

DEER CREEK DOCUMENTS

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DEER CREEK

RECEIPT OF CONDOMINIUM DOCUMENTS

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

- 1) The recorded Master Deed and any amendments;
- 2) A copy of the Purchase Agreement, together with a copy of the Escrow Agreement;
- 3) A Condominium Buyer's Handbook; and
- 4) A Disclosure Statement.

Pursuant to Section 84 (2) of the Act, a purchaser may withdraw from a signed Purchase Agreement without cause and without penalty before a conveyance of the unit and within nine (9) business days after receipt of the above-listed documents. The calculation the business day period includes the day the documents are received by the purchaser if that day is a business day.

The time limit may be waived by a purchaser who is provided all of the aforementioned documents and who waives, in writing, his or her right to the protection provided by the nine (9) business day review period.

The purchaser's signature on this form, acknowledging receipt of the documents shall be prima facie evidence that the purchaser has received and understood the required documents.

By signing below, the purchaser acknowledges receipt of the following documents on this day of , 2002.

- 1) The recorded Master Deed and any amendments;
- 2) A copy of the Purchase Agreement, together with a copy of the Escrow Agreement;
- 3) A Condominium Buyer's Handbook; and
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Unit No. _____

Purchaser

DEER CREEK

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Unit No. _____

Purchaser

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Section 3. BUSINESS DAY. "Business Day" means a day of the year excluding Saturday, Sunday or any legal holiday.

Section 4. BYLAWS. "Bylaws" means the Condominium Bylaws, which set forth the substantive rights and obligations of the Co-owners and is recorded as part of the Master Deed and attached as Exhibit "A". The Bylaws shall also constitute the corporate bylaws of the Association as provided for under the Michigan Nonprofit Corporation Act.

Section 5. COMMON ELEMENTS. "Common Elements" means both the General and Limited Common Elements described in the Master Deed.

Section 6. CONDOMINIUM DOCUMENTS. "Condominium Documents" means and includes this Master Deed, Exhibits "A" and "B", the Articles of Incorporation, Association Bylaws, Disclosure Statement, Purchase Agreement, Escrow Agreement, and Rules and Regulations, if any, of the Association.

Section 7. CONDOMINIUM PROJECT, CONDOMINIUM OR PROJECT. "Condominium Project", "Condominium" or "Project" means Deer Creek,

Section 8. CONDOMINIUM SUBDIVISION PLAN. "Condominium Subdivision Plan" is Exhibit "B" to this Master Deed.

Section 9. CO-OWNER, OWNER OR PURCHASER. "Co-owner" or "Purchaser" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who own one or more units in the Condominium Project. The term "Owner" or "Purchaser", wherever used, shall be synonymous with the term "Co-owner".

Section 10. CONSTRUCTION AND SALES PERIOD. "Construction and Sales Period" means the period commencing with the recording of the Master Deed and continuing so long as Developer owns any Units which it offers for sale.

Section 11. DEVELOPER. "Developer" means Inline Developments, L.L.C., a Michigan limited liability company, whose address is 4204 Martin Road, Suite A, Walled Lake, Michigan 48390, which has executed this Master Deed, and its successors and assigns. Both successors and assigns shall always be deemed to be included within the meaning of "Developer" whenever such term is used in the Condominium Documents.

Section 12. FIRST ANNUAL MEETING. "First Annual Meeting" means the first meeting of the Association at which Co-owners unaffiliated with the Developer are permitted to vote for the election of directors and upon all other matters which may properly be brought before the meeting. The First Annual Meeting may be held in the Developer's sole discretion after certificates of occupancy have been issued for condominium residences on one half (1/2) of the units in the Project. The First Annual Meeting shall be held: (i) after the expiration of fifty-four (54) months from the date of the sale

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of the first unit in the Condominium Project or (ii) after certificates of occupancy have been issued for condominium residences on three quarters (3/4) of all units in the Project, whichever occurs first.

Section 13. **TRANSITIONAL CONTROL DATE**. "Transitional Control Date" means the date on which a Board of Directors of the Association takes office pursuant to an election in which the votes which may be cast by eligible Co-owners, unaffiliated with the Developer, exceeds the votes which may be cast by the Developer.

Section 14. **UNIT OR CONDOMINIUM UNIT**. "Unit" or "Condominium Unit" shall mean that portion of the Condominium Project Land designed and intended for separate ownership and use as described on the Condominium Subdivision Plan, Exhibit "B", attached to this Master Deed. Unless otherwise stated, a Unit shall not include any residence or other improvements constructed by the Purchaser within the perimeter of a Unit.

ARTICLE II TITLE AND NATURE

The Condominium Project shall be known as Deer Creek, Wayne County Condominium Subdivision Plan No. 620. The Condominium Project shall consist of sixty-four (64) detached building sites, each of which is intended for separate ownership and use. Each building site shall be known as a Condominium Unit. Each Condominium Unit shall consist of the land and all improvements included within the perimeter of the site as delineated on the Condominium Subdivision Plan (Exhibit "B" to this Master Deed). Each purchaser will hold title to his/her Unit and all improvements located thereon ("residence"). The Developer is under no obligation to construct any residence or other improvements upon the Unit. However, all residences and improvements to be constructed upon the Unit and the Common Elements shall comply with the Developer's Architectural and Building Specifications and Use Restrictions set forth in detail in the Condominium By-Laws (Exhibit "A" to the Master Deed). Each Co-owner in the Condominium Project shall have an exclusive right to his Unit and shall have an undivided and inseparable percentage interest in the Common Elements of the Condominium Project as designated in the Master Deed.

