Recorded on November 15, 2005 in Liber 36616, Pages 527-594, inclusive, Oakland County Records

MASTER DEED

OAKMONTE AT MILL RIVER

OAKLAND COUNTY CONDOMINIUM SUBDIVISION PLAN NO: 1807

This Master Deed is made and executed this 4th day of November, 2005, by OAKMONTE/MILL RIVER LLC, a Michigan limited liability company (hereinafter referred to as "Developer"), whose address is 3005 University Drive, Suite 100, Auburn Hills, Michigan 48326.

WITNESSETH:

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

NOW, THEREFORE, upon the recording hereof, Developer establishes Oakmonte at Mill River 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.

ARTICLE I

TITLE AND NATURE

The Condominium shall be known as Oakmonte at Mill River, Oakland County Condominium Subdivision Plan No. 1807. The architectural plans and specifications for each residence of the Condominium will be filed with the Township of Lyon. The number, boundaries, dimensions and volume of each Unit in the Condominium are set forth in the Condominium Subdivision Plan attached as Exhibit B hereto. 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 the Unit owned and shall have undivided and

inseparable rights to share with other Co-owners the Common Elements of the Condominium as designated by the Master Deed. Co-owners shall have voting rights in Oakmonte at Mill River Homeowners Association as set forth herein and in the Bylaws and Articles of Incorporation of such Association.

ARTICLE II

LEGAL DESCRIPTION

The land which comprises the Condominium established by this Master Deed, which is subject to all lawful easements, restrictions and rights of way of record, all governmental limitations and the rights of the public or any governmental agencies over Twelve Mile Road, Milford Road and Lakeland Trail, is a parcel of land in the Township of Lyon, Oakland County, Michigan described as follows:

PART OF THE SOUTHWEST 1/4 AND PART OF THE SOUTHEAST 1/4 OF SECTION 9. T1N-R7E, LYON TOWNSHIP, OAKLAND COUNTY, MICHIGAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 9; THENCE ALONG THE EAST LINE OF SAID SECTION 9 AND THE CENTERLINE OF MILFORD ROAD (66 FOOT WIDE RIGHT OF WAY), N 02°34'47" W, 2645.02 FEET, TO THE EAST 1/4 CORNER OF SECTION 9, THENCE ALONG THE EAST-WEST 1/4 LINE OF SAID SECTION 9, S 86°50'20" W, 1564.33 FEET, TO THE POINT OF BEGINNING OF THE PARCEL TO BE DESCRIBED; THENCE S 00°59'38" W. 136.12 FEET; THENCE S 20°27'05" W. 128.89 FEET; THENCE SOUTHEASTERLY ON AN ARC RIGHT, HAVING A LENGTH OF 7.53 FEET, A RADIUS OF 270.00 FEET, A CENTRAL ANGLE OF 01°35'50", AND A LONG CHORD WHICH BEARS S 50°29'28" E, 7.53 FEET; THENCE SOUTHEASTERLY ON AN ARC RIGHT, HAVING A LENGTH OF 201.59 FEET, A RADIUS OF 440.00 FEET, A CENTRAL ANGLE OF 26°15'03", AND A LONG CHORD WHICH BEARS S 36°34'01" E, 199.83 FEET; THENCE N 85°54'20" E, 40.95 FEET; THENCE N 55°41'50" E, 44.06 FEET; THENCE N 59°06'02" E, 39.20 FEET; THENCE S 83°32'15" E, 34.73 FEET; THENCE S 48°55'10" E, 33.28 FEET; THENCE S 32°19'06" E, 153.00 FEET; THENCE S 30°53'55" E, 47.61 FEET: THENCE S 24°09'19" E. 47.24 FEET: THENCE S 13°15'54" E, 51.32 FEET; THENCE S 03°45'01" E, 46.97 FEET: THENCE S 12°51'19" W, 48.92 FEET; THENCE S 52°49'58" W, 74.96 FEET; THENCE S 41°18'22" W, THENCE S 24°55'49" W, 65.93 FEET; 70.89 FEET; THENCE S 08°27'41" W, 70.34 FEET; THENCE S 02°00'39" E, 71.21 FEET; THENCE 69.68 FEET; S 51°51'40" E. S 21°51'08" E, THENCE 79.36 FEET; THENCE 127.85 FEET; THENCE S 10°57'40" E, S 54°54'59" E. 110.23 FEET; THENCE S 79°02'20" W, 84.67 FEET; THENCE WESTERLY ON AN ARC RIGHT, HAVING A LENGTH OF 69.42 FEET, A RADIUS OF 205.50 FEET, A CENTRAL ANGLE OF 19°21'17", AND A LONG CHORD WHICH BEARS S 88°42'58" W, 69.09 FEET; THENCE WESTERLY ON AN ARC LEFT, HAVING A LENGTH OF 56.08 FEET, A RADIUS OF 254.50 FEET, A CENTRAL ANGLE OF 12"37'34", AND A LONG CHORD WHICH BEARS N 87°55'10" W, 55.97 FEET; THENCE S 85°46'03" W, 44.01 FEET; THENCE NORTHWESTERLY ON AN ARC LEFT, HAVING A LENGTH OF 143.50 FEET, A RADIUS OF 270.00 FEET, A CENTRAL ANGLE OF 30°27'08", AND A LONG CHORD WHICH BEARS N 31°06'13" W, 141.82 FEET; THENCE N 46°19'47" W, 127.05 FEET; THENCE NORTHWESTERLY ON AN ARC RIGHT, HAVING A LENGTH OF 54.67 FEET, A RADIUS OF 203.50 FEET, A CENTRAL ANGLE OF 15°23'34", AND A LONG CHORD WHICH BEARS N 38°38'01" W, 54.51 FEET; THENCE NORTHWESTERLY ON AN ARC LEFT, HAVING A LENGTH OF 68.91 FEET, A RADIUS OF 256.50 FEET, A CENTRAL ANGLE OF 15°23'33", AND A LONG CHORD WHICH BEARS N 38°38'01" W, 68.70 FEET; THENCE N 46°18'35" W, 7.84 FEET; THENCE

S 43°40'13" W, 226.11 FEET; THENCE S 46°20'44" E, 121.70 FEET; THENCE S 43°39'16" W, 266.00 FEET; THENCE N 46°04'16" W, 123.17 FEET; THENCE SOUTHWESTERLY ON AN ARC RIGHT, HAVING A LENGTH OF 90.31 FEET, A RADIUS OF 270.00 FEET, A CENTRAL ANGLE OF 19°09'50", AND A LONG CHORD WHICH BEARS \$ 59°05'16" W, 89.89 FEET; THENCE \$ 07°23'40" W, 152.55 FEET; THENCE N 82°56'36" W, 265.90 FEET; THENCE N 07°04'30" E, 158.25 FEET; THENCE NORTHWESTERLY ON AN ARC RIGHT, HAVING A LENGTH OF 14.55 FEET, A RADIUS OF 270.00 FEET, A CENTRAL ANGLE OF 03°05'16", AND A LONG CHORD WHICH BEARS N 50°33'55" W, 14.55 FEET; THENCE N 49°01'17" W, 100.14 FEET; THENCE NORTHWESTERLY ON AN ARC RIGHT, HAVING A LENGTH OF 73.73 FEET, A RADIUS OF 340.00 FEET, A CENTRAL ANGLE OF 12°25'27". AND A LONG CHORD WHICH BEARS N 42°48'34" W, 73.58 FEET; THENCE S 83°47'22" W, 156.69 FEET; THENCE N 06°12'38" W, 265.96 FEET; THENCE N 83°46'00" E, 123.24 FEET; THENCE NORTHEASTERLY ON AN ARC RIGHT, HAVING A LENGTH OF 159.56 FEET, A RADIUS OF 340.00 FEET, A CENTRAL ANGLE OF 26°53'21", AND A LONG CHORD WHICH BEARS N 23°17'16" E, 158.10 FEET; THENCE N 36°43'57" E, 136.87 FEET; THENCE N 53°11'12" W, 147.28 FEET; THENCE ALONG THE EAST LINE OF HURON VALLEY TRAIL (FORMERLY GRAND TRUNK WESTERN RAILROAD) (66 FOOT WIDE RIGHT OF WAY), N 36°44'00" E, 833.75 FEET; THENCE ALONG SAID EAST-WEST 1/4 LINE OF SECTION 9, N 86°50'20" E, 405.27 FEET, TO THE POINT OF BEGINNING, CONTAINING 32.19 ACRES, MORE OR LESS, AND SUBJECT TO ANY EASEMENTS OR RESTRICTIONS OF RECORD.

ARTICLE III

DEFINITIONS

Certain terms used in this Master Deed and the Exhibits hereto, and in the Articles of Incorporation and Bylaws of Oakmonte at Mill River Homeowners 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) "Adjacent Property" means the property described in Article X of this Master Deed, which, together with the Condominium, is subject to the Master Declaration and the Judgment as set forth in Article X of this Master Deed.

(c) "Association" means the Michigan nonprofit corporation, Oakmonte at Mill River Homeowners Association, of which all Co-owners shall be members, which Association shall administer, operate, manage, maintain and serve as the governing body of 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.

(d) "Bylaws" means Exhibit "A" hereto, which are the Bylaws required for the Condominium and also the Bylaws required for the Association.

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

(f) "Community Areas and Facilities" means the clubhouse area identified on Master Association Responsibility Plan and depicted on the Plan, which include the amenities to be constructed by Developer pursuant to the Judgment, such as the clubhouse, swimming pool, tennis courts, gazebo and basketball court. The Community Areas and Facilities are a part of the Condominium and will be administered and maintained by the Master Association pursuant to the Master Declaration and in accordance with the Judgment. All owners of units within the Overall Development, including Unit Owners, shall pay a pro rata share of the costs of maintenance, insurance and replacement of the Community Areas and Facilities through their respective condominium association, which shall be in the form of assessments paid to the Master Association.

(g) "Condominium" means Oakmonte at Mill River, 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.

(h) "Condominium Documents," wherever used, means and includes this Master Deed and the exhibits hereto, the Master Declaration and its exhibits, the Articles of Incorporation of the Association, the Articles of Incorporation of the Master Association and any rules and regulations of the Association and the Master Association.

(i) "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 and easements.

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

(k) "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. The term Co-owner includes land contract vendees and land contract vendors of Units. Developer is a Co-owner as long as Developer owns one or more Units.

(I) "Developer" means Oakmonte/Mill River LLC, a Michigan limited liability company, its successors or assigns. All development rights reserved to Developer herein are assignable in writing; provided, however, that conveyances of Units by Developer shall not serve to assign Developer's development rights unless the instrument of conveyance expressly so states.

(m) "Fair Housing Laws" means the Federal Fair Housing Act, 42 USC 3601 et seq., and the Elliot-Larsen Civil Rights Act, MCLA 37.2101 et seq.

(n) "Family Members" means an Owner's spouse or former spouse, descendants (natural or adoptive), grandparents, parents, siblings of the whole or half blood, the parents, descendents (natural or adoptive) and siblings of the whole or half blood of the parents of an Owner's spouse. Use of the term "Family Members" herein is not intended to exclude or discriminate against any persons protected by Fair Housing Laws and, to the extent that such term can be used in a specific instance to exclude or discriminate against persons protected by Fair Housing Laws, then the meaning of the term shall automatically be deemed to include such persons. (o) "General Common Elements" means the Common Elements other than the Limited Common Elements.

(p) "Judgment" means the Judgment entered by the Oakland County Circuit Court on February 11, 2004 to be recorded in Oakland County Records, as amended by that certain First Amended Consent Judgment. The Judgment, among other things, imposes certain restrictions and affirmative obligations on the development and use of the Condominium and the Adjacent Property.

(q) "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.

(r) "Master Association" means the Michigan nonprofit corporation, Mill River Master Association of which the Association and any other condominium association(s) in the Overall Development shall be members. Pursuant to the Master Declaration, the Master Association is responsible for, among other things, the administration, operation, management and maintenance of the Community Areas and Facilities and the Shared Interest Areas.

(s) "Master Association Responsibility Plan" means Exhibit "B" to the Master Declaration, which identifies the areas within the Overall Development for which the Master Association is responsible.

(t) "Master Declaration" means the Declaration of Covenants, Conditions and Restrictions of Mill River to be recorded in Oakland County Records, which, among other things, establishes non-exclusive easements in the Community Areas and Facilities and the Shared Interest Areas for the benefit of units in the Overall Development (along with mortgagees of any portion of the Overall Development), as well as providing a method of maintaining, repairing and replacing the Community Areas and Facilities and the Shared Interest Areas.

(u) "Master Deed" means this document to which the Condominium Bylaws and Condominium Subdivision Plan are attached as exhibits.

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

(w) "Open Space" means the open spaces, park areas, and wooded common areas, if any, depicted on the Plan.

(x) "Overall Development" means the area of land comprised of the Condominium and the Adjacent Property.

(y) "Percentage of Value" means the percentage assigned to each Condominium Unit in this Master Deed. The Percentages of Value of all Units shall total 100%. 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.

(z) "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.

(aa) "Sanitary Sewer System Easement" means a perpetual and permanent easement in favor of the Sanitary Sewer System Easement Grantee for the purposes of developing, establishing, constructing, repairing, maintaining the sanitary sewer system in the Condominium, and any related appurtenances, in any size, form, shape or capacity.

(bb) "Sanitary Sewer System Easement Grantee" means, with respect to the grant of the Sanitary Sewer System Easement, Oakland County and Oakland County's successors, assigns and transferees.

(cc) "Shared Interest Areas" means the landscaping area along Milford Road including all boardwalks, walkways, safety paths, roadways and the Storm Drainage Facilities identified on the Master Association Responsibility Plan. The Shared Interest Areas shall be administered and maintained by the Master Association pursuant to the Master Declaration and in accordance with the Judgment. All owners of units within the Overall Development, including Unit Owners, shall pay a pro rata share of the costs of maintenance, insurance and replacement of the Shared Interest Areas through their respective condominium association, which shall be in the form of assessments paid to the Master Association.

