michigan
My Commission Expires: 1/5/2005

STATE OF MICHIGAN)
)SS.
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me this ____ day of January, 2002,
by William T. Stapleton, the President of CHATTERTON VILLAGE CONDOMINIUM
ASSOCIATION, a Michigan non-profit corporation, on behalf of the corporation.

_____, Notary Public
County, Michigan
My Commission Expires: _____

STATE OF MICHIGAN)
)SS.
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me this ____ day of January, 2002,
by William T. Stapleton, the President of CHATTERTON SQUARE CONDOMINIUM
ASSOCIATION, a Michigan non-profit corporation, on behalf of the corporation.

_____, Notary Public
County, Michigan
My Commission Expires: _____

STATE OF MICHIGAN)
)SS.
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me this ____ day of January, 2002 by
Michael P. Horowitz, Vice President of F & H Holdings, Inc., a Michigan corporation, the
Manager of GEDDES/BECK LAND CO., L.L.C., a Michigan limited liability company, on behalf
of the company.

_____, Notary Public
County, Michigan
My Commission Expires: _____

STATE OF MICHIGAN)
)SS.
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me this 31st day of January, 2002,
by William T. Stapleton, the President of CHATTERTON VILLAGE CONDOMINIUM
ASSOCIATION, a Michigan non-profit corporation, on behalf of the corporation.

D. MacEachern
D. MacEachern, Notary Public
Oakland County, Michigan
My Commission Expires: 11-22-2005

STATE OF MICHIGAN)
)SS.
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me this 31st day of January, 2002,
by William T. Stapleton, the President of CHATTERTON SQUARE CONDOMINIUM
ASSOCIATION, a Michigan non-profit corporation, on behalf of the corporation.

D. MacEachern
D. MacEachern, Notary Public
Oakland County, Michigan
My Commission Expires: 11-22-05

Drafted by, and when recorded, return to:

Timothy M. Koltun, Esq.
Clark Hill PLC
500 Woodward Ave., Ste. 3500
Detroit, Michigan 48226-3435

EXHIBIT A

Parcel 1

Land located in the Charter Township of Canton, Wayne County, Michigan and described as:

Part of the Northeast 1/4 of Section 32, Town 2 South, Range 8 East, Canton Township, Wayne County, Michigan, more particularly described as commencing at the Northeast Corner of said Section 32; thence South 89°27'26" West, 1063.44 feet, along the North line of said Section 32 and the centerline of Geddes Road (33 ft. 1/2 right-of-way), to the POINT OF BEGINNING; thence South 00°00'00" West, 1134.48 feet; thence South 54°32'48" East, 85.46 feet; thence South 00°00'00" West, 137.36 feet; thence South 89°40'41" West, 281.46 feet; thence North 00°00'00" East, 138.80 feet; thence North 90°00'00" West, 109.50 feet; thence North 00°00'00" East, 64.01 feet; thence North 34°26'49" West, 71.19 feet; thence North 00°00'00" East, 662.51 feet; thence South 89°27'26" West, 10.15 feet; thence North 00°00'00" East, 67.89 feet; thence North 54°51'49" West, 63.76 feet; thence North 35°37'37" West, 24.01 feet; thence North 55°28'48" West, 91.89 feet; thence South 89°27'26" West, 157.37 feet; thence South 89°27'26" West, 63.00 feet; thence North 00°01'17" West, 218.01 feet, to the North line of said Section 32 and the centerline of Geddes Road (33 ft. 1/2 right-of-way); thence North 89°27'26" East, 734.07 feet, along the North line of said Section 32 and the centerline of said Geddes Road, to the Point of Beginning. All of the above containing 12.741 Acres. All of the above being subject to the rights of the public in Geddes Road. All of the above being subject to easements, restrictions, and right-of-ways of record.

Parcel 2.