ARTICLE III LEGAL DESCRIPTION

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

Part of the Southwest 1/4 of Section 24, T2S., R 8E., Canton Township, Wayne County, Michigan, being further described as follows:

Commencing at the South 1/4 corner of said Section 24; thence N. 1 degree, 27 minutes, 55 seconds W. 740.00 feet to the point of beginning of the parcel herein described; thence S. 87 degrees 34 minutes 25 seconds W. 573.93 feet; thence S. 01 degrees 27 minutes 55 seconds E. to a point on the South line of said Section 24, also being the centerline of Palmer Road (33 feet wide), 739.15 feet; thence along the said South line of Section 24, and centerline of Palmer Road S. 87 degrees 34 minutes 25 seconds W. 88.72 feet; thence N. 02 degrees 25 minutes 35 seconds W. 80.00 feet; thence along the Northerly Right of Way of Palmer Road (variable width), S. 87 degrees 34 minutes 25 seconds W. 150.00 feet, and N. 02 degrees 25 minutes 35 seconds W. 10.00 feet and S. 87 degrees 34 minutes 25 seconds W. 350.00 feet; and N. 02 degrees 25 minutes 35 seconds W. 20.00 feet and S. 87 degrees 34 minutes 25 seconds W. to the point of intersection of the Northerly Right of Way of Palmer Road with the Easterly Right of Way of the I-275 Freeway 189.43 feet; thence along the said Easterly Right of Way of the I-275 Freeway, N. 01 degrees 27 minutes 55 seconds W. 708.00 feet, and N. 07 degrees 05 minutes, 34 seconds E. 499.44 feet, and N. 06 degrees 28 minutes 41 seconds E. 127.11 feet and N. 08 degrees 18 minutes 48 seconds E. 200.56 feet, and N. 19 degrees 05 minutes 34 seconds E. 6.62 feet; thence N. 87 degrees 54 minutes 59 seconds E. 802.11 feet; thence S. 01 degrees 27 minutes 55 seconds E. 132.53 feet; thence N. 87 degrees 34 minutes 25 seconds E. to a point on the North-South 1/4 line of said Section 24, 423.45 feet; thence along the said North-South 1/4 line of Section 24, S. 01 degrees 27 minutes 55 seconds E. 191.50 feet; thence S. 87 degrees 34 minutes 25 seconds W. 423.45 feet; thence S. 01 degrees 27 minutes 55 seconds E. 261.49 feet; thence N. 87 degrees 34 minutes 25 seconds E. to a point on the said North-South 1/4 line of Section 24, 423.45 feet; thence along the said North-South 1/4 line of Section 24, S. 01 degrees 27 minutes 55 seconds E. 310.01 feet; to the point of beginning. Containing 34.6430 acres subject to the rights of the public in the Easterly 33.00 feet (Lotz Road) and the Southerly 33.00 feet (Palmer Road) and any easements or restrictions of record.

Parcel Identification No.s:

71-095-99-0008-702 & 71-095-99-0006-002

The Developer hereby reserves for itself, its successors and assigns all oil, gas and mineral rights with respect to the above described property.

This property may be located within the vicinity of farmland or a farm operation. Generally, accepted agricultural and management practices which may generate noise, dust, odors and other associated conditions may be used and are protected by the Michigan Right to Farm Act, being P.A. 93 of 1991, as amended.

ARTICLE IV COMMON ELEMENTS

The Common Elements of the Project shown on the Condominium Subdivision Plan, Exhibit

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"B" attached, and the respective responsibilities for maintenance, decoration, repair and replacement, are as follows:

Section 1. GENERAL COMMON ELEMENTS. The General Common Elements are:

(a) Land. The land described in Article III, including all roads and other surface improvements not identified as Limited Common Elements, but excluding that portion designated on the Condominium Subdivision Plan as the Condominium Units. Further included is all land which is identified in the open space plan, all paths, and landscaping.

(b) Electrical. The electrical transmission service, including primary and secondary service lines, intended to service condominium residences constructed within the units in the Project.

(c) Telephone. The telephone wiring system up to the point of connection with the service pedestal within each Unit in the Project.

(d) Gas. The gas main distribution system throughout the Project up to the point where the service is available for connection to a Condominium residence hereafter constructed within a Unit.

(e) Water. The water distribution system throughout the Project up to the point where the service is available for connection to a Condominium residence hereafter constructed within a Unit.

(f) Sanitary Sewer. The sanitary sewer system throughout the Project up to the point where the sewer lead is available for connection to a Condominium residence hereafter constructed within a Unit.

(g) Storm Sewer and Detention System. The storm sewer system and detention system throughout the Project.

(h) Telecommunications. The telecommunications and cable television systems, if and when they may be installed, up to, but not including, connections to provide service to Condominium residences hereafter constructed within the Unit boundaries in the Condominium.

(i) The open space, flood plain, wetlands, and wetland vegetation, if any, within the Condominium Project and outside the boundaries of any Unit.

(j) The outdoor sprinkling system, if any, serving the Common Elements.

(k) All sidewalks throughout the Project, if any shown on the Condominium Subdivision Plan outside of the Units.

(l) All utility poles for lighting throughout Project.

(m) All landscaping, berms, trees, and plantings within the Condominium Project, except any landscaping, trees and plantings within the Units.

(n) All entrance markers, signs and benches for the Condominium Project.

(o) The water and electric meters monitoring the utilities serving the common elements.

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

Some or all of the utility lines, systems (including mains and service leads) and equipment described above may be owned by the local public authority or by the company that is providing the pertinent service. Accordingly, such utility lines, systems and equipment shall not be General Common Elements.

Section 2. LIMITED COMMON ELEMENTS. The Limited Common Elements are those portions of the Common Elements shown on the Condominium Subdivision Plan as appurtenant to the Unit to which they are immediately adjacent and which, by virtue of their proximity to a particular Unit, are reserved for the exclusive use and enjoyment of the owner of that individual Unit.