(dd) "Size" means the number of cubic feet or the number of square feet of ground or floor space within each Condominium Unit computed by reference to the Plan and rounded off to a whole number.

(ee) "Storm Drainage Facilities" means the ponds, storm sewers and appurtenances, sedimentation basins, piping, drainage swales, surface drainage easements and other storm drainage improvements and facilities in the Condominium, all of which are to be maintained by the Master Association Responsibility.

(ff) "Telecommunications System" means any and all cable television, telecommunication, alarm/monitoring, internet, telephone or other lines, conduits, wires, amplifiers, towers, antennae, equipment, materials, installations and fixtures (including those based on, containing or serving future technological advances not now known), or any combination thereof, installed by or on behalf of Developer or pursuant to any grant of easement, or authority by Developer within the Condominium and serving more than one Unit.

(gg) "Township" means the Charter Township of Lyon, Oakland County, Michigan or any other successor to the Township relative to the property described in Article II of this Master Deed.

(hh) "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.

(ii) "Water Supply System Easement" means a perpetual and permanent easement in favor of the Water Supply System Easement Grantee for the purposes of developing, establishing, constructing, repairing, maintaining the water supply system in the Condominium, and any related appurtenances, in any size, form, shape or capacity.

(jj) "Water Supply System Easement Grantee" means, with respect to the grant of the Water Supply System Easement, the Township and the Township's successors, assigns and transferees.

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 described in Article II hereof, including any drives, retaining walls, parking areas, ponds, sidewalks, safety paths, bicycle paths, boardwalks and landscaped areas, except to the extent any of the foregoing are designated herein or in the Plan or the Master Association Responsibility Plan as Limited Common Elements. The internal boulevards, drives and roads shown on the Plan, which provide internal traffic circulation for the Condominium, are General Common Elements that are privately owned in common by all Coowners of the Condominium and those of the Condominiums located on the Adjacent Property which will be maintained, repaired and replaced by the Master Association and not the board of county road commissioners or any other governmental agency. Subject to any limitations set forth in the Judgment, Developer reserves the right, but has no obligation, to dedicate the roads in the Condominium to public use through the acceptance of such a dedication by Oakland County or any other governmental entity after the recordation of this Master Deed, and all persons acquiring any interest in the Condominium, including, without limitation, all 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 Owners and their Mortgagees in any statutory or special assessment proceedings with respect to the dedicated roads. After certificates of occupancy are issued for Dwellings in 100% of the Units in the Condominium, the foregoing right and power may be exercised by the Association.

The electrical, gas, water, sanitary sewer, Storm Drainage (2)Facilities and the Shared Interest Areas (as to those portions located within the Condominium), detention areas, wetland areas, telephone and plumbing networks or systems and the Telecommunications System within and throughout the Condominium, including those contained within Unit walls up to the point of connection with outlets or fixtures in the Unit. Some or all of the utility lines, systems and mains described above may be owned by the local public authority or by the company that is providing the appurtenant service. In particular, some or all of the Telecommunications System is a General Common Element only to the extent that such Telecommunications System is not owned by the company providing the service. Developer makes no warranty with respect to the nature or extent of Unit Owners' interest in the Telecommunications System. Developer intends to dedicate the sanitary sewer and water main to public use as soon as practicable after the recordation of this Master Deed, and Developer has reserved the right and power, but not the obligation, to dedicate the sanitary sewer and water main to the proper local public authorities in Article VII of this Master Deed. Accordingly, such utility lines, systems and mains shall be General Common Elements only to the extent of the Co-owners' interest therein, if any, and Developer makes no warranty with respect to the nature or extent of such interest, if any.

(3) The Community Areas and Facilities are General Common Elements that are subject to the covenants conditions and restrictions of the Master Declaration. The Master Declaration contains provisions which reserve a non-exclusive easement for the use and enjoyment of the Community Areas and Facilities for the benefit of all Unit Owners in the Overall Development, subject to each Unit Owners' payment of its pro rata share of the costs of maintenance, insurance and replacement of the Community Areas and Facilities in the form of assessments as provided in the Master Declaration. Developer reserves and has been granted by the Master Association the exclusive right to use a portion of the clubhouse (or some other location) located in the Community Areas and Facilities as a sales office for the sale of Units by Developer or its affiliates. Developer shall not be required to pay any fees to the Master Association for the right to use the clubhouse for such purpose while the Developer owns at least one (1) Unit in the Condominium. Developer or its affiliate shall also have the exclusive right, but not the obligation, to lease from the Master Association the sales office space in the clubhouse after Developer no longer owns any Units in the Condominium for the purpose of selling Units on behalf of Unit Owners and for selling units and homes in nearby properties owned or developed by Developer or its affiliates. The lease between Developer or its affiliate and the Master Association shall be on commercially reasonable terms with lease payments based on the then local market rate for Class C office space.

(4) Foundations, supporting columns, Unit perimeter walls and such other walls as are designated on the Plan as General Common Elements, roofs, ceilings, floor construction between Unit levels and chimneys.

(5) If any meter, appliance, or fixture services a Unit other than the Unit it is located within, then such meter, appliance or fixture shall be a General Common Element.

(6) All beneficial utility and drainage easements.

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

(b) The Limited Common Elements are:

(1) Porches, decks (if any), driveways, garages, and air conditioner compressor pads designated on the Plan as Limited Common Elements are limited to the sole use of the Co-owners of the Units which such Limited Common Elements service.

(2) The windows and doors contained within Unit perimeter walls, and the interior surfaces of all ceilings, floors and Unit perimeter walls, are Limited Common Elements limited to the sole use of the Co-owner of such Unit.

(3) The driveway access areas between the driveways for Units in adjacent buildings are Limited Common Elements, which are appurtenant to the Units that use such areas to access their driveways and visitor parking as shown on the Plan.

(4) The visitor parking spaces are Limited Common Elements, which are appurtenant to the Units located in the building to which they are adjacent for the use by guests and invitees of such Co-owners as shown on the Plan.

(c) Maintenance, repair and replacement of all Common Elements, other than those which are the responsibility of the Master Association as set forth in the Master Declaration and referenced in Article X of this Master Deed, shall be the responsibility of the Association, to be assessed to all Co-owners according to their Percentages of Value, subject to the following provisions:

(1) The Association's obligation to maintain, repair and replace all General Common Elements includes, but is not limited to, the responsibility to maintain, repair and replace the storm sewers and other Storm Drainage Facilities in the Condominium. The cost of maintenance, repair, and replacement of the Storm Drainage Facilities shall be borne by the Association and assessed to all Co-owners according to their Percentages of Value. The Association is also be responsible for the maintenance, repair and replacement of the exterior of chimneys and all Limited Common Element porches, driveways, garage floors, driveway access areas and the visitor parking spaces. The cost of such maintenance, repair and replacement will be assessed to all Co-owners according to their Percentages of Value.

(2) The Limited Common Elements described in subparagraph (b)(2) above and decks, patios, porches and balconies of any kind on any Unit shall be the responsibility of the respective Co-owners having the use thereof.

(3) Notwithstanding anything herein to the contrary, the Township, Oakland County and each of their respective successors, assigns and transferees may maintain, repair and replace any municipal water system up to the point of lateral connections at the edge of the vehicular access road for Unit service.

(4) In the event that the Association fails to provide adequate maintenance, repair or replacement of the General Common Elements (including roads), the Township may, but shall not be required to, exercise the Township Remedy [as defined and detailed below in Article VII, Section (e)].

(5) The Association shall maintain, repair, replace and insure the Limited Common Elements and the expense thereof shall be assessed equally to the Coowners of the affected Units. In connection with any amendment made by the Developer pursuant to Article VIII hereof, Developer may designate additional Limited Common Elements that are to be maintained, decorated, repaired and replaced at Co-owners' expense or, in proper cases, at the Association's expense.

ARTICLE V

USE OF PREMISES

No person shall use any 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 the Condominium.

ARTICLE VI

CONDOMINIUM UNIT DESCRIPTION AND PERCENTAGE OF VALUE

The Condominium consists of two hundred sixty-four (264) residential Units. Each Unit is described in this paragraph with reference to the Condominium Subdivision Plan attached hereto as Exhibit B. Each Unit shall include all that space contained within the interior sides of the finished, unpainted perimeter walls, and within the ceilings and finished subfloor, all as shown on the Plan and delineated with heavy outlines. 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 Plan. The Percentage of Value assigned to each Unit is set forth below and 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. The total percentage value of the Condominium is 100%. Each Unit Percentage of Value shall be equal and shall be the number obtained by dividing one hundred (100) by the number of Units included in the Condominium. The method and formula used by Developer to determine the foregoing percentages was to determine that the expenses incurred by the Association in connection with the various Units should be equal.

ARTICLE VII

EASEMENTS, RESTRICTIONS AND AGREEMENTS

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

(a) Developer hereby reserves and declares permanent and perpetual nonexclusive easements to the Township, Oakland County and all other companies providing, operating and/or maintaining utility services and their respective successors, assigns and transferees for ingress and egress in, over, under and through all roads, walks and boardwalks and the other General Common Elements and the Limited Common Elements identified in Article IV in the Condominium for the operation, maintenance, repair and replacement of the water supply system, sanitary sewer system, gas and electrical lines and all other utility lines or systems, and permanent easements to use, tap into, enlarge or extend all roads, walks, boardwalks and utility lines in the Condominium, including, without limitation, the Telecommunications System, all water, gas, electric and sanitary sewer lines, all of which easements shall be for the benefit of the Overall Development and all parties having any interest in any portion of the Overall Development, including mortgagees of any portion of the Overall Development. These easements shall run with the land in perpetuity. Developer has no financial obligation to support such easements.

Developer hereby reserves and declares a perpetual and permanent Water Supply System Easement in favor of the Water Supply System Easement Grantee, in, over, under and through the Common Elements of the Condominium as shown on the Condominium Subdivision Plan and as actually constructed. The Water Supply System Easement may not be amended or revoked except with the written approval of the Water Supply System Easement Grantee. The Water Supply System Easement Grantee shall have the right to sell, assign, transfer or convey the Water Supply System Easement to any other governmental unit. Developer and Co-owners shall not build or convey to others any permission to build any permanent structures on the Water Supply System Easement. Co-owners shall not build or place any type of structure. fixture or object, or engage in any activity or take any action, or convey any property interest or right, that would in any way either impair or threaten to impair, obstruct, or adversely affect the rights of the Water Supply System Easement Grantee under the Water Supply herein reserved and declared. The Water Supply System Easement Grantee shall have the right of entry on, and to gain access to, the Water Supply System Easement and all persons acquiring any interest in the Condominium, including without limitation all Co-owners and Mortgagees, release the Water Supply System Easement Grantee from any and all claims to damages in any way arising or incident to the construction and maintenance of the water supply system or otherwise arising from or incident to the exercise by the Water Supply System Easement Grantee of its rights under the Water Supply System Easement, and all Co-owners covenant not to sue the Water Supply System Easement Grantee for any such damages.

Developer hereby reserves and declares a perpetual and permanent Sanitary Sewer System Easement in favor of the Sanitary Sewer System Easement Grantee, in, over, under and through the Common Elements of the Condominium as shown on the Condominium Subdivision Plan and as actually constructed. The Sanitary Sewer System Easement may not be amended or revoked except with the written approval of the Sanitary Sewer System Easement Grantee. The Sanitary Sewer System Easement Grantee shall have the right to sell. assign, transfer or convey the Sanitary Sewer System Easement to any governmental unit. Developer and Co-owners shall not build or convey to others any permission to build any permanent structures on the Sanitary Sewer System Easement. Co-owners shall not build or place any type of structure, fixture or object, or engage in any activity or take any action, or convey any property interest or right, that would in any way either impair or threaten to impair, obstruct, or adversely affect the rights of the Sanitary Sewer System Easement Grantee under the Sanitary Sewer Easement herein reserved and declared. The Sanitary Sewer System Easement Grantee shall have the right of entry on, and to gain access to, the Sanitary Sewer System Easement and all persons acquiring any interest in the Condominium, including, without limitation, all Co-owners and Mortgagees, release the Sanitary Sewer System Easement Grantee from any and all claims to damages in any way arising or incident to the construction and maintenance of the sanitary sewer system or otherwise arising from or incident to the exercise by the Sanitary Sewer System Easement Grantee of its rights under the Sanitary Sewer System Easement, and all Co-owners covenant not to sue the Sanitary Sewer System Easement Grantee for any such damages.

The rights granted to the Water Supply System Easement Grantee and the Sanitary Sewer System Easement Grantee under this Article VII, Section (a) may not be amended without the express written consent of the Water Supply System Easement Grantee, with respect to the Water Supply System Easement and without the express written consent of the Sanitary Sewer System Easement Grantee with respect to the Sanitary Sewer System Easement. Any purported amendment or modification of the rights granted under this section shall be void and without legal effect unless agreed to in writing by the Water Supply System Easement Grantee or the Sanitary Sewer System Easement Grantee, as the case may be.

Developer reserves the right and power to into agreements concerning, (b) grant easements over, or dedicate, portions of any of the Common Elements as may be necessary or desirable: (i) meet governmental requirements, (ii) in furtherance of the coordinated maintenance and operation of the entire development, (iii) for utility, drainage, conservation, street, safety or construction purposes, (iv) for road and road rights of way purposes, (v) for any purposes consistent with the development of the Condominium and (vi) for the establishment of a Telecommunications System, 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 as agent and attorney-in-fact to make such agreements, easements and dedications. Developer shall have the right, but not the obligation, to convey, transfer, sell or assign all or any portion of the Telecommunications Systems (if any) located within the Condominium, or all or any portion of the rights, duties or obligations thereto to the Association or any other person or entity. Developer further reserves the right, but not the obligation, to retain ownership (directly or through an affiliate) of one or more of the Telecommunications Systems and to enter into exclusive agreements with service providers, such as providers of cable or satellite televisions systems, internet service providers and security systems. Any payments received by Developer related to such arrangements shall be the sole property of Developer and the association and Co-owners shall have no rights thereto. After completion of construction of the Condominium, the foregoing rights and powers

may be exercised by the Association. Developer further reserves the right, in its sole discretion, to change or alter any or all landscaping in the Condominium.