Land located in the Charter Township of Canton, Wayne County, Michigan and described as:

Part of the Northeast 1/4 of Section 32, Town 2 South, Range 8 East, Canton Township, Wayne County, Michigan, more particularly described as commencing at the Northeast Corner of said Section 32; thence South 89°27'26" West, 1797.51 feet, along the North line of said Section 32 and the centerline of Geddes Road (33 ft. 1/2 right-of-way), to the POINT OF BEGINNING; thence South 00°01'17" East, 218.01 feet; thence North 89°27'26" East, 63.00 feet; thence South 00°01'17" East, 902.79 feet; thence South 10°19'57" West, 201.89 feet; thence South 89°40'41" West, 410.39 feet; thence North 00°19'19" West, 126.01 feet; thence North 22°00'03" West, 22.66 feet; thence North 53°54'17" West, 20.65 feet; thence North 00°01'17" West, 381.28 feet; thence North 45°00'00" West, 100.08 feet; thence North 00°01'17" West, 47.17 feet; thence North 45°00'00" East, 100.00 feet; thence North 00°01'17" West, 290.33 feet; thence North 89°58'21" West, 65.00 feet; thence North 00°01'17" West, 106.67 feet; thence North 54°41'07" West, 38.91 feet; thence North 00°32'34" West, 107.69 feet; thence South 89°27'26" West, 333.72 feet, to the North and South 1/4 line of said Section 32; thence North 00°01'17" West, 60.00 feet; along the North and South 1/4 line of said Section 32, to the North 1/4 Corner of said Section 32 and the centerline of Geddes Road (33 ft. 1/2 right-of-way); thence North 89°27'26" East, 840.97 feet, along the North line of said Section 32 and the centerline of said Geddes Road, to the Point of Beginning. All of the above containing 15.043 Acres. All of the above being subject to the rights of the public in Geddes Road. All of the above being subject to easements, restrictions, and right-of-ways of record.

EXHIBIT B

Attached Condominium Future Expansion Area

Land located in the Charter Township of Canton, Wayne County, Michigan and described as:

Part of the Northeast 1/4 of Section 32, Town 2 South, Range 8 East, Canton Township, Wayne County, Michigan, more particularly described as commencing at the Northeast Corner of said Section 32; thence South 89°27'26" West, 1797.51 feet, along the North line of said Section 32 and the centerline of Geddes Road (33 ft. 1/2 right-of-way); thence South 00°01'17" East, 218.01 feet, thence North 89°27'26" East, 63.00 feet, to the POINT OF BEGINNING; thence North 89°27'26" East, 157.37 feet; thence South 55°28'48" East, 91.89 feet; thence South 35°37'37" East, 24.01 feet; thence South 54°51'49" East, 63.76 feet; thence South 00°00'00" West, 67.89 feet; thence North 89°27'26" East, 10.15 feet; thence South 00°00'00" West, 662.51 feet; thence South 34°26'49" East, 71.19 feet; thence South 00°00'00" West, 64.01 feet; thence South 90°00'00" East, 109.50 feet; thence South 00°00'00" West, 138.80 feet; thence South 89°40'41" West, 495.00 feet; thence North 10°19'57" East, 201.89 feet; thence North 00°01'17" West, 902.79 feet, to the Point of Beginning. All of the above containing 8.251 Acres. All of the above being subject to easements, restrictions, and right-of-ways of record.