Section 3. RESPONSIBILITIES FOR MAINTENANCE, DECORATION, REPAIR AND REPLACEMENT.

a) ASSOCIATION RESPONSIBILITY. The Association shall be responsible for the maintenance, decoration, repair, and replacement of all General Common Elements as set forth in Section 1 above.

Unless given written consent by the Association, a Co-owner shall not maintain, repair or replace the areas listed above which are the responsibility of the Association. If seventy-five percent (75%) or more of the Co-owners agree in writing, the Association's liability with respect to any of the above items can be changed or terminated. If seventy-five percent (75%) or more of the Co-owners do so elect in writing, an affidavit to that effect shall be made by an officer of the Association and recorded in the Wayne County Register of Deeds and a copy delivered to each Co-owner, provided however that this provision shall not be applicable, unless the consent of the Charter Township of Canton is obtained.

(b) CO-OWNER RESPONSIBILITY. Each Co-owner shall be solely

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responsible for the maintenance, decoration, repair and replacement of the following relating to their Unit:

(i) All construction, including but not limited to, exterior and interior surfaces of the residence and garage, including the garage driveway, walkways, porches, decks, patios, and all walls, windows, doors, garage doors, sliding glass doors, door frames, ceilings, floors, screens and hardware (including garage door openers), and gates and fences constructed within each Unit.

(ii) The Unit air conditioner compressor and pad.

(iii) The landscaping and plantings installed within each Unit to be installed within 90 days of occupancy, weather permitting, except as otherwise provided in Article IV, Section 3(a). Sod shall be installed in the front yard and either sod or seed shall be installed in the back yard. Seed may only be installed as a mulch blanket, pegged in place.

(iii) The Unit exterior lighting on the residence and garage.

(iv) The Unit meter for natural gas, water, and electricity.

(v) The fence or gate surrounding any enclosed area such as a courtyard, porch or patio area within each Unit.

(vii) The Unit roof and chimney.

(viii) The condition of soil and/or sediment in compliance with any environmental rules and regulations.

(ix) In the event that a common mail station is installed during the course of construction, the cost shall be equally born between the Co-Owners.

c) TREE CONSERVATION EASEMENT/PROTECTED TREE AREA

Notwithstanding the foregoing, the Westerly (rear) thirty four feet (34') of land surface on Homesites 11 through 22, as designated in the Condominium Subdivision Plan shall remain a "Tree Conservation Easement/Protected Tree Area" as defined below. Additionally, there shall be a Tree Conservation Easement/Protected Tree Area along the Northernly rear twenty eight feet (28') of Homesites 3 through 11.

1. The Developer shall plant a total minimum of forty five (45) trees on Homesites 11 through 19 in the Tree Conservation Easement within twelve months of issuance of the first building permit or model home in the Deer Creek Development. Homesites 11 through 19 shall have a minimum total of five (5) trees each.

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2. The Developer shall be responsible for replacing dead trees in the Tree Conservation Easement for a period of two (2) years from the date of commencement of construction or installation, whichever occurs earlier.

3. The Owners of each Homesite shall be responsible for maintaining trees in the Tree Conservation Easement.

4. Neither the Owner(s) or any other residents in the Development nor the Developer, shall intentionally cause trees to die or eliminate trees prematurely in said Homesites unless they are already dead or near dead or required to be removed for utility easement purposes.

5. Dead trees shall be replaced with no less than the following: (a) Evergreen trees shall be a minimum of eight feet (8') in height; and (b) Shade trees shall be a minimum of three inches (3") in caliper, measured twelve inches (12") above the ground.

6. If any Owner(s) of said Homesites 3 through 19, inclusive, does not comply with the provisions above, the Association shall plant the required trees at the Homeowner's expense.

This provision shall not be interpreted to forbid Owners of Homesites 3 through 22, inclusive from trimming and pruning trees nor shall said Owners be prevented from planting additional trees as they may desire. This provision is for the express purpose of maintaining a tree preservation area on Homesites 3 through 22, inclusive. The Builder shall utilize its best efforts to preserve trees in the Development, notwithstanding its rights to take down trees to allow access utilities or to grade a homesite consistent with the rules & ordinances of Canton Township.

d) CO-OWNER NEGLIGENCE OR FAULT. If the Association determines in its sole discretion that maintenance, repair, decoration or replacement is required of any aspect of a common element as a result of the failure of the Co-owner to perform his responsibility as set forth above, or is as a result of the negligence, fault or improper conduct of a Co-owner, the Association may proceed to perform the required work itself. The cost of any such maintenance, repair, decoration or replacement performed by the Association shall be paid by the Co-owner and added to his annual Association assessment, if necessary. Failure of the Co-owner to pay the charges incurred by the Association shall entitle the Association to Proceed with all remedies set forth in the Condominium Bylaws.

e) NO RESPONSIBILITY FOR DEVELOPER OR BUILDER. Except as stated herein, the Developer and Builder shall not be responsible for the maintenance, repair, decoration or replacement of any of the Limited Common Elements.

Section 4. NOTICE TO ASSOCIATION OF ISSUANCE OF CERTIFICATE OF OCCUPANCY. Each Co-owner shall notify the Association in writing within three (3) days after receipt of a temporary or permanent certificate of occupancy of (a) the receipt of such certificate of

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occupancy; (b) the proposed date of closing, if known; (c) the projected date of occupancy. *This* notice is extremely important to enable the Association to commence its maintenance responsibilities and collect Association dues.

ARTICLE V UNIT DESCRIPTION AND PERCENTAGES OF VALUE

Section 1. **DESCRIPTION OF UNITS.** Each unit in the Condominium Project is described in the Condominium Subdivision Plan attached as Exhibit "B". Each unit shall consist of the land and all improvements contained within the Unit boundaries as shown on the Condominium Subdivision Plan and delineated with heavy outlines.