(c) Developer hereby reserves permanent non-exclusive easements over the Condominium as shown on the Plan for the Storm Drainage Facilities for the benefit of the Overall Development. The Storm Drainage Facilities shall be maintained repaired and replaced in the first instance by the Association. The Storm Drainage Facilities are a part of an overall storm drainage system that serves the Overall Development. Assessments shall be collected from all Owners by the Association in order to finance the long term administration, maintenance, operation and repair of the Storm Drainage Facilities.

(d) As shown on the Plan, the Condominium includes wetland areas in the General Common Elements, all of which wetland areas are subject to a conservation easement. The conservation easement was established in the wetlands areas located in the Overall Development in order to ensure preservation and maintenance of wetlands, natural features and resources and Open Space, and to mitigate the impact of development and use of the Condominium on such resources, and to minimize the loss of wildlife, vegetation and habitat associated with such resources and features on the Overall Development. The conservation easement was established for the benefit of the Township on behalf of the public.

In the event any persons shall violate any of the provisions relating to the (e) maintenance and preservation of Storm Drainage Facilities, the maintenance, repair or replacement of General Common Elements or relating to conservation of wetlands as provided in this Master Deed (separately or together referred to as a "violation"), the Township shall be authorized to send a written notice to the Association specifying the corrective action required on the Condominium in the Township's reasonable discretion in order to correct the violation and/or preserve and protect the Storm Drainage Facilities and resources in question, and specifying a reasonable time within which such corrective action must be completed. If the corrective action specified in the notice has not been completed on a timely basis, following notice to the Association and an opportunity for the Co-owner(s) and the Association to be heard, the Township, or an agent or contractor of the Township, may enter upon the Condominium and undertake the appropriate corrective, restoration, maintenance, repair, replacement and/or preservation action. The cost of any such action taken by the Township, or caused to be taken by the Township, plus an administrative fee equal to 25% of such cost, shall be paid by all of the Co-owners of the Condominium, pro-rata according to Percentage of Value, and if not paid within thirty (30) days following a billing to the owners, such amount shall become a lien on the Condominium, to be collected by placing such amount on the next annual delinquent real property tax roll, to accrue interest and penalties, and to be collected in the manner provided by law for the collection of delinquent real property taxes. Rather than fronting all costs, the Township shall be authorized to send a billing to the owners in advance of undertaking work based upon an estimate of costs prepared by the Township engineer, and, following collection, proceed with the work. Alternatively, the Township shall be entitled to commence a civil action for all amounts owing and/or for enforcement purposes, and, if all or a part of the relief sought in the civil action is granted, the judgment shall include the reasonable attorneys' fees incurred by the Township in the action (collectively, the procedure described in this Paragraph is referred to herein as the "Township Remedy").

(f) In the event any portion of a Unit or Common Element encroaches upon another Unit or Common Element due to shifting, settling, or moving of a building, or due to survey errors or construction deviations, reconstruction or repair, reciprocal easements shall automatically 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, and all persons acquiring any interest in the Condominium, including, without limitation, all Co-owners and Mortgagees shall be deemed to have consented to such easements. There shall be permanent, nonexclusive easements to, through and over those portions of the land, structures, buildings, improvements and walls contained therein for the installation, maintenance and servicing of all utilities in the Condominium, including, but not limited to, lighting, heating, power, sewer, water, the Telecommunications System, telephone and cable television lines. There shall exist easements of support with respect to any Unit interior which supports a Common Element.

(g) The Condominium is subject to the terms, conditions and provisions of the Judgment. 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 as agent and attorney-in-fact to make any dedications or reservations described in the Judgment and to act in behalf of all Co-owners and their Mortgagees in any proceedings with respect to such dedications or reservations pursuant to the Judgment. After certificates of occupancy are issued for 100% of the Units in the Condominium, the foregoing rights and powers may be exercised by the Association.

(h)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 any Units within the land described in Article II hereof, and also to fulfill any responsibilities of maintenance, repair, decoration or replacement which they or any of them are required or permitted to perform under the Condominium Documents or by law or to respond to any emergency or common need of the Condominium. There shall exist for the benefit of the Co-owners, the Township, any emergency service agency, and other governmental units, an easement over all roads in the Condominium for use by the Township, the United States Postal Service and emergency or other governmental service vehicles. Said easement shall be for purposes of ingress and egress to provide, without limitation, mail delivery, fire and police protection, ambulance and rescue services and all other lawful governmental and private emergency services to the Condominium and all Co-owners. This grant of easement shall in no way be construed as a dedication of any streets, roads, or driveways to the public. The owners of units located in the Adjacent Property shall have an easement over, under, across and through the roads in the Condominium for the purposes of ingress and egress to their units and the Community Areas and Facilities.

(i) Easements for the construction, installation and maintenance of public utilities and for drainage facilities are reserved as shown on the Plan. Within all of the foregoing easements, unless the necessary approvals are obtained from the Township and any other appropriate municipal authority, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of such service facilities and utilities, including underground electrical and telephone local distribution systems, or which may change, obstruct or retard the flow or direction of water in and through drainage in the easements, nor shall any change, which may obstruct or retard the flow of surface water or be detrimental to the property of others.

(j) Persons other then Developer shall not own more than one (1) Unit unless a Person purchases more than one (1) Unit for the express purpose of renting or leasing such additional Unit(s) to Family Members. This restriction on Unit ownership is not intended to exclude or discriminate against any persons protected by Fair Housing Laws and, to the extent that in a specific instance this restriction can be used to discriminate against persons protected by Fair Housing Laws, then the restriction shall not apply to such protected persons.

Developer hereby reserves a right of first refusal with respect to the (k) purchase of Co-owners' Units. If at any time during the first twenty-four (24) month period after the date a Co-owner is deeded a Unit by Developer, a Co-owner receives a bona fide written offer from any third-party to purchase the Co-owner's Unit, then the Co-owner is required to notify Developer of such offer within three (3) business days by delivering a copy of such written offer to Developer by mailing the same to Developer via United States certified mail, return receipt requested, at the offices of Developer listed in the introductory paragraph of this Master Deed. Developer shall then have ten (10) business days from its receipt of the offer by which to notify the Co-owner that Developer is exercising it right to purchase the Co-owner's Unit upon the same terms and conditions as the written offer from the bona fide third party purchaser. If Developer fails to so notify the co-owner that it is exercising its right of first refusal, then the Coowner is free to convey the Unit to the third party making the offer. Developer's right of first refusal may be exercised in Developer's sole discretion and does not obligate Developer to purchase any Unit. Developer's right of first refusal during the twenty-four (24) month period from the date a Unit is conveyed to a Co-owner is a continuing right which does not expire or otherwise terminate during the twenty-four (24) month period if (i) Developer chooses not to exercise its right of first refusal, (ii) the Co-owner does not sell the Unit to the third party making the offer, and (iii) the Co-owner then receives another offer to purchase the Unit within the twenty-four (24) month time period. In each instance during the twenty-four (24) month period the Co-owner is required to notify Developer of an offer as provided above. Developer's right of first refusal does not apply to sales of Units by Co-owners to Family Members or to trusts or entities controlled by, or for the benefit of, the Co-owner or the Co-owner's Family Members.

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.

(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 all Co-owners entitled to vote as of the record date of such vote and Mortgagees of the Units (unless a greater majority is specified in the Condominium Bylaws). An amendment that does not materially change the rights of a Mortgagee includes, but is not limited to, any amendment to the Condominium Documents that, in the written opinion of an appropriately licensed real estate appraiser does not detrimentally change the value of the Unit affected by the amendment. With regard to those amendments on which a Mortgagee is entitled to vote, a Mortgagee shall have one vote for each mortgage held. Determination of when a Mortgagee is entitled to vote on an amendment and the procedure for obtaining Mortgagee votes shall be governed by Sections 90(2) and 90a of the Act.

(c) Notwithstanding subparagraph (b) above, but subject to the limitations set forth in subparagraph (d) below and those set forth in the Judgment, if any, Developer reserves the right to 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 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 amend the Condominium Bylaws, subject to any restrictions on amendments stated therein;

(3) To correct arithmetic errors, typographical errors, survey errors, or any similar errors in the Master Deed, Plan or Condominium Bylaws;

exhibits;

(4) To clarify or explain the provisions of the Master Deed or its

(5) To comply with the Act 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;

(6) To locate, relocate and/or reconfigure garages, decks and courtyards including placement of such decks and/or courtyards on adjacent Common Elements, subject only to the consent of the Co-owners having the use of such relocated and/or reconfigured decks as Limited Common Elements;

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

Master Deed;

(8) To make any other amendments expressly permitted by this

(9) To make, define or limit easements affecting the Condominium;

(10) To record an "as-built" Condominium Subdivision Plan and/or consolidating master deed and to depict thereon any decks, walks and other improvements, if any, not shown on the Plan attached hereto;

(11) To revise the Plan, as necessary, to conform to any construction options, if offered by Developer and elected by any purchasers of Units; and

(12) To expand the Condominium and to redefine Common Elements and adjust Percentages of Value in connection therewith and to make any other amendments expressly permitted by the Master Deed.

(d) Notwithstanding any other provision of this Article VIII, the method or formula used to determine the Percentages of Value for Units in the Condominium, as described above, and any provisions relating to the ability or terms under which a Co-owner may rent a Unit to others, may not be modified without the consent of each affected Co-owner and Mortgagee. A Co-owner's Condominium Unit dimensions or appurtenant Limited Common Elements may not be modified without the Co-owner's consent. The Association may make no amendment which materially changes the rights of Developer without the written consent of the Developer as long as the Developer owns any Units in the Condominium.

(e) Notwithstanding anything to the contrary in this Master Deed, no amendment shall be made to any of the following provisions of this Master Deed, nor shall any amendment be made affecting the Township's rights under such provisions, without the prior written consent of the Township:

(1) Definition of Common Elements in Article III, subparagraph (e);

(2) Township Remedy in Article IV, subparagraph (c)(4);

(3) Any provision relating to maintenance of Storm Drainage Facilities in Article VII, subparagraph (c);

(4) Article VII, subparagraphs (d) and (e) and, with respect to any easement granted to the Township or any other governmental agency, Article VII, subparagraphs (a), (b), (c) and (h);

- (5) Notice of the Judgment (Article X);
- (6) This Article VIII, subparagraph (e).

Notwithstanding subparagraph (b) above, but subject to the limitations set (f) forth in subparagraph (d) above and those set forth in the Judgment, Developer expressly reserves the right to amend this Master Deed and its Exhibits for the purpose of complying with any Township requirements or satisfying any Township requests to amend Condominium Documents. The consent of any Co-owner shall not be required to make such amendments and 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 amendment or amendments to this Master Deed and its Exhibits to effectuate the Township's request or requirement. All such interested persons irrevocably appoint the Developer or its successors, as agent and attorney-in-fact 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 make such amendments. 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 IX

CONVERTIBLE AREAS

(a) All unsold Units and the Common Elements are designated on the Condominium Subdivision Plan as convertible areas (the "Convertible Areas") within which the Units and Common Elements may be modified, expanded and created 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. Notwithstanding the conversion of the Convertible Areas, the maximum number of Units in the Condominium may not exceed two hundred sixty-four (264). The number of Units in the Condominium may decrease, but shall not increase, as a result of the conversion of the Convertible Areas.

(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 provided below in Section (g) of this Article IX and those which are imposed by state law, local ordinances or building authorities.

(d) The extent to which any structure erected on any portion of the Convertible Areas is compatible with structures included in the original Master Deed is not limited by this Master Deed but lies solely within the discretion of Developer, subject only to the requirements of local ordinances and building authorities.

(e) 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, as agent and attorney-in-fact 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.

All modifications to Units and Common Elements made pursuant to this (f) 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 100% 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.

(g) If Developer has not completed construction of the improvements shown on the plan, whether identified as "must be built" or "need not be built", then during the period of time ending ten (10) years from the date of commencement of construction of improvements by Developer, or, in the event Developer has exercised any of its rights of expansion, contraction or conversion, the period of time ending six (6) years from the date Developer last exercised one of the aforementioned rights, Developer, its successors or assigns shall have the right to withdraw all undeveloped portions of the Condominium from the Condominium, without the prior consent of any of the Co-owners, mortgagees of Units or any other party having any interest in the Condominium. Easements for utilities and access to the portions of the Condominium for the benefit of the withdrawn land, and all persons acquiring any interest in the Condominium, including, without limitation, all Co-owners and mortgagees shall be deemed to have consented to such easements.

If Developer fails to withdraw the undeveloped portions of the Condominium from the Condominium before the expiration of the time periods set forth above, such undeveloped land shall remain a part of the Condominium and shall automatically convert to General Common Elements, and all rights to construct Units upon such converted land shall cease. Upon conversion of the undeveloped land to General Common Elements, any Co-owner or the Association may bring an action to proportionately readjust the Percentages of Value set forth in Article VI hereof, if necessary to preserve a total value of 100% for the entire Condominium.

ARTICLE X

NOTICE OF JUDGMENT, MASTER ASSOCIATION AND THE ADJACENT PROPERTY

(a) The Condominium is part of the Overall Development, which is established subject to the Judgment and the Master Declaration, which impose certain affirmative obligations on all persons having an interest in the Condominium. Copies of the Judgment and the Master Declaration are available from the Township and are also maintained on file with the Association. All on-going expenses and obligations imposed on the Condominium property pursuant to the Judgment and/or the Master Declaration (i.e., obligations and expenses that deal with the operation of the Overall Development and its use as a residential community rather than the development of the Condominium) shall be expenses of administration assessed to the Co-owners as provided in this Master Deed and the Master Declaration. Such expenses include, but are not limited to, the Master Association's obligation to maintain the Community Areas and Facilities and the Shared Interest Areas identified on Exhibit "B" to the Master Declaration.