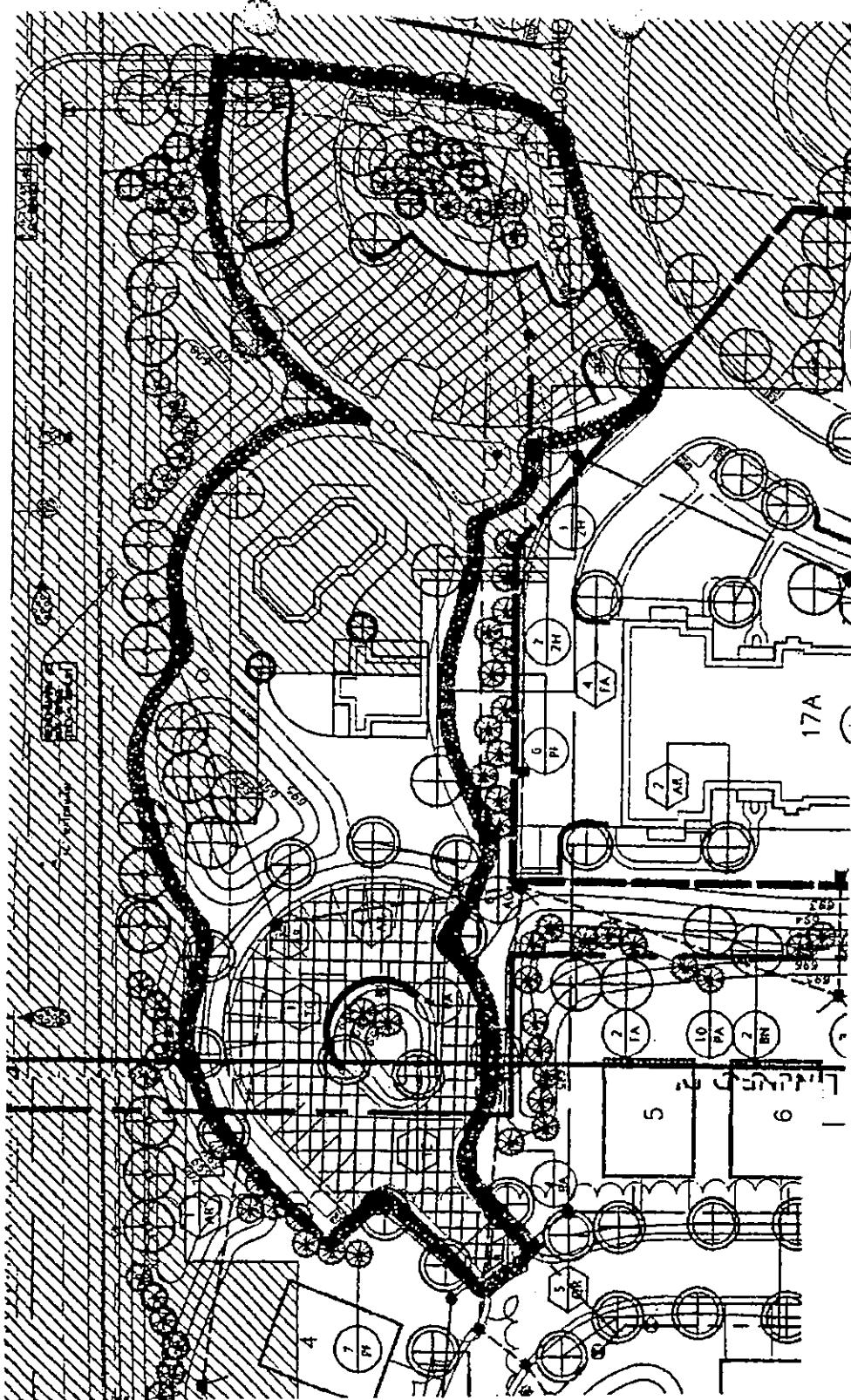
EXHIBIT C

Detached Condominium Future Expansion Area

Land located in the Charter Township of Canton, Wayne County, Michigan and described as:

Part of the Northeast 1/4 of Section 32, Town 2 South, Range 8 East, Canton Township, Wayne County, Michigan, more particularly described as commencing at the Northeast Corner of said Section 32; thence South 89°27'26" West, 2638.48 feet, along the North line of said Section 32 and the centerline of Geddes Road (33 ft. 1/2 right-of-way), to the North 1/4 Corner of said Section 32; thence South 00°01'17" East, 60.00 feet, along the North and South 1/4 line of said Section 32, to the POINT OF BEGINNING; thence North 89°27'26" East, 333.72 feet; thence South 00°32'34" East, 107.69 feet; thence South 54°41'07" East, 38.91 feet; thence South 00°01'17" East, 106.67 feet; thence South 89°58'21" East, 65.00 feet; thence South 00°01'17" East, 290.33 feet; thence South 45°00'00" West, 100.00 feet; thence South 00°01'17" East, 47.17 feet; thence South 45°00'00" East, 100.08 feet; thence South 00°01'17" East, 381.28 feet; thence South 53°54'17" East, 20.65 feet; thence South 22°00'03" East, 22.66 feet; thence South 00°19'19" East, 126.01 feet; thence South 89°40'41" West, 457.26 feet, to the North and South 1/4 line of said Section 32; thence North 00°01'17" West, 1255.73 feet, along the North and South 1/4 line of said Section 32, to the Point of Beginning. All of the above containing 11.898 Acres. All of the above being subject to easements, restrictions, and right-of-ways of record.