Section 2. **PERCENTAGE OF VALUE.** The percentage of value assigned to each unit shall be equal. The total value of the Project is one hundred percent (100%). The determination that percentages of value should be equal was made after reviewing the characteristics of each Unit in the Project which would affect maintenance costs, for which the Association is responsible, and concluding that there are not material differences among the Units regarding such costs. The percentage of value assigned to each unit shall determine each Co-owner's undivided interest in the Common Elements, the proportionate share to be paid by each Co-owner for the expenses of the Association and the value of such Co-owner's vote at meetings of the Association. The percentage of value currently assigned to each Unit is as follows:

Unit Number	Percentage of Value Assigned	Total
1 - 64	1.5625	100%

ARTICLE VI PROJECT CONTRACTION

Section 1. **PROJECT CONTRACTION.** As of the date this Master Deed is recorded, the Developer intends to establish a Condominium Project consisting of sixty four (64) unit sites on the land described in Article III hereon all as shown on the Condominium Subdivision Plan. The Developer reserves the right, however, to establish a Condominium Project consisting of fewer units than all of the units and to withdraw from the Project all or some portion of the land in the Condominium or some portion thereof & the roadways immediately adjacent to such units. Therefore, any other provisions of this Master Deed to the contrary notwithstanding, the number of units in this Condominium Project may, at the option of the Developer, from time to time, within a period no later

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than six years from the date of recording of this Master Deed, be contracted to any number determined by the Developer in its sole judgment.

In connection with such contract, the Developer unconditionally reserves the right to withdraw from the Condominium Project such portion or portions of the land described in Article III as is not reasonably necessary to provide access to or otherwise serve the Units and their appurtenant Limited Common Element, if any, included in the Condominium Project, as contracted. The Developer reserves the right to use the portion of the land so withdrawn to establish, in its sole discretion, a rental development, a separate condominium project (or projects) or any other form of development.

ARTICLE VII EASEMENTS

Section 1. **EASEMENTS FOR DRIVEWAYS**. To the extent that a driveway serving a residence built upon a Unit encroaches upon another Unit, as is depicted in the Condominium Subdivision Plan, easements shall exist through and over those portions of the Unit as are necessary for access and use thereof.

Section 2. **EASEMENTS FOR UTILITY POLES**. There shall exist easements in, on, or over the Condominium Premises, including all Units and Common Elements, for the erection of utility poles, if necessary, as may be required to provide lighting and services to the Project.

Section 3. **EASEMENT FOR MAINTENANCE OF ENCROACHMENTS AND UTILITIES**. If any portion of a unit or common elements encroaches upon another unit or common element due to shifting, settling or moving of a building, or due to survey errors, or construction deviations, reciprocal easements shall exist for the maintenance of such encroachment for so long as such encroachment exists, and for maintenance after rebuilding, in the event of any destruction. There shall be easements to, through and over those portions of the land, structures, buildings, improvements and walls (including interior building walls) for the continuing maintenance and repair of all utilities in the Condominium Project.

Section 4. **ACCESS BY UTILITY COMPANIES AND DAMAGE CAUSED**. Utility companies and governmental units furnishing services such as water, sanitary sewer, storm sewer, electricity, television, cable, gas, oil and telephone shall have access to the Common Elements and the units as may be reasonable for the installation, maintenance or repair of such services designated as General Common Elements. shall be an expense of administration to be paid by the Association. Any costs, including damage to any General or Limited Common Elements, incurred in the installation, repair or maintenance of services designated as Limited Common Elements which are the responsibility of the Co-owner, shall be paid by the Co-owner of the unit to which the Limited Common Element is appurtenant.

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Section 5. ACCESS FOR REPAIRS. No Co-owner shall, in any way, restrict access to any of the common utilities or utility distribution systems, or any other Common Elements that must be accessible to service any residences. Should access to any of these facilities be required, the Association may remove any coverings or attachments that restrict such access. There shall be easements to, through and over those portions of the land, structures, buildings, improvements and interior walls, as may be reasonable, for the installation, maintenance and repair of all utilities necessary to the Condominium Project.

Section 6. EASEMENTS FOR MAINTENANCE, REPAIR AND REPLACEMENTS. The Developer, the Association, including its officers, directors, agents and designees, and all public or private utilities shall have such easements as may be necessary in, on, or over the Condominium Premises, including all Units and Common Elements, to fulfill any responsibilities which they or any of them are required or permitted to perform under the Condominium Documents. These easements include, without any implication of limitation, the right of the Association to obtain access during reasonable hours and upon reasonable notice to utility components and other Common Elements located within any Unit. In no event shall the Association be liable for the decoration, maintenance, repair, or replacement of any portion of the interior of any residence constructed within any Unit.

Section 7. DEDICATION. The Developer reserves the right to dedicate for the use of the public any streets, roadways, driveways, sidewalks or General Common Elements within the Condominium Project. The Developer also reserves the right to grant easements over, under, and across the Condominium Project and any portions for utilities to any state, county or local units of government or private or public utility companies, and the right to transfer title of any utilities to any state, county or local units of government or private or public utility companies. The Developer finally reserves the right grant easements for conservation purposes, pursuant to the Conservation and Historic Preservation Easement Act, 1980 PA 197, MCL 399.251 et. seq..

Section 8. INGRESS AND EGRESS. The Developer reserves an unrestricted easement and license for ingress and egress over all of the roads, walkways and driveways in the Condominium Project.