(b) The Adjacent Property may be conveyed by Developer and developed by someone other than Developer. However, because there are certain areas within the Overall Development in which owners of Units in the Condominium and the Adjacent Property each have an interest, the Master Declaration provides that such areas are to be maintained by the Master Association. Each condominium homeowners association in the Overall Development (and ultimately each Unit owner by virtue of their membership in their respective condominium homeowners associations) is obligated to bear certain expenses which are set out in the Master Declaration. In addition, owners of units in the Adjacent Property have nonexclusive easements of use and enjoyment of certain areas in the Condominium as set forth in Article VII of this Master Deed. The land which comprises the Adjacent Property is comprised of several parcels of land in the Township of Lyon, Oakland County, Michigan described as follows:

Trailside at Mill River:

PART OF THE SOUTHWEST 1/4 AND PART OF THE SOUTHEAST 1/4 OF SECTION 9, T1N-R7E, LYON TOWNSHIP, OAKLAND COUNTY, MICHIGAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 9; THENCE ALONG THE SOUTH LINE OF SAID SECTION 9, S 86°32'35" W, 43.00 FEET, TO THE POINT OF BEGINNING OF THE PARCEL TO BE DESCRIBED; THENCE CONTINUING ALONG SAID SOUTH LINE OF SECTION 9, S 86°32'35" W, 1259.34 FEET; THENCE S 02°01'04" E, 1303.32 FEET; THENCE ALONG THE CENTERLINE OF 12 MILE ROAD (VARIABLE WIDTH RIGHT OF WAY), S 86°25'17" W, 66.03 FEET; THENCE N 02°01'04" W, 1001.03 FEET; THENCE N 46°19'11" W, 412.47 FEET; THENCE ALONG THE SOUTH LINE OF SAID SECTION 9, S 86°32'35" W, 528.57 FEET; THENCE N 59°42'44" W, 231.46 FEET; THENCE N 88°30'11" W, 224.86 FEET; THENCE S 02°20'07" E, 148.02 FEET, TO THE SOUTH 1/4 CORNER OF SECTION 9; THENCE ALONG THE SOUTH LINE OF SAID SECTION 9, S 88°13'42" W, 1530.00 FEET; THENCE ALONG THE EAST RIGHT-OF-WAY LINE OF HURON VALLEY TRAIL (FORMERLY GRAND TRUNK WESTERN RAILROAD) (66 FOOT WIDE RIGHT OF WAY), N 36°44'00" E, 1240.48 FEET; THENCE N 51°13'26" E, 97.24 FEET; THENCE N 64°20'16" E, 96.81 FEET; THENCE THENCE N 86°37'04" E, 96.49 FEET; N 77°00'13" E, 86.24 FEET; THENCE S 79°08'59" E. 96.77 FEET; THENCE S 64°53'46" E, 96.78 FEET; THENCE S 50°45'05" E, 95.30 FEET; THENCE S 36°35'22" E, 97.00 FEET; THENCE S 24°33'40" E, FEET; 78.11 THENCE S 37°41'30" E, 61.04 FEET; THENCE THENCE S 47°34'09" E, 91.94 S 56°02'26" E, 64.18 FEET; FEET; THENCE 84.42 FEET; THENCE S 38°31'40" E, 72.16 FEET; S 37°07'14" E, THENCE S 44°21'50" E, 73.00 FEET; THENCE S 55°17'28" W, 130.98 FEET; THENCE SOUTHEASTERLY ON AN ARC RIGHT, HAVING A LENGTH OF 36.05 FEET, A RADIUS OF 246.50 FEET, A CENTRAL ANGLE OF 08°22'47", AND A LONG CHORD WHICH BEARS S 38°35'14" E, 36.02 FEET; THENCE SOUTHEASTERLY ON AN ARC LEFT, HAVING A LENGTH OF 167.09 FEET, A RADIUS OF 181.50 FEET, A CENTRAL ANGLE OF 52°44'50", AND A LONG CHORD WHICH BEARS S 60°46'15" E, 161.25 FEET: THENCE S 87°08'40" E, 170.53 FEET: THENCE EASTERLY ON AN ARC LEFT. HAVING A LENGTH OF 396.28 FEET, A RADIUS OF 5951.50 FEET, A CENTRAL ANGLE OF 03°48'54", AND A LONG CHORD WHICH BEARS S 89°03'07" E, 396.21 FEET: THENCE N 88°41'44" E, 80.03 FEET; THENCE EASTERLY ON AN ARC RIGHT, HAVING A LENGTH OF 64.06 FEET, A RADIUS OF 516.50 FEET, A CENTRAL ANGLE OF 07º06'24", AND A LONG CHORD WHICH BEARS S 86º03'01" E. 64.02 FEET; THENCE S 82°29'49" E, 4.61 FEET; THENCE N 07°30'11" E, 130.00 FEET; THENCE S 85°27'39" E, 66.35 FEET; THENCE N 86°18'04" E, 69.72 FEET; THENCE N 86°45'14" E. 70.31 FEET; THENCE N 75°22'53" E, 56.32 FEET; THENCE N 53°05'27" E. 61.80 FEET; THENCE N 48°28'52" E. 216.00 FEET; THENCE N 48°53'21" E, 76.88 FEET; THENCE N 57°00'47" E, 91.96 FEET; THENCE N 68°29'47" E, 92.12 FEET; THENCE N 82°58'23" E, 139.63 FEET; THENCE 125.70 FEET; THENCE N 28°00'25" E, 76.74 FEET; 72.18 FEET; THENCE N 71°16'33" E, 65.50 FEET; N 17°53'54" E, THENCE N 51°05'57" E. THENCE N 89°55'09" E, 217.24 FEET; THENCE S 01°25'05" E, 233.70 FEET; THENCE S 15°46'43" W, 71.58 FEET; THENCE S 27°18'29" E, 140.18 FEET; THENCE EASTERLY ON AN ARC RIGHT, HAVING A LENGTH OF 40.39 FEET, A RADIUS OF 430.00 FEET, A CENTRAL ANGLE OF 05°22'53", AND A LONG CHORD WHICH BEARS N 76°47'22" E, 40.37 FEET; THENCE EASTERLY ON AN ARC LEFT, HAVING A LENGTH OF 9.47 FEET, A RADIUS OF 213.50 FEET, A CENTRAL ANGLE OF 02°32'28", AND A LONG CHORD WHICH BEARS N 78°12'35" E, 9.47 FEET; THENCE N 76°56'21" E, 93.42 FEET; THENCE EASTERLY ON AN ARC RIGHT, HAVING A LENGTH OF 45.09 FEET, A RADIUS OF 246.50 FEET, A CENTRAL ANGLE OF 10°28'52", AND A LONG CHORD WHICH BEARS N 82°10'47" E, 45.03 FEET; THENCE N 87°25'13" E, 107.03 FEET; THENCE ALONG THE CENTERLINE OF MILFORD

ROAD (66 FOOT WIDE RIGHT OF WAY) AND THE EAST LINE OF SAID SECTION 9, S 02°34'47" E, 433.09 FEET; THENCE S 41°59'14" W, 61.27 FEET, TO THE POINT OF BEGINNING, CONTAINING 56.68 ACRES, MORE OR LESS, AND SUBJECT TO THE RIGHTS OF THE PUBLIC OVER SAID MILFORD ROAD. ALSO SUBJECT TO ANY OTHER EASEMENTS OR RESTRICTIONS OF RECORD.

Reflections of Mill River:

PART OF THE SOUTHWEST 1/4 AND PART OF THE SOUTHEAST 1/4 OF SECTION 9. T1N-R7E, LYON TOWNSHIP, OAKLAND COUNTY, MICHIGAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 9: THENCE ALONG THE CENTERLINE OF MILFORD ROAD (66 FOOT WIDE RIGHT OF WAY) AND THE EAST LINE OF SAID SECTION 9, N 02°34'47" W, 1120.92 FEET, TO THE POINT OF BEGINNING OF THE PARCEL TO BE DESCRIBED: THENCE S 88°26'32" W, 235.03 FEET; THENCE WESTERLY ON AN ARC RIGHT, HAVING A LENGTH OF 84.30 FEET, A RADIUS OF 605.00 FEET, A CENTRAL ANGLE OF 07°58'59", AND A LONG CHORD WHICH BEARS N 87°33'58" W, 84.23 FEET; THENCE S 01°25'05" E, 257.58 FEET; THENCE S 89°55'09" W, 217.24 FEET; THENCE S 71°16'33" W, 65.50 FEET; S 51°05'57" W, 72.18 FEET; THENCE S 28°00'25" W, 76.74 FEET; THENCE THENCE S 17°53'54" W, 125.70 FEET; THENCE S 82°58'23" W, 139.63 FEET; THENCE S 68°29'47" W, 92.12 FEET; THENCE S 57°00'47" W, 91.96 FEET; THENCE S 48°53'21" W, 76.88 FEET; THENCE S 48°28'52" W, 216.00 FEET; THENCE S 53°05'27" W, 61.80 FEET; THENCE S 75°22'53" W, 56.32 FEET; THENCE S 86°45'14" W, 70.31 FEET; THENCE S 86°18'04" W, 69.72 FEET; THENCE N 85°27'39" W, 66.35 FEET; THENCE S 07°30'11" W, 130.00 FEET; THENCE N 82°29'49" W, 4.61 FEET; THENCE WESTERLY ON AN ARC LEFT, HAVING A LENGTH OF 64.06 FEET, A RADIUS OF 516.50 FEET, A CENTRAL ANGLE OF 07°06'24", AND A LONG CHORD WHICH BEARS N 86°03'01" W, 64.02 FEET; THENCE S 88°41'44" W, 80.03 FEET; THENCE WESTERLY ON AN ARC RIGHT, HAVING A LENGTH OF 396.28 FEET, A RADIUS OF 5951.50 FEET, A CENTRAL ANGLE OF 03°48'54", AND A LONG CHORD WHICH BEARS N 89°03'07" W, 396.21 FEET; THENCE N 87°08'40" W, 170.53 FEET; THENCE NORTHWESTERLY ON AN ARC RIGHT, HAVING A LENGTH OF 167.09 FEET, A RADIUS OF 181.50 FEET, A CENTRAL ANGLE OF 52°44'50", AND A LONG CHORD WHICH BEARS N 60°46'15" W, 161.25 FEET; THENCE NORTHWESTERLY ON AN ARC LEFT, HAVING A LENGTH OF 36.05 FEET, A RADIUS OF 246.50 FEET, A CENTRAL ANGLE OF 08°22'47", AND A LONG CHORD WHICH BEARS N 38°35'14" W, 36.02 FEET; THENCE N 55°17'28" E, 130.98 FEET; THENCE N 44°21'50" W, 73.00 FEET; THENCE N 38°31'40" W, 72.16 FEET; THENCE N 37°07'14" W, 84.42 FEET; THENCE N 47°34'09" W, 91.94 FEET; THENCE N 56°02'26" W, 64.18 FEET; THENCE N 37°41'30" W, 61.04 FEET; THENCE N 24°33'40" W, 78.11 FEET; THENCE N 36°35'22" W, 97.00 FEET; THENCE N 50°45'05" W, 95.30 FEET; THENCE N 64°53'46" W, 96.78 FEET; THENCE N 79°08'59" W, 96.77 FEET; THENCE S 86°37'04" W, 96.49 FEET; THENCE S 77°00'13" W, 86.24 FEET; THENCE S 64°20'16" W, 96.81 FEET; THENCE S 51°13'26" W, 97.24 FEET; THENCE ALONG THE EAST RIGHT-OF-WAY LINE OF HURON VALLEY TRAIL (FORMERLY GRAND TRUNK WESTERN RAILROAD) (66 FOOT WIDE RIGHT OF WAY), N 36°44'00" E. 1342.29 FEET; THENCE S 53°11'12" E, 147.28 FEET; THENCE S 36°43'57" W, 136.87 FEET; THENCE SOUTHWESTERLY ON AN ARC LEFT, HAVING A LENGTH OF 159.56 FEET, A RADIUS OF 340.00 FEET, A CENTRAL ANGLE OF 26°53'21". AND A LONG CHORD WHICH BEARS S 23°17'16" W, 158.10 FEET; THENCE S 83°46'00" W, 123.24 FEET; THENCE S 06°12'38" E, 265.96 FEET; THENCE N 83°47'22" E, 156.69 FEET: THENCE SOUTHEASTERLY ON AN ARC LEFT, HAVING A LENGTH OF 73.73 FEET, A RADIUS OF 340.00 FEET, A CENTRAL ANGLE OF 12°25'27", AND A LONG CHORD WHICH BEARS S 42°48'34" E, 73.58 FEET; THENCE S 49°01'17" E, 100.14 FEET; THENCE SOUTHEASTERLY ON AN ARC LEFT, HAVING A LENGTH OF 14.55 FEET, A RADIUS OF 270.00 FEET, A CENTRAL ANGLE OF 03°05'16", AND A LONG CHORD WHICH BEARS \$ 50°33'55" E, 14.55 FEET; THENCE \$ 07°04'30" W, 158.25 FEET; THENCE S 82°56'36" E, 265.90 FEET; THENCE N 07°23'40" E, 152.55 FEET; THENCE NORTHEASTERLY ON AN ARC LEFT, HAVING A LENGTH OF 90.31 FEET, A RADIUS OF 270.00 FEET, A CENTRAL ANGLE OF 19"09'50", AND A LONG CHORD WHICH BEARS N 59°05'16" E, 89.89 FEET; THENCE S 46°04'16" E, 123.17 FEET; THENCE N 43°39'16" E, 266.00 FEET; THENCE N 46°20'44" W, 121.70 FEET; THENCE N 43°40'13" E, 226.11 FEET; THENCE S 46°19'47" E, 7.84 FEET; THENCE SOUTHEASTERLY ON AN ARC RIGHT, HAVING A LENGTH OF 68.91 FEET, A RADIUS OF 256.50 FEET, A CENTRAL ANGLE OF 15°23'33", AND A LONG CHORD WHICH BEARS S 38°38'01" E, 68.70 FEET; THENCE SOUTHEASTERLY ON AN ARC LEFT, HAVING A LENGTH OF 54.67 FEET, A RADIUS OF 203.50 FEET, A CENTRAL ANGLE OF 15°23'34", AND A LONG CHORD WHICH BEARS S 38°38'01" E, 54.51 FEET; THENCE S 46°19'47" E, 127.05 FEET; THENCE SOUTHEASTERLY ON AN ARC RIGHT, HAVING A LENGTH OF 143.50 FEET, A RADIUS OF 270.00 FEET, A CENTRAL ANGLE OF 30°27'08", AND A LONG CHORD WHICH BEARS S 31°06'13" E. 141.82 FEET; THENCE N 85°46'03" E, 44.01 FEET; THENCE EASTERLY ON AN ARC RIGHT, HAVING A LENGTH OF 56.08 FEET, A RADIUS OF 254.50 FEET, A CENTRAL ANGLE OF 12°37'34", AND A LONG CHORD WHICH BEARS S 87°55'10" E, 55.97 FEET; THENCE EASTERLY ON AN ARC LEFT, HAVING A LENGTH OF 69.42 FEET, A RADIUS OF 205.50 FEET, A CENTRAL ANGLE OF 19°21'17", AND A LONG CHORD WHICH BEARS N 88°42'58" E, 69.09 FEET; THENCE N 79°02'20" E, 326.55 FEET; THENCE N 12°04'00" W, 15.00 FEET; THENCE N 79°02'20" E, 96.68 FEET; THENCE EASTERLY ON AN ARC RIGHT, HAVING A LENGTH OF 251.19 FEET, A RADIUS OF 655.00 FEET, A CENTRAL ANGLE OF 21°58'22", AND A LONG CHORD WHICH BEARS S 89°58'29" E, 249.65 FEET; THENCE S 78°59'18" E, 260.08 FEET; THENCE EASTERLY ON AN ARC LEFT, HAVING A LENGTH OF 108.59 FEET, A RADIUS OF 495.00 FEET, A CENTRAL ANGLE OF 12°34'09", AND A LONG CHORD WHICH BEARS S 85"16'23" E, 108.37 FEET; THENCE N 88°26'32" E, 233.06 FEET; THENCE ALONG THE CENTERLINE OF MILFORD ROAD (66 FOOT WIDE RIGHT OF WAY) AND THE EAST LINE OF SAID SECTION 9, S 02°34'47" E, 110.02 FEET, TO THE POINT OF BEGINNING, CONTAINING 51.50 ACRES, MORE OR LESS, AND SUBJECT TO THE RIGHTS OF THE PUBLIC OVER THE EXISTING MILFORD ROAD. ALSO SUBJECT TO ANY OTHER EASEMENTS OR RESTRICTIONS OF RECORD.