EXHIBIT D



*The crosshatched areas are the recreational parking areas.

CONSENT AND SUBORDINATION

The undersigned, being the holder of that certain Mortgage dated March 21, 2001 and recorded in Liber 34209, Page 847, Wayne County Records (the "Mortgage") which Mortgage encumbers the real property described in the attached Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions for Common Recreational Facilities (the "Amended and Restated Declaration") as the Attached Condominium Future Expansion Area and the Detached Condominium Future Expansion Area, hereby consents to the execution and delivery of the Amended and Restated Declaration and acknowledges and agrees that the Mortgage and the lien thereof shall be subject and subordinate to the Amended and Restated Declaration and all of the other terms and provisions of the Amended and Restated Declaration.

Dated: February 7, 2002

In the Presence of:

George W. Day
George W. Day

Glenn S. Cantor

Glenn S. Cantor, as Trustee of the Glenn S. Cantor Trust under Agreement dated August 25, 1995

Thomas R. August
Thomas R. August

STATE OF MICHIGAN)
) SS.
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me this 7th day of February, 2002 by Glenn S. Cantor, as Trustee of the Glenn S. Cantor Trust under Agreement dated August 25, 1995.

THOMAS R. AUGUST
Notary Public, Oakland County, MI
My Commission Expires Jun. 22, 2002

Thomas R. August
Notary Public
County, Michigan
My commission expires: _____

CENTEX HOMES

Dear Centex Homes Customer:

This document presents some basic information about mold in a home, what Centex Homes will do about it, and what you are responsible for.

Centex Homes and its employees are not experts on mold. In fact, medical, health science and building science professionals have not yet formed a consensus on the effects of exposure to mold. However, we know you may have questions about mold, and we want to share with you some basic information about the subject. This document is based mostly on publicly available documents from federal and state agencies, and it is not intended to be exhaustive or all-inclusive. It should serve as a primer on some issues concerning mold in residential buildings. For further information, please refer to any of the Web sites listed at the end of this document.

What is mold?

Molds are simple, microscopic organisms that are found virtually everywhere, indoors and outdoors.¹ These organisms are part of the fungi kingdom, a realm shared with mushrooms, yeast and mildews.² Molds can be nearly any color - white, orange, green or black. Very tiny and lightweight, mold spores travel easily through the air. To grow, mold needs: a food source, such as leaves, paper, wood or dirt; a source of moisture³; and a suitable temperature, generally in the range of 40 to 100 degrees Fahrenheit.

How common is mold in homes?

According to the Centers for Disease Control and Prevention's National Center for Environmental Health, mold naturally occurs in the indoor environment. Mold spores may enter a home through open doorways, windows, HVAC (heating, ventilation and air conditioning) systems and air infiltration. Spores in the air outside also attach themselves to people and animals, making clothing, shoes, bags and pets convenient vehicles for carrying mold indoors.⁴

According to the U.S. Environmental Protection Agency's online Mold Resources Guide, "There is no practical way to eliminate all mold and mold spores in the indoor environment; the way to control indoor mold growth is to control moisture."⁵ Regular cleaning and adequate air circulation and ventilation also help keep mold colonies from growing.

Is mold dangerous?

Mold can be both beneficial and harmful. There is no health-based medical standard for exposure to mold. If mold grows extensively, it may produce enough airborne particles to cause coughing and cold-like symptoms.⁶ People with allergies may be more sensitive to molds. People with immune suppression or underlying lung disease are more susceptible to fungal infections.⁷

-More-

Centex Homes Mold Disclosure – Page 2

Mold plays an important role in the environment and in living systems. In soil, mold plays a crucial part in decomposition of organic matter and in making nutrients available to plants. Mold is harmful at least to the materials on which it grows, usually producing objectionable odors, stains and discoloration. If moldy conditions exist for a long time, the structure of wood, fabric and paper can be seriously damaged.