Section 9. UTILITY TAP-INS. The Developer reserves an unrestricted easement and license to tap into and to use any and all utility lines now or in the future located in the Condominium Project, including, but not limited to, electrical, telephone, water, gas, storm and sanitary sewer mains. In the event Developer utilizes, taps, ties into, extends or enlarges any utilities located on the Condominium Property, it shall be obligated at its own expense to restore the Condominium Project to its state immediately prior to such utilization, tapping, tying-in, extension or enlargement. All utility tap-ins for water, sanitary & storm sewer must be inspected and approved by Canton, and all required tap-in fees and charges shall be paid by the Developer.

Section 11. TELECOMMUNICATIONS AGREEMENT. The Association, subject to the Developer's approval during the Construction and Sales Period, shall have the power to grant such

easements, licenses and other rights of entry, use and access and to enter into any agreement, including wiring agreements, right-of-way agreements, access agreements and multi-unit agreements and contracts for the sharing of any installation or periodic subscriber service fees as may be necessary or desirable to provide for telecommunications, video text, broad band cable, satellite dish, earth antenna and similar services (collectively "Telecommunications") to the Project or any unit. In no event shall the Association enter into any contract or agreement or grant any easement, license or right of entry or do any other thing which will violate any provision of any federal, state or local law. Any sums paid by any Telecommunications company in connection with such service, including fees, if any, for the privilege of installing same or sharing periodic subscriber service fees, shall be receipts affecting the administration of the Condominium Project and shall be paid over to and shall be the property of the Association.

ARTICLE VIII AMENDMENT AND ASSIGNMENT

This Master Deed and Condominium Bylaws and Condominium Subdivision Plan may be amended by an affirmative vote of sixty-six and two-thirds percent (66-2/3%) of the Co-owners in number and in percentage of value, except as set forth below:

Section 1. **BY DEVELOPER.** During the Construction and Sales period and for one year thereafter, the Developer may, without the consent of any Co-owner, mortgagee or any other person, amend this Master Deed, the Condominium Bylaws, or the Condominium Subdivision Plan in order to correct survey or other errors and to make other changes in these documents as may or may not materially alter or change any rights of any Co-owner or mortgagee in the Condominium Project. Such Amendments may include, but are not limited to, changes for the purpose of facilitating mortgage loan financing for existing or prospective Co-owners, modifying the building and use specifications and restrictions contained in the Condominium Bylaws, modifying elevations, designs, locations, and sizes of unsold units and their appurtenant Limited Common Elements and modifying and adding General and Limited Common Elements and modifying the responsibility for maintenance, repair, decoration, and replacement of the general and limited common elements, provided however, no amendments, changes or alterations shall be allowed which deviate from the site plan approved by the Charter Township of Canton, without the express written consent of the Township and the Developer.

Section 2. **MODIFICATION OF UNIT DIMENSIONS OR LIMITED COMMON ELEMENTS.** Notwithstanding Section 1, a Co-owner's unit dimensions and limited Common Elements, and the formula used to determine the percentage of value of units in the project shall not be modified without the written consent of the affected Co-owner's and their mortgagees.

Section 3. **TERMINATION, VACATION, REVOCATION OR ABANDONMENT.**
The Condominium Project may not be terminated, vacated, revoked or abandoned without the written consent of eighty percent (80%) of all non-developer Co-owners and of the Developer if the Developer

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is the owner of any unit(s).

Section 4. **ASSIGNMENT** Any of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law 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, and be recorded in the Office of the Wayne County Register of Deeds.

Witnesses

Developer
Inline Developments, L.L.C.

Kathleen M. Kida
Kathleen M. Kida
Lisa A. Harris
Lisa A. Harris

Peter Stano
Peter Stano, Manager

STATE OF MICHIGAN)
)ss.
COUNTY OF OAKLAND)

On this day of August, 2001, the foregoing Master Deed was executed before me by Peter Stano, Manager of Inline Developments, L.L.C., a Michigan limited liability company.

Margaret E. Eddy
Notary Public

MARGARET E. EDDY
NOTARY PUBLIC-OAKLAND COUNTY, MI
MY COMMISSION EXPIRES 05/10/05

DRAFTED BY AND
WHEN RECORDED RETURN TO:

Mark Capaldi
18700 West Ten Mile Road
Southfield, Michigan 48075

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**DEER CREEK
EXHIBIT "A"
CONDOMINIUM BYLAWS**

**ARTICLE I
ASSOCIATION OF CO-OWNERS**

Deer Creek, a residential site Condominium Project located in the Township of Canton, Wayne County, Michigan, shall be administered by an Association of Co-owners which shall be a non-profit corporation, and called the "Association". The Association shall be responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Condominium Documents and the laws of the State of Michigan. Only Co-owners shall be entitled to membership in the Association. The interest of a Co-owner in the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium Project available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of units in the Condominium Project. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit or the Common Elements shall be subject to the provisions and terms set forth in the Condominium Documents. The purpose of these Condominium By-laws is to govern the administration, maintenance, operation, construction, and future use of the Condominium.

**ARTICLE II
ASSESSMENTS**

All expenses arising from the management, administration and operation of the Association shall be levied by the Association against the Units and the Co-owners in accordance with the following provisions:

Section 1. **DETERMINATION OF ASSESSMENTS.** Assessments shall be determined in accordance with the following provisions:

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a. **Budget.** The Board of Directors of the Association shall establish an annual budget, in advance, for each fiscal year. The budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for major repair and replacement of Common Elements shall be established in the budget and must be funded by annual payments as set forth in Section 2 below rather than by special assessments. At a minimum the reserve fund shall be equal to ten (10%) percent of the Association's current annual budget on a noncumulative basis. Since the minimum 10% standard required for a reserve fund may prove to be inadequate, the Association should carefully analyze the Condominium Project annually to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes. The Association should annually evaluate the anticipated capital expenditures and establish an adequate reserve fund without the necessity of special assessments if at all possible.