Cottages at Mill River:

PART OF THE SOUTHEAST 1/4 OF SECTION 9, T1N-R7E, LYON TOWNSHIP, OAKLAND COUNTY, MICHIGAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 9; THENCE ALONG THE EAST LINE OF SAID SECTION 9 AND THE CENTERLINE OF MILFORD ROAD (66 FOOT WIDE RIGHT OF WAY), N 02°34'47" W. 2645.02 FEET, TO THE EAST 1/4 CORNER OF SECTION 9, THENCE ALONG THE EAST-WEST 1/4 LINE OF SAID SECTION 9, S 86°50'20" W, 1138.38 FEET, TO THE POINT OF BEGINNING OF THE PARCEL TO BE DESCRIBED; THENCE S 02º41'43" E, 200.35 FEET; THENCE S 44°35'37" E, 168.59 FEET; THENCE S 32°25'08" E, 286.09 FEET; THENCE S 18°13'10" W, 354.71 FEET; THENCE S 12°04'00" E, 441.70 FEET; THENCE S 79°02'20" W, 241.88 FEET; THENCE N 10°57'40" W, 110.23 FEET; THENCE N 54°54'59" W, 127.85 FEET; THENCE N 51°51'40" W, 79.36 FEET; THENCE N 21°51'08" W. 69.68 FEET; THENCE N 02°00'39" W. 71.21 FEET: THENCE N 08°27'41" E, 70.34 FEET; THENCE N 24°55'49" E. 70.89 FEET: THENCE N 41°18'22" E, 65.93 FEET; THENCE N 52°49'58" E. 74.96 FEET; THENCE THENCE N 03"45'01" W, 46.97 N 12°51'19" E, 48.92 FEET; FEET; THENCE N 13°15'54" W, 51.32 FEET; THENCE N 24°09'19" W, 47.24 FEET: THENCE N 30°53'55" W, 47.61 FEET; THENCE N 32°19'06" W, 153.00 FEET; THENCE

N 48°55'10" W, 33.28 FEET; THENCE N 83°32'15" W, 34.73 FEET; THENCE S 59°06'02" W, 39.20 FEET; THENCE S 55°41'50" W, 44.06 FEET; THENCE S 85°54'20" W, 40.95 FEET; THENCE NORTHWESTERLY ON AN ARC LEFT, HAVING A LENGTH OF 201.59 FEET, A RADIUS OF 440.00 FEET, A CENTRAL ANGLE OF 26°15'03", AND A LONG CHORD WHICH BEARS N 36°34'01" W, 199.83 FEET; THENCE NORTHWESTERLY ON AN ARC LEFT, HAVING A LENGTH OF 7.53 FEET, A RADIUS OF 270.00 FEET, A CENTRAL ANGLE OF 01°35'50", AND A LONG CHORD WHICH BEARS N 50°29'28" W, 7.53 FEET; THENCE N 20°27'05" E, 128.89 FEET; THENCE N 00°59'38" E, 136.12 FEET; THENCE ALONG SAID EAST-WEST 1/4 LINE OF SECTION 9, N 86°50'20" E, 425.95 FEET, TO THE POINT OF BEGINNING, CONTAINING 11.63 ACRES, MORE OR LESS, AND SUBJECT TO ANY OTHER EASEMENTS OR RESTRICTIONS OF RECORD.

ARTICLE XI

ASSIGNMENT

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

[SIGNATURE ON FOLLOWING PAGE]

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

OAKMONTE/MILL RIVER LLC, a Michigan limited liability company

By: MB Mill River LLC, a Michigan limited liability company, its Member

By: Dominic J. Moceri L.L.C., a Michigan limited liability company, its Member

By: /s/ Dominic J. Moceri Dominic J. Moceri, Manager

STATE OF MICHIGAN)) ss. COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me this 4th day of November, 2005, by Dominic J. Moceri, the Manager of Dominic J. Moceri L.L.c., a Michigan limited liability company, which is a Member of MB Mill River LLC, a Michigan limited liability company, which is a Member of OAKMONTE/MILL RIVER LLC, a Michigan limited liability company, on behalf of the limited liability company.

/s/ Sandra L. Ferrari , Notary Public Oakland County, Michigan Notary Public in Oakland County, Michigan My Commission Expires: 5/2/12

* Please print or type name of person signing (black ink only).

DRAFTED BY AND WHEN RECORDED RETURN TO: Matthew D. Grubba, Esq. Kickham Hanley P.C. 26862 Woodward Avenue - Suite 100 Royal Oak, Michigan 48067 (248) 414-9900 MGRUBBA@KICKHAMHANLEY.COM

FIRST AMENDMENT OF MASTER DEED

OAKMONTE AT MILL RIVER OAKLAND COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 1807

THIS FIRST AMENDMENT OF MASTER DEED ("<u>First Amendment</u>") is made and executed this 3rd day of January, 2006, by OAKMONTE/MILL RIVER LLC, a Michigan limited liability company (hereinafter referred to as "<u>Developer</u>"), whose address is 3005 University Drive, Suite 100, Auburn Hills, Michigan 48326.

WITNESSETH:

WHEREAS, Developer made and recorded a condominium Master Deed establishing Oakmonte at Mill River (the "<u>Condominium</u>") as Oakland County Condominium Subdivision Plan No. 1807 situated in the Township of Lyon, which Master Deed was recorded on November 15, 2005, in Liber 36616, Pages 527 through 594, inclusive, Oakland County Records ("<u>Master Deed</u>").

WHEREAS, Developer declared in the Master Deed the right, without the consent of any Owner, Mortgagee or any other person, to amend the Master Deed subject to any restrictions on amendments stated therein, and Developer intends, by this Amendment, to add certain agreements concerning the sale of Units in the Condominium and as otherwise stated herein.

NOW, THEREFORE, Developer hereby amends the Master Deed as follows:

1. Article VII, Section (k) of the Master Deed is deleted in its entirety and replaced with the following:

(k)If at any time during the 18-month period following the date a Co-owner(s) is deeded its Unit by Developer, such Co-owner receives a written offer from a bona-fide thirdparty purchaser to purchase the Co-owner's Unit ("Third Party Offer"), then, in such event, the Co-owner shall notify Developer of such Third Party Offer within three (3) business days by delivering a copy of such Third Party Offer to Developer by mailing the same to Developer via United States certified mail, return receipt requested, at the offices of Seller listed in the introductory paragraph of the Master Deed. Developer shall then have five (5) business days from its receipt of the Third Party Offer to provide the Co-owner with written notice THAT DEVELOPER IS EXERCISING ITS RIGHT TO PURCHASE CO-OWNER'S UNIT UPON THE SAME TERMS AND CONDITIONS AND AT THE PURCHASE PRICE CONTAINED IN THE THIRD PARTY OFFER ("Right of First Refusal"). If Developer fails to notify the Co-owner within the aforementioned five (5) business day time period that Developer is exercising its Right of First Refusal, Developer's Right of First Refusal shall be deemed to have been waived by FIRST AMENDMENT OF MASTER DEED OAKMONTE AT MILL RIVER

Developer and the Co-owner is free to consummate the transaction upon the terms and conditions and at the purchase price contained in the Third Party Offer. Developer's Right of First Refusal is a continuing right which does not expire or otherwise terminate during the 18-month time period. As such, if Developer chooses not to exercise its Right of First Refusal and the Co-owner does not sell the Unit pursuant to the terms and conditions of the Third Party Offer, Developer's Right of First Refusal (including Co-owner's notice obligations) shall continue in full force and effect and shall apply to: (i) all subsequent Third Party Offer(s); and (ii) all subsequent modifications to the terms and conditions of any Third Party Offer, including any change in the purchase price contained in the Third Party Offer. Developer's Right of First Refusal of Source of the terms and conditions of any Third Party Offer, including any change in the purchase price contained in the Third Party Offer. Developer's Right of First Refusal of the terms and conditions of any Third Party Offer, including any change in the purchase price contained in the Third Party Offer. Developer's Right of First Refusal does not apply to sales of Units to a Co-owner's spouse or to trusts controlled by, or for the benefit of, the Co-owner or Co-owner's spouse.

2. Except as expressly amended herein, all other terms and provisions of the Master Deed and its exhibits shall continue in full force and effect, including, without limitation, those provisions which permit Developer to make future amendments to the Master Deed.

3. All capitalized terms not defined herein shall have the respective meanings ascribed to them in the Master Deed.

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

OAKMONTE/MILL RIVER LLC, a Michigan limited liability company

- By: MB Mill River LLC, a Michigan limited liability company, its Member
 - By: Dominic J. Moceri L.L.C., a Michigan limited liability company, its Manager
 - By: /s/ Dominic J. Moceri Dominic J. Moceri, Manager

STATE OF MICHIGAN)) ss COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me this 3rd day of January, 2006, by Dominic J. Moceri, the Manager of the Dominic J. Moceri L.L.C., a Michigan limited liability company which is a Member of MB Mill River LLC, a Michigan limited liability company, which is a Member of Oakmonte/Mill River LLC, a Michigan limited liability company, on behalf of the limited liability company.

/s/ Martha Diehl

, Notary Public Oakland County, Michigan Notary Public acting in <u>Oakland</u> County, Michigan My Commission Expires: <u>4/406</u>

DRAFTED BY AND WHEN RECORDED RETURN TO:

Matthew D. Grubba, Esq. Kickham Hanley P.C. 100 Beacon Centre 26862 Woodward Avenue Royal Oak, Michigan 48067 Phone: (248) 414-9900 Fax: (248) 414-9906 Email: mgrubba@kickhamhanley.com

Section 5. Payment of Assessments and Penalty for Default. Annual assessments as determined in accordance with Article II, Section 3(a) above shall be payable by Co-owners in twelve (12) equal monthly installments, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. Each installment in default for ten (10) or more days shall bear interest from the initial due date thereof at the rate of 7% per annum until each installment is paid in full. The Board of Directors may also adopt uniform late charges pursuant to these Bylaws. Each Co-owner (whether one (1) or more persons) shall be, and remain, personally liable for the payment of all assessments (including interest, late charges and costs of collection and enforcement of payment) levied against the Unit which may be levied while such Co-owner is the owner thereof, except a land contract purchaser from any Co-owner including the Developer shall be so personally liable and such land contract seller shall not be personally liable for all such assessments levied up to and including the date upon which, if applicable, 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 and other charges for late payment on such installments; and third, to installments in default in order of their due dates. A Co-owner selling a Unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve, account or other asset of the Association.

Section 6. <u>Effect of Waiver of Use or Abandonment of Unit</u>. A Co-owner's waiver of the use or enjoyment of any of the Common Elements or abandonment of the Co-owner's Unit shall not exempt the Co-owner from liability for the Co-owner's contribution toward the expenses of administration.

Section 7. Enforcement.

(a) <u>Remedies</u>. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against the Co-owner's Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association may also discontinue the furnishing of any utilities or other services to a Co-owner in default upon seven (7) days' written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to vote at any meeting of the Association so long as such default continues. In a judicial foreclosure action, a receiver may be appointed to and empowered to take possession of the Unit (if the Unit is not occupied by the Co-owner) and to lease the Unit and collect and apply the rental therefrom. All of these remedies shall be cumulative and not alternative.