What about media reports about toxic molds that grow in homes and other buildings?

According to the Centers for Disease Control and Prevention's National Center for Environmental Health, there are a few documented instances in which toxic molds inside homes were associated with serious adverse health conditions. Whether the presence of these molds caused the health conditions has not been determined.⁴ The most common symptoms reported from mold exposures in indoor environments are runny nose, eye irritation, cough, congestion, aggravation of asthma, headache and fatigue.⁷ For the most part, people should take routine measures (see below) to prevent mold growth in the home.

How can mold growth be prevented indoors?

The EPA and state health and environmental agencies offer these recommendations, among others:

- Vacuum and clean regularly. Use mold-killing products while cleaning bathrooms.
- Use air-conditioners and dehumidifiers, especially in hot, humid weather. Clean dehumidifiers often. Empty them daily or have the appliance drip directly into a drain.
- Vent clothes dryers to the outside.
- Use exhaust fans whenever cooking, dishwashing, showering and cleaning.
- Keep attics and crawl spaces ventilated and insulated.
- Clean refrigerator drip pans regularly according to manufacturer's instructions. If refrigerator and freezer doors don't seal properly, moisture may build up and mold can grow there. Remove any mold on door gaskets and replace faulty gaskets.

Controlling moisture is vital to minimizing mold growth indoors. Moisture can occur not only from water intrusion (plumbing leaks, rain, groundwater, appliances, etc.), but also from indoor relative humidity. Homeowners should regularly inspect their homes for plumbing leaks, water accumulation near the foundation (after rainfall or lawn watering) water intrusion through windows, doors and roofs or any signs of mold. Regular maintenance and inspections of your home and HVAC system can often prevent problems before they start.

What is Centex Homes doing to make my home mold-free?

Since mold is everywhere, especially in the air, it is impossible to have a mold-free home. Centex Homes, though, does build its homes using weather-resistant barriers to help prevent the penetration of excessive moisture that may lead to mold growth. We also build our homes with HVAC systems that, when used properly, are intended to help maintain indoor air humidity below 60 percent as recommended by the U.S. Environmental Protection Agency.

Centex Homes Mold Disclosure – Page 3

What should a homeowner do if he/she discovers water accumulation or mold growing in their home?

The homeowner should contact their Centex Homes representative (field/construction manager, sales agent, warranty agent) immediately if:

- it appears that abnormal amounts of moisture are accumulating in sections of the home,
- there is a leak from any source (such as plumbing, rain, groundwater, or the HVAC system), or
- mold is found.

Centex Homes will evaluate the situation and then inform the homeowner of any action that Centex Homes recommends.

For more detailed information, try these Web sites:

US Environmental Protection Agency - <http://www.epa.gov>
Centers for Disease Control and Prevention - <http://www.cdc.gov/nceh>
California Department of Health Services - <http://www.dhs.ca.gov>
Illinois Department of Public Health - <http://www.idph.state.il.us>
New York State Department of Health - <http://www.health.state.ny.us>
Oregon Department of Human Services - <http://www.ohd.hr.state.or.us>
Washington State Department of Health - <http://www.doh.wa.gov>

¹"Mold in My Home: What Do I Do?" by Jed Waldman & Kelly Roetz, March 1998, California Department of Health Services Indoor Air Quality Information sheet.

²"Got Mold? Frequently Asked Questions," Washington State Department of Health Environmental Health Programs fact sheet.

³"Mold and Mildew," Illinois Department of Public Health, Environmental Health brochure.

⁴"Questions and Answers on Stachybotrys Chartarum and Other Molds," March 9, 2000, Centers for Disease Control and Prevention, National Center for Environmental Health asthma fact sheet.

⁵"Mold Resources," U.S. Environmental Protection Agency's Indoor Air Quality Web site, online publication.

⁶"Fact Sheet: About Household Mold and Mildews," Oregon Department of Human Services, Oregon Health Division - Environmental Services and Consultation fact sheet.

⁷"Guidelines on Assessment and Remediation of Fungi in Indoor Environments," November 2000, New York City Department of Health Bureau of Environmental & Occupational Disease Epidemiology.