b. **Budget.** Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner and the assessments shall be established based upon the budget. The delivery of a copy of the budget to each Co-owner shall not affect or in any way diminish the liability of any Co-owner for any existing or future assessments. Should the Board of Directors at any time determine, in its sole discretion, (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation, maintenance and management of the Condominium; or (2) to provide additions to the Common Elements not exceeding Five Thousand Dollars (\$5,000.00) annually for the Condominium Project, or (3) that an event of emergency exists, the Board of Directors shall have the authority, without the consent or vote of the Co-owners, to increase the general assessment or to levy such additional assessments as it shall deem necessary.

c. **Special Assessments.** In addition to those assessments described in subparagraph (b) above, special assessments may be made by the Board of Directors, from time to time, to meet other needs or requirements of the Association, including, but not limited to: (1) assessments for additions or improvements to the Common Elements which cost exceeds \$5,000.00 for the entire Condominium Project annually; (2) assessments to purchase a unit or residence upon foreclosure of a lien described in Section 5; or (3) assessments for any other appropriate purpose not elsewhere described. Special assessments referred to in this Subparagraph (c) shall not be levied without the prior approval of more than sixty-six and two-thirds percent (66-2/3%) of all Co-owners in percentage of value.

Section 2. **PAYMENT OF ASSESSMENTS AND PENALTY FOR DEFAULT.** Unless otherwise provided in the Master deed or in these By-laws, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with the percentage of value allocated to each Unit in the Master Deed. All assessments shall be paid once each year and shall be due and payable the first of January. The annual dues shall be pro-rated the first year by the number of months remaining in the year inclusive of the month of acceptance of the deed divided by twelve months. The payment of an assessment shall be in default if such assessment, or any part, is not paid to the Association in full on or before the due date for such payment. Assessments in default shall bear interest at the highest legal annual interest rate permitted by Michigan law until paid in full. A one-time reserve equal to 1 year's monthly assessment will

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additionally be established by the Developer, which will be paid by the Purchaser at the time of Closing.

Unless amended by the Board of Directors, each assessment in default for ten (10) days or more shall bear a late charge of Twenty-Five Dollars (\$25.00). The determination of default shall be as of the date the payment is received by the Association. In addition to the late charge, the Association may, pursuant to Article VII, levy fines for the late payment of an assessment, including the assessment of fines for the chronic or continuing late payment of assessments. Each Co-owner (whether one or more persons) shall be personally liable for the payment of all assessments, including fines, actual costs and attorney fees pertinent to his Unit, while a Co-Owner in the Condominium. Payments on account of assessments in default shall be applied as follows: (1) to costs of collection and enforcement of payment, including reasonable attorneys' fees; (2) to any interest, late charges and fines for late payment on such assessments; and (3) to assessments in default in order of their due dates. All unpaid assessments shall constitute a lien on such Unit from the date the assessment becomes due.

Section 3. MISCELLANEOUS. All costs incurred by the Association in satisfaction of any liability connection with the Common Elements or any improvements within any Unit for which the Association has maintenance responsibility, or the administration of the Condominium Project shall constitute expenditures affecting the administration of the Project. All proceeds of any policy of insurance carried by the Association securing the interest of the Co-owners against liabilities or losses connected with the Common Elements or the administration of the Condominium Project shall constitute receipts affecting the administration of the Condominium Project.

Section 4. WAIVER OF USE OR ABANDONMENT OF UNIT. No Co-owner may exempt himself from liability for his contribution toward the payment of Association assessments by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his unit.

Section 5. ENFORCEMENT.

a. Remedies. The Association may enforce collection of delinquent assessments by a suit for a money judgment or by foreclosure of the statutory lien that secures payment of such assessments. In the event of a default in the payment of an annual assessment, the Association shall have the right to accelerate and declare 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. A Co-owner in default shall not be entitled to vote at any meeting of the Association as long as a default continues. All of these remedies shall be cumulative and not alternative.

b. Foreclosure Proceedings. Each Co-owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as amended from time to time, shall apply to lien foreclosure actions. In an action for foreclosure of an assessment lien, a receiver may be appointed to take possession of the

Unit, and if not occupied, to lease the Unit and collect the rents. The Association, acting on behalf of all Co-owners, may bid in at the foreclosure sale and acquire, hold, lease, mortgage or convey the unit. An action to recover a money judgment for unpaid assessments may be maintained without foreclosing or waiving the lien. An action for money damages and foreclosure may be combined in one action.

d. Notice of Lien. A foreclosure proceeding may not be commenced without the recording and service of a notice of lien. The notice of lien shall set forth:

- (1) The legal description of the Unit or Units to which the lien attaches.
- (2) The name of the Co-owner of record;
- (3) The amounts due the Association at the date of the notice, exclusive of interest, costs, attorney's fees and future assessments.

The notice of lien shall be in recordable form, executed by an authorized representative of the Association and may contain other information as the Association may deem appropriate. The notice of lien shall be recorded in the office of the Wayne County Register of Deeds and shall be served upon the delinquent Co-owner by first class mail, certified return receipt requested, postage prepaid, addressed to the last known address of the Co-owner at least ten (10) days in advance of commencement of the foreclosure proceedings.

d. Expenses of Collection. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorneys' fees (not limited to statutory fees) and advances for taxes or other charges paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on his Unit.

Section 6. LIABILITY OF MORTGAGEE. If a mortgagee of a first mortgage of record or other purchaser 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 Association assessments chargeable to that unit which became due prior to the acquisition of title to the unit by such person. The unpaid assessments are deemed to be common expenses collectible from all Co-owners including such person, its successors and assigns.

Section 7. DEVELOPER AND BUILDER ARE NOT RESPONSIBLE FOR ASSOCIATION ASSESSMENTS. As used in this Section, the term "completed residence" shall mean a residence which has been issued a temporary or final certificate of occupancy by the Township of Canton.