(b) <u>Foreclosure Proceedings</u>. 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 statutory lien that secures 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

Payment of Assessments and Penalty for Default. Annual assessments Section 5. as determined in accordance with Article II, Section 3(a) above shall be payable by Co-owners in twelve (12) equal monthly installments, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. Each installment in default for ten (10) or more days shall bear interest from the initial due date thereof at the rate of 7% per annum until each installment is paid in full. The Board of Directors may also adopt uniform late charges pursuant to these Bylaws. Each Co-owner (whether one (1) or more persons) shall be, and remain, personally liable for the payment of all assessments (including interest, late charges and costs of collection and enforcement of payment) levied against the Unit which may be levied while such Co-owner is the owner thereof, except a land contract purchaser from any Co-owner including the Developer shall be so personally liable and such land contract seller shall not be personally liable for all such assessments levied up to and including the date upon which, if applicable, 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 and other charges for late payment on such installments; and third, to installments in default in order of their due dates. A Co-owner selling a Unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve, account or other asset of the Association.

Section 6. <u>Effect of Waiver of Use or Abandonment of Unit</u>. A Co-owner's waiver of the use or enjoyment of any of the Common Elements or abandonment of the Co-owner's Unit shall not exempt the Co-owner from liability for the Co-owner's contribution toward the expenses of administration.

Section 7. Enforcement.

(a) <u>Remedies</u>. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against the Co-owner's Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association may also discontinue the furnishing of any utilities or other services to a Co-owner in default upon seven (7) days' written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to vote at any meeting of the Association so long as such default continues. In a judicial foreclosure action, a receiver may be appointed to and empowered to take possession of the Unit (if the Unit is not occupied by the Co-owner) and to lease the Unit and collect and apply the rental therefrom. All of these remedies shall be cumulative and not alternative.

(b) <u>Foreclosure Proceedings</u>. 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 statutory lien that secures payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights

and obligations of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the Condominium shall be deemed to have authorized and empowered the Association to sell or cause to be sold the Unit with respect to which the assessment(s) is or are delinquent to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by Michigan law. The Association, acting on behalf of all Co-owners, may bid at the foreclosure sale, and acquire, hold, lease, mortgage, or convey the Unit sold.

(c) <u>Notice of Action</u>. 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:

(i) The notice of lien shall set forth the legal description of the Condominium 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.

(ii) 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.

(iii) The notice of lien shall be recorded in the office of the register of deeds in the county in which the Condominium is situated 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.

(d) <u>Expenses of Collection</u>. 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, plus any late charges, shall be chargeable to the Co-owner in default and shall be secured by the lien on the Unit.

Section 8. <u>Liability of Mortgagee</u>. Notwithstanding any other provisions of the Condominium Documents, if the mortgagee of a first mortgage of record or other purchaser of a Condominium Unit obtains title to the Condominium Unit as a result of foreclosure of the first mortgage, such person, its successors and assigns, is not liable for the assessments by the Association chargeable to the Unit which became due prior to the acquisition of title to the Unit by such person and the expiration of the period of redemption from such foreclosure. The deficiency created as a result of such unpaid assessments may be absorbed by the Association in the Association's general operating budget or be dealt with in any other fashion that the Association's Board of Directors deems appropriate, including, but not limited to, treating the unpaid assessments as common expenses collectible from all of the Co-owners.

Section 9. <u>Developer's Responsibility for Assessments</u>. Notwithstanding any other provisions of the Condominium Documents to the contrary, the Developer shall not pay regular monthly Association assessments for Units which are owned by the Developer but unoccupied, but shall at all times pay all expenses of maintaining, repairing and replacing the Units that it owns. 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.

Unpaid Assessments Due on Unit Sale; Statement of Unpaid Section 10. Assessments. Upon the sale or conveyance of a Condominium Unit, all unpaid assessments against the Condominium Unit plus interest, late charges, fines, costs and attorneys' fees 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 for taxes or special assessments due and unpaid on the Unit and (b) payments due under first mortgages having priority thereto. A purchaser of a Condominium Unit is entitled to a written statement from the Association setting forth the amount of unpaid assessments outstanding against the Unit and the purchaser is not liable for any unpaid assessment in excess of the amount set forth in such written statement, nor shall the Unit be subject to any lien for any amounts in excess of the amount set forth in the written statement. Any purchaser or grantee who fails to request a written statement from the Association as provided herein at least five (5) days before the sale, or to pay unpaid assessments against the Unit at the closing of the Unit purchase if such a statement was requested, shall be liable for any unpaid assessments against the Unit together with interest, costs and attorneys' fees incurred in connection with the collection thereof.

Section 11. <u>Property Taxes and Special Assessments</u>. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

Section 12. <u>Construction Liens</u>. 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.

ARTICLE III

JUDICIAL ACTIONS AND CLAIMS

Actions on behalf of and against the Co-owners shall be brought in the name of the Association. Subject to the express limitations on actions in these Bylaws and in the Association's Articles of Incorporation, the Association may assert, defend or settle claims on behalf of all Co-owners in connection with the Common Elements of the Condominium. As provided in the Articles of Incorporation of the Association, the commencement of any civil action (other than one to enforce these Bylaws or collect delinquent assessments) shall require the approval of a majority in number and in value of the Co-owners, and shall be governed by the requirements of this Article III. The requirements of this Article III will ensure that the Coowners are fully informed regarding the prospects and likely costs of any civil action the Association proposes to engage in, as well as the ongoing status 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 III. The following procedures and requirements apply to the Association's commencement of any civil action other than an action to enforce these Bylaws or to collect delinquent assessments:

Section 1. <u>Board of Directors' Recommendation to Co-owners</u>. 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. <u>Litigation Evaluation Meeting</u>. 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:

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

(2) 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;

and

(3) litigation is the only prudent, feasible and reasonable alternative;

(4) 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:

(1) the number of years the litigation attorney has practiced law; and

(2) the name and address of every condominium and homeowner association for which the attorney has filed a civil action in any court, together with the case number, county and court in which each civil action was filed.

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

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

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

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

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 litication 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. <u>Fee Agreement with Litigation Attorney</u>. 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. <u>Co-Owner Vote Required</u>. At the litigation evaluation meeting the Coowners shall vote on whether to authorize the Board of Directors to proceed with the proposed civil action and whether the matter should be handled by the litigation attorney. The commencement of any civil action by the Association (other than a suit to enforce these Bylaws or collect delinquent assessments) shall require the approval of two-thirds (2/3) 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.

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

Section 7. <u>Attorney's Written Report</u>. During the course of any civil action authorized by the Co-owners pursuant to this Article III, 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. <u>Monthly Board Meetings</u>. 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. <u>Changes in the Litigation Special Assessment</u>. 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. <u>Disclosure of Litigation Expenses</u>. 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 IV

INSURANCE

Section 1. <u>Extent of Coverage</u>. The Association shall carry fire and extended coverage, vandalism and malicious mischief and liability insurance, and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements, and such other insurance as the Board of Directors deems advisable, and all such insurance shall be carried and administered in accordance with the following provisions:

(a) <u>Responsibilities of Co-owners and Association</u>. All such insurance shall be purchased by the Association for the benefit of the Association, and the Co-owners and their

mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners. Co-owners may obtain additional insurance upon their Units, at their own expense, in addition to the coverage carried by the Association. It shall be each Co-owner's responsibility to obtain insurance coverage for personal property located within a Unit or elsewhere in the Condominium and for personal liability for occurrences within a Unit or upon Limited Common Elements appurtenant to a Unit and also for alternative living expense in event of fire, and the Association shall have absolutely no responsibility for obtaining such coverages. The Association and all Co-owners shall use their best efforts to obtain property and liability insurance containing appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

(b) <u>Amount of Insurance on Common Elements</u>. All Common Elements of the Condominium shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the appropriate percentage of maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association. Such coverage shall also include interior walls within any Unit and the pipes, wires, conduits and ducts contained therein and shall further include all fixtures, equipment and trim within a Unit which were furnished by Developer within the Unit, or replacements of such improvements made by a Co-owner within a Unit, excluding any upgrades that are the responsibility of the Co-owner to insure. Any other improvements made by a Co-owner within a Unit shall be covered by insurance obtained by and at the expense of said Co-owner; provided that, if the Association elects to include such improvements under its insurance coverage, any additional premium cost to the Association attributable thereto may be assessed to and borne solely by said Co-owner and collected as part of the assessments against said Co-owner under Article II hereof.

(c) <u>Premium Expenses</u>. All premiums on insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.

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

Section 2. <u>Authority of Association to Settle Insurance Claims</u>. Each Co-owner, by ownership of a Unit in the Condominium, shall be deemed to appoint the Association as the Coowner's true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Condominium, with such insurer as may, from time to time, be designated to provide such insurance for the Condominium. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

ARTICLE V

RECONSTRUCTION OR REPAIR

Section 1. <u>Reconstruction or Repair Unless Unanimous Vote to the Contrary</u>. If any part of the Condominium shall be partially or completely destroyed, it shall be reconstructed or repaired unless it is determined by all Co-owners and first mortgagees that the Condominium shall be terminated.

Section 2. <u>Repair in Accordance with Master Deed and Plans and Specifications</u>. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the plans and specifications for the Condominium to a condition as comparable as possible to the condition existing prior to damage unless the Co-owners shall unanimously decide otherwise.

Section 3. <u>Responsibility for Reconstruction and Repair</u>. If the damage is only to a part of a Unit which is the responsibility of a Co-owner to maintain and repair, it shall be the responsibility of the Co-owner to repair such damage in accordance with Section 4 hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association.

Section 4. <u>Damage to Part of Unit Which a Co-Owner Has the Responsibility to</u> <u>Repair</u>. Each Co-owner shall be responsible for the reconstruction and repair of the interior of the Co-owner's Unit, including, but not limited to, all upgrades, floor coverings, wall coverings, window shades, draperies, interior walls (but not any Common Elements therein), interior trim, furniture, light fixtures and all appliances, whether free standing or built-in. In the event damage to any of the foregoing, or to interior walls within a Co-owner's Unit or to pipes, wires, conduits, ducts or other Common Elements therein is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 5 of this Article. If any other interior portion of a Unit is covered by insurance held by the Association for the benefit of the Co-owner, the Co-owner shall be entitled to receive the proceeds of insurance relative thereto, and if there is a mortgagee endorsement, the proceeds shall be payable to the Co-owner and the mortgagee jointly. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the Association promptly shall so notify each institutional holder of a first mortgage lien on any Unit in the Condominium.

Section 5. <u>Association Responsibility for Reconstruction and Repair</u>. The Association shall be responsible for the reconstruction and repair of the Common Elements (except as specifically otherwise provided in the Master Deed) and any incidental damage to a Unit caused by such Common Elements or the reconstruction and repair thereof. Immediately after a casualty causing damage to property for which the Association has the responsibility of repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs 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 repayment of the costs thereof are insufficient, assessments 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. Assessments pursuant to this Article V, Section 5 may be made by the Association without a vote of the Co-owners.

Section 6. <u>Timely Reconstruction and Repair</u>. Subject to Section 1 of this Article V, if damage to Common Elements or a Unit adversely affects the appearance of the Condominium, the Association or Co-owner responsible for the reconstruction and repair thereof shall proceed with replacement of the damaged property without delay.

Section 7. <u>Eminent Domain</u>. The following provisions shall control upon any taking by eminent domain:

(a) The provisions of Section 133 of the Condominium Act of Michigan shall apply.

(b) In the event the Condominium continues after a taking by eminent domain, the remaining portion of the Condominium shall be re-surveyed and the Master Deed amended accordingly by the Association.

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

Section 8. <u>Notices to Certain Mortgagees</u>. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC"), or in the event any mortgage is held by or insured by the United States Department of Housing and Urban Development ("HUD"), the Association shall give FHLMC and HUD written notice at such address as it may from time to time direct of any loss to or taking of the Common Elements of the Condominium, or any loss to or taking of any Unit, or part thereof, if the loss or taking exceeds Ten Thousand Dollars (\$10,000) in amount.

Section 9. <u>Priority of Mortgagees in Proceeds</u>. 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 Condominium Unit owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

ARTICLE VI

RESTRICTIONS

Section 1. <u>Uses Permitted</u>. No Unit shall be used for other than residential purposes. No Co-owner shall carry on any commercial activities anywhere on the premises of the Condominium. Notwithstanding the foregoing, Developer may conduct any of the activities expressly described in the Master Deed or its exhibits. No more than four (4) persons may continuously occupy any Unit in the Condominium. For the purpose of this Section 1, "continuous occupancy" shall mean a person who occupies a Unit for a total of thirty (30) days (and/or nights) or more in any twelve (12) month period. In the event that a Co-owner violates

this Section as a result of the birth or adoption of a child, this restriction shall be deemed suspended as to the additional child for a twelve (12) month period to enable the Co-owner a reasonable amount of time to vacate the Unit.

Except as expressly permitted under Section 2. Alterations and Modifications. Section 47(a) of the Act, no Co-owner shall make alterations in exterior appearance or make structural modifications to any Unit (including interior walls through or in which there exist easements for support or utilities) or make changes in any of the Common Elements, limited or general, without the express written approval of the Board of Directors including, but not limited to, exterior painting or the erection of decks, antennas, lights, aerials, awnings, doors, shutters or other exterior attachments or modifications; nor shall any Co-owner damage or make modifications or attachments to Common Element walls between Units which in any way impair sound conditioning qualities of the walls. The Board of Directors may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium. No storm door shall be approved unless it conforms to the color and design standards adopted by the Board of Directors. No exterior antennae, receiving devices, or satellite dishes, of any kind or nature whether freestanding or mounted upon any Unit or other structure shall be permitted, unless such device is first registered and approved by the Board of Directors. Any such approved devices must be a so-called "mini-dish" (not to exceed one meter in diameter) located on a limited common element appurtenant exclusively to the Unit Owner desiring to install the device and is fully-screened from view or, in the event the Association has designated an area in the General Common Elements for the installation of freestanding devices, then in such designated area. The Board of Directors has the reserved power to make reasonable modifications to the restrictions of this paragraph to accommodate the use of technological innovations in the telecommunications field so long as it determines that the changes benefit the Condominium.

Section 3. <u>Activities</u>. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium, nor shall any unreasonably noisy activity occur in or on the Common Elements or within any Unit at any time. Among other things, construction activities by a Co-owner (<u>i.e.</u>, interior remodeling or improvement of a completed Unit) shall be confined to the hours of 8 a.m. to 5:00 p.m., Monday through Friday. No maintenance or other repair of any vehicle is permitted anywhere in the Condominium. 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 rate of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved, which increased cost may be assessed to and collected from the Co-owner in the manner provided in Article II hereof.

Section 4. <u>Storage and Parking of Vehicles</u>. No trailers, boats, boat trailers, house trailers, campers, RV's, junk cars, motorcycles, motor homes, snowmobiles, snowmobile trailers, recreational vehicles, commercial vehicles (other than those present temporarily on business for a period not to exceed eight (8) hours), ATVs, snowmobiles, jet skis, other recreational vehicles of any kind, or any trailer used for any type or kind of vehicle may be parked or stored in the Condominium. The Board of Directors may, by duly adopted rule or regulation, further regulate the parking of automobiles on the roads and drives in the Condominium.

Section 5. <u>Garages</u>. Unit Owners shall only use garages for the parking of operational cars and for incidental storage including the use of cabinetry. Garages shall not be used as workrooms, living areas or for the storage of the prohibited vehicles listed above in Section 4. When unattended, cars must be parked in garages with the garage doors closed.

Section 6. <u>Solar Panels</u>. No solar panel, solar collector or similar device shall be placed, constructed, altered, or maintained on any lot or placed, constructed, altered, or maintained on any Unit.

Animals or Pets. Without the prior written consent of the Board of Section 7. Directors, no animal or pet other than one (1) cat or one (1) dog (not to exceed thirty (30) pounds in total weight for all pets) shall be kept in the Condominium by any Co-owner. 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, exotic 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. No animal may be tethered or chained anywhere in the Overall Development, whether to poles, trees or otherwise. Any person who causes or permits an animal to be brought or kept on the Condominium property shall indemnify and hold harmless the Association for any loss, damage or liability that the Association may sustain as a result of the presence of such animal on the Condominium property. Notwithstanding the foregoing, the following breeds of dogs are prohibited from all Units and the Overall Property: (i) American Pit Bull Terrier; (ii) American Staffordshire Terrier; (iii) Doberman Pinscher; (iv) Rottweiler; and (v) any crossbreeds of dogs that contain one or more of these breeds. As such, Co-owners shall not own (or house for any period of time) any of the aforementioned breeds of dogs and shall be responsible for notifying guests and invitees that the aforementioned breeds are prohibited from all Units and the Overall Property. The Board of Directors may, by duly adopted rule or regulation, further regulate the keeping of animals or pets, including, but not limited to, rules concerning defecation by animals or pets. Co-owners shall be responsible for damage to the Limited Common Elements occasioned by the uniferous activities of a Co-owner's animal. The term "animal or pet" as used in this Section shall not include small animals that are constantly caged such as small birds or fish. All pets must be registered with the Board of Directors of the Association. No consent shall be granted by the Board of Directors for any dog that is of a breed that normally grows to more than thirty (30) pounds in weight.

Section 8. <u>Aesthetics</u>. The Common Elements shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in the Master Deed or in duly adopted rules and regulations of the Association. All rubbish, trash, garbage and other waste shall be regularly removed from each Unit and shall not be allowed to accumulate therein. Unless special areas are designated by the Association, trash receptacles shall not be permitted on the Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. The Common Elements shall not be used in any way for the drying, shaking, or airing of clothing or other fabrics. Automobiles may only be washed in areas approved by the Board of Directors. In general, no activity shall be carried on nor condition maintained by a Co-owner, either in a Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium.

Section 9. <u>Common Elements</u>. Each driveway leading into a garage may only be used by the Co-owner entitled to use the garage. The Common Elements shall be used only for passive recreation and for no other purpose. Golfing, basketball and all other active sports are prohibited. Activities in the Common Elements shall be carried on in such a manner as to avoid disturbing or otherwise offending other Owners. Basketball hoops and play areas are not permitted. No firearms, air rifles, pellet or B-B guns, bows and arrows, slingshots or other weapons are allowed in the 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 obviously intended. No unsightly condition shall be maintained upon any court yard, deck, patio or porch and only furniture and equipment consistent with ordinary court yard, deck, patio or porch use shall be permitted to remain there during seasons when the same are reasonably in use and no furniture or equipment of any kind shall be stored on decks, patios or porches during seasons when the same are not reasonably in use. 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. 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 10. <u>Signs and Advertising</u>. No signs or other advertising devices shall be displayed which are visible from the exterior of a Unit or on the Common Elements, including lawn or window "For Sale" signs.

Section 11. <u>Rules and Regulations</u>. Reasonable regulations consistent with all laws and the Condominium Documents concerning the use of the Common Elements 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.

Association's Right of Access. The Association or its duly authorized Section 12. agents shall have access to each Unit and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association has the express right to maintain, repair and replace any Limited Common Element deck that is not maintained by a Co-owner in accordance with the standards for such maintenance promulgated by the Board of Directors from time to time. The costs of any such maintenance, repair or replacement of any Limited Common Element deck shall be assessed to the Co-owner of the Unit to which such deck is appurtenant. The Association or its 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. It shall be the responsibility of each Co-owner to provide the Association means of access to the Co-owner's Unit and any Limited Common Elements appurtenant thereto during all periods of absence and in the event of the failure of such Coowner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to any Unit or any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of such damage. Subject to the foregoing and other provisions in the Master Deed and these Bylaws, each Co-owner shall be entitled to exclusive occupancy and control over the Co-owner's Unit and all Limited Common Elements appurtenant thereto.

Section 13. <u>Decks</u>. All decks, patios, porches (except entry-way porches) and balconies are Limited Common Elements of the Condominium that shall be maintained, repaired

and replaced by the Co-owner of the Unit to which the structure is appurtenant, including, but not limited to, the removal of snow and ice. Decks, patios, porches and balconies shall be tastefully maintained. During the winter, all deck furniture shall be stored indoors. The color and material from which decks, patios, porches and balconies are constructed shall not be altered without the express written approval of the Board of Directors. Owners shall not allow pets to use decks, patios, porches or balconies for uriniferous or defecation purposes. The Board of Directors may, by duly adopted rule or regulation, further regulate the use, maintenance, repair and replacement of Limited Common Element decks, patios, porches and balconies.

Section 14. <u>Water Meter Areas</u>. Any water meter areas located within various garages are Limited Common Elements that are appurtenant to Units that are serviced by the meters contained in a particular water meter room. Owners of Units serviced by such meters, appropriate municipal representatives and the Association shall have access to such areas solely for the purpose of reading and maintaining the water meters and maintaining irrigation systems located in the water meter area. Unit Owners shall ensure that any doors leading into the water meter areas remain secured at all times.

Section 15. <u>Barbecues</u>. Charcoal grills may not be used in the Condominium, whether on a Limited Common Element or otherwise. The only outdoor cooking devices permitted in the Condominium are grills that use propane gas which are located at least ten (10) feet from buildings. Use of propane grills shall be further subject to all municipal regulations which may apply to the use of propane cooking devices.

Section 16. Landscaping. No Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Elements unless approved by the Board of Directors in writing or unless permitted by the Master Deed or the regulations of the Association. The Board of Directors may, by duly adopted rule or regulation, permit each Unit Owner to maintain, on the terms and conditions specified in the rule or regulation, a small private garden adjacent to the Co-owner's Unit.

Section 17. <u>No Weapons or Hunting</u>. 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, slingshots, or other similar weapons, projectiles or devices anywhere on or about the Condominium for any reason whatsoever, including, but not limited to, the hunting of animals.

Section 18. <u>Co-Owner Maintenance</u>. Each Co-owner shall maintain the Unit owned and any Limited Common Elements appurtenant thereto for which the Co-owner has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other elements in any Unit which are appurtenant to or which may affect any other Unit. Each Coowner 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, pets, 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 19. <u>Mold</u>. The presence of mold is an event that occurs naturally in the environment which is beyond the control of Developer and the Association. Moisture in a home can have many causes. Spills, leaks, overflows, condensation and high humidity are common sources of home moisture. Good housekeeping and home maintenance practices are essential in the effort to prevent or eliminate mold growth. If moisture is allowed to remain on the growth medium, mold can develop within twenty-four to forty-eight hours.

Co-owners can take positive steps to reduce or eliminate the occurrence of mold growth in the home, and thereby minimize any possible adverse effects that may be caused by mold. These steps including the following:

(i) Before bringing items into the home, check for signs of mold. Potted plants (roots and soil), furnishings, or stored clothing and bedding material, as well as many other household goods, could already contain mold growth.

(ii) Keep the humidity in the home low. Vent clothes dryers to the outdoors. Ventilate kitchens and bathrooms by opening the windows, by using exhaust fans, or by running the air conditioning to remove excess moisture in the air and to facilitate evaporation of water from wet surfaces.

(iii) Inspect for leaks on a regular basis. Look for discolorations or wet spots. Repair any leaks promptly. Inspect condensation pans (refrigerators and air conditioners) for mold growth. Take notice of musty odors and any visible signs of mold.

Whether or not Co-owners experience mold growth depends largely on how they manage and maintain their home. Developer does not warrant against the presence of mold in the Site and will not be responsible for any damages caused by mold, including, but not limited to, property damage, loss of value, adverse health effects or any other effects. Any implied warranties, including an implied warranty of workmanlike construction, an implied warranty of habitability, or an implied warranty of fitness for a particular purpose, are waived and disclaimed by Co-owners upon their purchase of a Site and Co-owners agree to hold Developer harmless for any growth of mold in the Site.

Section 20. <u>Use of Lakes</u>. Co-owners, including their guests and invitees, are prohibited from the following activities in/on any lake within the Overall Property: (i) use of boats, snowmobiles, all-terrain and all other recreational vehicles; (ii) swimming and ice-skating; (iii) construction of docks; and (iv) use of any lake for the purposes of irrigation. The vegetation areas located adjacent to any lakes shall only be used for passive and semi-active recreational uses that do not harm or otherwise damage such areas. Co-owners shall refrain from removing any vegetation from such areas.

Section 21. Reserved Rights of Developer.

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

(b) <u>Developer's Rights in Furtherance of Development and Sales.</u> 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 planned 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 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.

(c) <u>Enforcement of Bylaws.</u> The Condominium shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private residential community for the benefit of the Co-owners and all persons having interests in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then the Developer, or any entity to which it may assign this right, at its option, may elect to maintain, repair and/or replace any Common Elements and/or to do any landscaping required by these Bylaws and to charge the cost thereof to the Association as an expense of administration. The Developer shall have the right to enforce these Bylaws so long as Developer owns any Unit which Developer offers for sale, which right of enforcement shall include without limitation an action to restrain the Association or any Co-owner from any activity prohibited by these Bylaws.

Section 22. Leasing and Rental. Co-owners, excluding Developer, may only rent Units to "Family Members", which, as defined in the Master Deed, means an Owner's spouse or former spouse, descendants (natural or adoptive), grandparents, parents, siblings of the whole or half blood, the parents, descendents (natural or adoptive) and siblings of the whole or half blood of the parents of an Owner's spouse. This restriction on renting and leasing is not intended to exclude or discriminate against any persons protected by Fair Housing Laws and, to the extent that this restriction can in a specific instance exclude or discriminate against persons protected by Fair Housing Laws, then the restriction shall not apply to such protected persons. Rentals may only be for terms of occupancy not less than one (1) year and subject to the following:

(a) <u>Disclosure of Lease Terms to Association</u>. A Co-owner, including the Developer, desiring to rent or lease a Unit shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a potential lessee and, at the same time,

shall supply the Association with a copy of the exact lease form for its review for compliance with the Condominium Documents. If Developer desires to rent Units before the Transitional Control Date, it shall notify either the Advisory Committee or each Co-owner in writing.

(b) <u>Compliance with Condominium Documents</u>. 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) <u>Procedures in the Event of Non-Compliance with Condominium</u> <u>Documents</u>. If the Association determines that the tenant or non-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:

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

(ii) The Co-owner shall have thirty (30) 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 thirty (30) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Coowners on behalf of the Association, if it is under the control of the Developer, an action for eviction against the tenant or non-owner occupant and simultaneously for money damages in the same action against the Co-owner and tenant or non-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages to the Common Elements caused by the Co-owner or tenant in connection with the Unit or Condominium.

(d) <u>Notice to Co-Owner's Tenant Permitted Where Co-Owner in Arrears to</u> <u>the Association for Assessments</u>. When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not constitute a breach of the rental agreement or lease by the tenant.

(e) <u>Amendment of Section 22</u>. From and after the Transitional Control Date, the Association may amend this Section 22 as provided in Section 90(4) of the Act. With respect to an amendment of this Section 22, such amendment shall not affect the rights of any lessors or lessees under a written lease otherwise in compliance with this Section 22 and Section 112 of the Act and executed before the effective date of the amendment, or Units as long as they are owned or leased by Developer.

(f) <u>Applicability to Developer</u>. The rental and lease restrictions contained in this Section 22 do not apply to Developer or any successor developers.

Section 23. <u>Change in Possession</u>. Co-owners, excluding Developer, must notify the Association of any change in possession of their respective Units even if such change in

possession is not granted pursuant to a written lease. The notice required under this Section shall contain the name and address of the occupant, any rental amounts and the due dates for rent.