Even though members of the Association, the Developer and Builder shall not be responsible, at any time, for payment of the monthly Association assessments.

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Except for units owned by the Developer or Builder on which there are completed residences, the Developer or Builder shall not be responsible for payment of any assessments for capital improvements, special assessments or contributions to the reserve fund. In addition, the Developer shall never be liable for any assessment, general or special, to buy any unit from the Developer or to finance any litigation or claims against the Developer, including the costs to investigate any such claim or litigation.

Section 8. **BUILDER NOT RESPONSIBLE FOR ASSOCIATION ASSESSMENTS BEFORE CERTIFICATE OF OCCUPANCY.** Until a temporary certificate of occupancy is issued for a residence within a unit, the Developer or Builder shall not pay any Association assessment for the unit.

Section 9. **DELINQUENT ASSESSMENT IF CO-OWNER IS LEASING.**
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. After receiving the notice from the Association, the tenant shall deduct from the rental payments due the Co-owner the arrearage and all future assessments as they fall due and pay them to the Association. These deductions from the rental payments shall not constitute a breach of the rental agreement or lease by the tenant.

Section 10. **PERSONAL PROPERTY TAX ASSESSMENT OF ASSOCIATION PROPERTY.** The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners. Any such personal property taxes levied shall be treated as expenses of administration and paid by the Association.

Section 11. **REAL PROPERTY TAXES AND SPECIAL ASSESSMENTS.**

a. Except for the year in which the Condominium Project is established, all real property taxes and special assessments shall be assessed against the individual Condominium Units.

b. For the year during which the Master Deed is recorded, there will be a single assessment for the whole project, and the Developer will be responsible for payment of the taxes payable pursuant to that single assessment (the "first year taxes"). However, upon the purchase of a Unit during that year, each purchaser of a Unit shall pay to Developer a share of the first year taxes determined as follows:

(1) Each purchaser shall pay its portion of the first year's taxes allocable to the land prorated as of the date of purchase on a due date basis.

(2) The amount of the first year's taxes allocable to the Condominium shall be based upon the valuations and allocations made by the Canton Township Assessor in computing the total real estate tax assessment for the Project.

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Section 12. STATEMENT AS TO UNPAID ASSESSMENTS. The purchaser of any Unit may request a statement from the Association as to the amount of any unpaid Association assessments, whether regular or special. Upon written request to the Association, accompanied by a copy of the executed purchase agreement, the Association shall provide a written statement of any unpaid assessments which may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied and the purchaser shall not be liable for any assessments greater than the amount set forth by the Association in the written statement. If a purchaser fails to request in writing such a statement at least 5 days before the closing of the purchase of such Unit, any unpaid assessments and the lien securing same shall be fully enforceable against the purchaser and the Unit itself.

ARTICLE III ARBITRATION

Section 1. SCOPE AND ELECTION. Disputes of claims relating to the interpretation or the application of the Condominium Documents, or any disputes or claims arising among the Co-owners and the Association, upon the election and written consent of the parties, and upon written notice to the Association, shall be submitted to arbitration. The parties shall accept the arbitrator's decision as final and binding. The Commercial Arbitration Rules of the American Arbitration Association, as amended, shall be applicable to any such arbitration proceeding. A judgment may be entered upon such award in a court of competent jurisdiction.

Section 2. ELECTION OF REMEDIES. The election and written consent by co-owners and the Association to submit any dispute, claim or grievance to binding arbitration shall preclude such parties from litigating the dispute, claim, or grievance in the courts.

ARTICLE IV INSURANCE

Section 1. ASSOCIATION.

a. Scope of Coverage. The Association shall carry fire and extended coverage, vandalism and malicious mischief insurance, liability insurance, worker's compensation insurance, if applicable, for all of the Common Elements in the Project and such other insurance for those areas within the Units which the Association has responsibility for as set forth in the Master Deed. All insurance shall be purchased by the Association for the Benefit of the Association and the Co-Owners and their mortgagees, as their interest may appear. The Association shall provide for, if requested, the issuance of certificates of mortgage endorsements to the mortgagees of Co-owners. The Association shall obtain coverage in an amount equal to the current insurable replacement value of the insured property,

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as determined annually by the Board of Directors of the Association. The Board shall consult with the insurance agents and representatives for the determination of replacement costs. All coverage shall contain appropriate inflation riders. All information in the Association's records regarding insurance coverage shall be made available to all co-owners upon request and reasonable notice during normal business hours.

b. Premium Expenses. All premium upon insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.

c. Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, the Co-owners and their mortgagees, as their interest may appear. The Insurance proceeds received by the Association as a result of any loss requiring repair or reconstruction shall be applied to such repair or reconstruction.

d. Authority of Association To Settle Insurance Claims.

Each Co-owner shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the insurance of the Condominium Project including the adjustment and settlement of any losses or claims.

Section 2. CO-OWNER COVERAGE. After a Condominium residence has been built on a Unit, each co-owner shall obtain fire and extended coverage, vandalism, liability, and malicious mischief insurance for the Condominium residence and all other improvements constructed or to be constructed within the Unit. All such insurance shall be carried by each co-owner in an amount equal to the maximum insurance replacement value, excluding foundation and excavation costs. In addition, each co-owner shall insure the personal property and contents within the Condominium residence and elsewhere within the Unit, and, also obtain coverage for alternative living expense in the event of a fire. Under no circumstances shall the Association be responsible to obtain any of the insurance coverage described in this Section 2.

Section 3. WAIVER OF SUBROGATION. The Association and all co-owners shall use their best efforts to see that all property and liability insurance carried by the Association or any co-owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any co-owner or the Association.