ARTICLE VII

MORTGAGES

Section 1. <u>Notice to Association</u>. Any Co-owner who mortgages its Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgagees of Units". The Association may, at the written request of a mortgagee of any such Unit, report any unpaid assessments due from the Coowner of such Unit. The Association shall give to the holder of any first mortgage covering any Unit in the Condominium 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. <u>Insurance</u>. 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. <u>Notification of Meetings</u>. Upon request submitted to the Association, any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive written notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

ARTICLE VIII

VOTING

Section 1. <u>Vote</u>. Except as limited in these Bylaws, each Co-owner shall be entitled to one (1) vote for each Condominium Unit owned when voting by number and one (1) vote, the value of which shall equal the Percentage of Value percentage allocated to the Units owned by such Co-owner as set forth in the Master Deed, when voting by value. Voting shall be by value unless otherwise expressiv required by the Condominium Documents or by law. In the case of any Unit owned jointly by more than one Co-owner, the voting right appurtenant to that Unit may be exercised jointly as a single vote or may be split if all the joint Co-owners of the Unit so agree in writing.

Section 2. <u>Eligibility to Vote</u>. No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until the Co-owner has presented evidence of ownership of a Unit in the Condominium to the Association. Except as provided in Article XI, Section 2 of these Bylaws, no Co-owner, other than the Developer, shall be entitled to vote prior to the date of the First Annual Meeting of members held in accordance with Section 2 of Article IX. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article VIII or by a proxy given by such individual representative.

Section 3. <u>Designation of Voting Representative</u>. 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. At any meeting the filing of such written notice as a prerequisite to voting may be waived by the chairman of the meeting.

Section 4. <u>Annual Meeting</u>. There shall be an annual meeting of the Co-owners commencing with the First Annual Meeting held as provided in Article IX, Section 2 hereof. Other meetings shall be held as provided for in Article IX hereof. Notice of the time, place and subject matter of all meetings shall be given by mailing the same to each individual representative designated by the respective Co-owners.

Section 5. <u>Quorum</u>. The presence in person or by proxy of more than 35% in value 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 such 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 6. <u>Voting</u>. Votes may be cast only in person or by a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

Section 7. <u>Majority</u>. Unless otherwise required by law or by the Condominium Documents, any action which could be authorized at a meeting of the members shall be authorized by an affirmative vote of more than 50% in value. The foregoing statement and any other provision of the Master Deed and these Bylaws requiring the approval of a majority (or other stated percentage) of the members shall be construed to mean, unless otherwise specifically stated, a majority (or other stated percentage) in value of the votes cast by those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the Co-owners duly called and held.

ARTICLE IX

MEETINGS

Section 1. <u>Place of Meeting</u>. 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 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. <u>First Annual Meeting</u>. The First Annual Meeting of members of the Association may be convened only by the Developer. The First Annual Meeting may be called at any time in the Developer's discretion after the first conveyance of legal or equitable title of a

Unit in the Condominium to a non-developer Co-owner. As provided in Article XI, Section 2 hereof, the First Annual Meeting shall be held on or before one hundred twenty (120) days after the conveyance of legal or equitable title to non-developer Co-owners of 75% in number of the 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, whichever first occurs. The sale of one or more Units to a residential builder does not constitute a sale to a non-developer Co-owner. The 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. <u>Annual Meetings</u>. Annual meetings of members of the Association shall be held in the month of March each succeeding year (commencing the third Tuesday of April of the calendar year following the year in which the First Annual Meeting is held) at such date, time and place as shall be determined by the Board of Directors. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

Section 4. <u>Special Meetings</u>. 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, but only after the First Annual Meeting has been held. 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. <u>Notice of Meetings</u>. 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 by Article VIII, Section 3 of these Bylaws to be filed with the Association 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. <u>Adjournment</u>. 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 ten (10) days from the time the original meeting was called, and notice of the meeting shall be provided as set forth in Section 5 of this Article IX.

Section 7. <u>Order of Business</u>. 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) determination of whether quorum is present; (c) proof of notice of meeting or waiver of notice; (d) reading of minutes of preceding meeting; (e) reports of officers; (f) reports of committees; (g) appointment of inspectors of election (at annual meetings or special meetings held for the purpose of electing Directors or officers); (h) election of Directors (at annual meeting or special meetings held for such purpose); (i) unfinished business; and (j) 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.

Action Without Meeting. Any action which may be taken at a meeting of Section 8. 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 of this Article IX for the giving of notice of meetings of members. Such solicitations shall specify (a) the number of responses needed to meet the guorum 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 guorum which would be required if the action were taken at a meeting; and (ii) a number of votes or total percentage of approvals which equals or exceeds the number of votes or percentage of approvals 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. <u>Minutes</u>; <u>Presumption of Notice</u>. Minutes or a similar record of the proceedings of meetings of members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE X

ADVISORY COMMITTEE

An advisory committee of non-developer Co-owners shall be established either one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Co-owners of one-third (1/3) of the Units that may be created, or one (1) year after the initial conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Condominium, whichever occurs first. The advisory committee shall meet with the Board of Directors for the purpose of facilitating communication and aiding the transition of control to the association of Co-owners. The advisory committee shall cease to exist when a majority of the Board of Directors of the Association is elected by the non-developer Co-owners.

ARTICLE XI

BOARD OF DIRECTORS

Section 1. <u>Number and Qualification of Directors</u>. The Board of Directors shall consist of three (3) members, all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association, except for the first Board of Directors. Directors shall serve without compensation. After the First Annual Meeting, the number of directors may be increased or decreased by action of the Board of Directors, provided that the Board of Directors shall be comprised of at least three (3) members.

Section 2. Election of Directors.

(a) <u>First Board of Directors</u>. 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) <u>Appointment of Non-Developer Co-Owners to Board Prior to First Annual</u> <u>Meeting</u>. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Co-owners of 25% of the Units that may be created, at least one (1) director and not less than 25% of the Board of Directors shall be elected by non-developer Coowners. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Co-owners of 50% of the Units that may be created, not less than 33 1/3% of the Board of Directors shall be elected by non-developer Co-owners. When the required percentage of conveyances has been reached, the Developer shall notify the non-developer Coowners 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 the director is removed pursuant to Section 7 of this Article XI or the director 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 75% of the Units that may be created, and before conveyance of 90% of such Units, the First Annual Meeting shall be called and the non-developer Co-owners shall elect all directors on the Board of Directors, except that the Developer shall have the right to designate at least one (1) director as long as the Developer owns and offers for sale at least 10% of the Units in the Condominium or as long as 10% of the Units remain that may be created.

(ii) Notwithstanding the formula provided in subsection (i), fifty-four (54) months after the first conveyance of legal or equitable title to a non-developer Coowner of a Unit in the Condominium, if title to at least 75% of the Units that may be created has not been conveyed to non-developer Co-owners, the First Annual Meeting shall be called and the non-developer Co-owners shall have the right to elect as provided in the Condominium Documents, a number of members of the Board of Directors equal to the percentage of Units they hold, and the Developer has the right to elect, as provided in the Condominium Documents, a number of members of the board 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 as determined in the Condominium Documents.

(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 this Section 2, or if the product of the number of members of the Board of Directors multiplied by the percentage of Units held by the non-developer Co-owners under this Section 2 results in a right of non-developer Co-owners to elect a fractional number of members of the Board of Directors, then a fractional election right of one-half (1/2) 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 director as provided in subsection (i) of this Section 2(c).

(iv) At the First Annual Meeting one-half (1/2) of the directors (rounded up if fractional) shall be elected for a term of two (2) years and the remaining 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 number of persons equal to one-half (1/2) of the number of directors (rounded up if fractional) who receive the highest number of votes shall be elected for terms of two (2) years and the number of persons equal to the remaining directors to be elected who receive the next highest number of votes shall be elected for terms of one (1) year. After the First Annual Meeting, the term of office (except for directors elected at the First Annual Meeting for one (1) year terms) of each director 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 hereunder to elect a majority of the Board of Directors, annual meetings of Co-owners to elect directors and conduct other business shall be held in accordance with the provisions of Article IX, Section 3 hereof.

(vi) As used in this section, the term "Units that may be created" means the maximum number of Units which may be included in the Condominium in accordance with any limitation stated in the Master Deed or imposed by law.

Section 3. <u>Powers and Duties</u>. 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 necessary thereto subject always to the Condominium Documents and applicable laws.

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

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

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

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

(d) To rebuild improvements after casualty.

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

(f) To own, maintain, improve, operate and manage, and to buy, sell, convey, assign, mortgage or lease (as landlord or tenant) 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.

(h) To make rules and regulations in accordance with Article VI, Section 10 of these Bylaws.

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

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

Section 5. <u>Management Agent</u>. 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, 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. <u>Vacancies</u>. 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. <u>Removal</u>. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one (1) or more of the directors may be removed with or without cause by the affirmative vote of more than 50% in number and in value of all of the Co-owners and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal quorum set forth in Article VIII, Section 5. Any director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the directors selected by it at any time or from time to time in its sole discretion. Likewise, any director selected by the non-developer Co-owners to serve before the First Annual Meeting may be removed before the First Annual Meeting in the same manner set forth in this paragraph for removal of directors generally.

Section 8. First Meeting. The first meeting of a newly elected Board of Directors

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

Section 9. <u>Regular Meetings</u>. 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. <u>Special Meetings</u>. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each director given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two (2) directors.

Section 11. <u>Waiver of Notice</u>. 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. <u>Quorum</u>. 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 is 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. <u>First Board of Directors</u>. All of the actions (including, without limitation, the adoption of these Bylaws and any Rules and Regulations for the Association, and any undertaking or contracts entered into with others on behalf of the Association) of the first Board of Directors of the Association named in its Articles of Incorporation or any successors thereto appointed before the First Annual Meeting of Co-owners shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the Co-owners.

Section 14. <u>Fidelity Bonds</u>. 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. <u>Officers</u>. The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be members of the Board of Directors and shall be appointed by the Board of Directors. The directors may appoint an Assistant Treasurer, and an Assistant Secretary, and such other officers as in their judgment may be necessary. Any two (2) offices except that of President and Vice President may be held by one (1) person.

(a) <u>President</u>. The President shall be the chief executive officer of the Association, and shall preside at all meetings of the Association and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of the President of an Association, including, but not limited to, the power to appoint committees from among the members of the Association from time to time in the President's discretion as may be deemed appropriate to assist in the conduct of the affairs of the Association.

(b) <u>Vice President</u>. The Vice President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed by the Board of Directors.

(c) <u>Secretary</u>. 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 and shall have charge of the corporate seal and of such books and papers as the Board of Directors may direct, and shall, in general, perform all duties incident to the office of the Secretary.

(d) <u>Treasurer</u>. 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. The Treasurer 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. <u>Appointment</u>. The officers of the Association shall be appointed 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. <u>Removal</u>. 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 the officer's successor appointed 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. <u>Duties</u>. 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 Board of Directors may adopt a seal on behalf of the Association which shall have inscribed thereon the name of the Association, the words "corporate seal", and "Michigan".

ARTICLE XIV

FINANCE

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

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

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

ARTICLE XV

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Every director and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, incurred by or imposed upon the director or officer in connection with any proceeding to which the director or officer may be a party, or may become involved, by reason of the director or officer being or having been a director or officer of the Association, whether or not a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of such director's duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based

upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten (10) days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all Co-owners thereof. Further, the Board of Directors is authorized to carry officers' and directors' liability insurance covering acts of the officers and directors of the Association in such amounts as it shall deem appropriate.

ARTICLE XVI

AMENDMENTS

These Bylaws may be amended by the Association or by the Developer in the manner provided in the Master Deed. Any amendment to these Bylaws shall become effective upon recordation in the office of the register of deeds in the county in which the Condominium is located. A copy of each amendment to these Bylaws shall be made available to every member of the Association after adoption; provided, however, that any amendment adopted in accordance with this Article shall be binding upon all persons who have an interest in the Condominium irrespective of whether such persons actually receive a copy of the amendment. These Bylaws may not be amended in any manner to eliminate or conflict with any mandatory provision of the Act or any applicable law or any provision of the Master Deed; nor may they be amended to materially reduce or eliminate the rights of any first mortgagees without the consent of the mortgagees affected.

ARTICLE XVII

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 in any manner are subject to and shall comply with the Act, as amended, and the mere acquisition, occupancy or rental of any Unit or an interest therein or the utilization of or entry upon the Condominium shall signify that the Condominium Documents are accepted and ratified. In the event the Condominium Documents conflict with the provisions of the Act, the Act shall govern.

ARTICLE XVIII

REMEDIES

Section 1. <u>Default by a Co-Owner</u>. Any default by a Co-owner shall entitle the Association or another Co-owner or Co-owners to the following relief:

(a) Legal Action. Failure to comply with any of the terms or provisions of the Condominium Documents or the regulations of the Association shall be grounds for relief, which may include, without limitation, 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.

(b) <u>Recovery of Costs</u>. In any proceeding arising because of an alleged default by any Co-owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (not limited to statutory fees) as may be determined by the court. In no event shall any Co-owner be entitled to recover such attorneys' fees.

Section 2. <u>No Waiver</u>. 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 3. <u>Cumulative Rights, Remedies and Privileges</u>. 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 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 4. <u>Enforcement of Provisions of Condominium Documents</u>. A Co-owner may maintain an action against the Association and its officers and directors to compel such persons to enforce the 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 Condominium Documents or the Act.

ARTICLE XIX

ARBITRATION

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

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

Section 3. <u>Election of Remedies</u>. 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 XX

SEVERABILITY

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

OAKLAND COUNTY CONDOMINIUM SUBDIVISION PLAN NO.

EXHIBIT B TO THE MASTER DEED OF

OAKMONTE AT MILL RIVER

LYON TOWNSHIP, OAKLAND COUNTY, MICHIGAN

DEVELOPER:

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DAKHONTE/MILL RIVER LLC JODS WHIVERSBY DRIVE, SUITE 102 AUBLINH HILLS, NI, 48325

CONDOMINIUM BOUNDARY

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