ARTICLE V DESTRUCTION AND EMINENT DOMAIN

Section 1. DETERMINATION TO RECONSTRUCT OR REPAIR. If all or any part of the Condominium Premises shall be damaged or destroyed, the determination of whether it shall be reconstructed or repaired shall be made in the following manner:

a. **Partial Damage.** If the damaged property is a Common Element or a residence constructed within a Unit, the property shall be rebuilt or repaired if it is tenantable, unless it is determined by a unanimous vote of all the Co-owners that the Condominium Project shall be terminated.

c. **Total Destruction.** If the Condominium Project is so damaged that no residence constructed within any Unit is tenantable, the damaged property shall not be rebuilt unless eighty percent (80%) or more of the Co-owner in percentage of value and in number agree to reconstruction by vote or in writing within 90 days after the destruction.

Section 2. **REPAIR OR RECONSTRUCTION.** Any reconstruction or repair shall be substantially in accordance with the Master Deed, the Condominium Subdivision Plan and the Condominium By-laws and to a condition as comparable as possible to the condition existing prior to the damage unless the Co-owners shall unanimously decide otherwise.

Section 3. **CO-OWNER RESPONSIBILITY FOR REPAIR OR REPLACEMENT.**

a. **Definition of Co-owner Responsibility.** If there is damage to only a residence or other improvement constructed within a unit which is the responsibility of a Co-owner to repair and replace, it shall be the responsibility of the Co-owner to replace or to repair such damage. In all other cases, the responsibility for reconstruction and repair shall be that of the Association.

b. **Damage To Interior And Exterior Of Residence.** Each Co-owner shall be responsible for the replacement, repair, decoration and maintenance of the exterior and interior surfaces of the residence and garage constructed within their Unit, including, but not limited to, floor coverings, windows, window shades, draperies, doors, ceilings, interior trim, hardware, furniture, light fixtures and all appliances, whether free-standing or built-in. In addition, each co-owner shall be responsible for the replacement, decoration, repair, and maintenance of those areas within the Unit specifically described in the Master Deed. If any 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, and if there is a mortgage 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 shall promptly so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

Section 4. **ASSOCIATION RESPONSIBILITY FOR REPAIR.** The Association shall be responsible for the replacement, repair, decoration and maintenance of the Common Elements, and for those areas within the Units specifically set forth in the Master Deed. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property to a condition as comparable as possible to that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost are insufficient,

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the Board of Directors shall have the authority, without Co-owner consent, to levy assessments against all Co-owners in sufficient amounts to provide funds to pay the estimated or actual cost of repair or reconstruction.

Section 5. **TIMELY RECONSTRUCTION AND REPAIR.** If damage to the Common Elements or to a Unit adversely affects the appearance of the Project, the Association or Co-owner responsible for the reconstruction, repair and maintenance shall proceed, without delay, and shall complete the necessary work within six (6) months after the date of the occurrence which caused damage to the property.

Section 6. **EMINENT DOMAIN.** The Condominium Act and the following provisions shall control any taking by eminent domain.

a. **Taking of Unit.** In the event of a taking of an entire Unit by eminent domain, the award for such taking shall be paid to the Co-owner of such Unit and the mortgagee, as their interests may appear. After acceptance of such award by the Co-owner and his mortgagee, they shall be divested of all condemnation award shall become payable to any Co-owner whose Unit is not wholly taken by eminent domain, then such award shall be paid by the condemning authority to the Co-owner and his mortgagee, as their interests may appear.

b. **Taking of Common Elements.** If there is a taking of any portion of the Condominium other than any Unit, the award for such taking shall be paid to the Co-owners and their mortgagees in proportion to their respective interests in the Common Elements. An affirmative vote of more than fifty percent (50%) of the Co-owners in number and in percentage of value shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

c. **Continuation of Condominium After Taking.** In the event the Condominium Project continues after a taking by eminent domain, the remaining portion of the Condominium Project shall be re-surveyed and the Master Deed amended accordingly.

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

ARTICLE VI ARCHITECTURAL AND BUILDING SPECIFICATIONS AND USE RESTRICTIONS

All improvements made within any Unit, including the construction of a residence and garage,

shall comply fully with these Architectural and Building Specifications and Use Restrictions. As set forth more specifically in this Article, before construction of any improvements are made to a Unit, plans and specifications prepared by an architect, including grading, site, and irrigation plans, showing the nature, size, shape, elevations, height, materials, color scheme, and location, shall be submitted to and approved in writing by the Architectural Control Committee. The Developer is not required to submit such plans so long as the Developer shall constitute the Architectural Control Committee. Additionally, any builder or Co-owner who utilizes plans previously approved by the Architectural Control Committee and filed with the Township of Canton shall not be required to submit such plans. The Developer intends by these specifications and restrictions, to create and perpetuate a beautiful, serene, private residential condominiums community consistent with the highest standards.

Section 1. ONLY RESIDENTIAL USE AND MAXIMUM NUMBER OF PERSONS OCCUPYING A RESIDENCE. No Unit in the Condominium shall be used for other than family residence purposes. No business, trade, profession or commercial activity of any kind shall be conducted within any Unit in the Condominium.

Section 2. LOCATION AND TYPE OF RESIDENCES. No residence shall be constructed or located on any Unit except as delineated on the Condominium Subdivision Plan and approved by the Architectural Control Committee. No building shall be constructed or permitted to remain on any Unit other than one (1) single-family condominium residence.

Section 3. RESIDENTIAL BUILDING SETBACKS. Except as may be permitted by the appropriate officials of the Township of Canton and the Architectural Control Committee, the front yard, side yard, and rear yard setbacks shall be governed by the Township of Canton ordinances.

Section 4. MINIMUM UNIT SIZE. No Unit shall be split or reduced in size by any method whatsoever without the prior written consent of the Architectural Control Committee. Units may be enlarged by consolidation with one (1) or more adjoining Units under one (1) ownership. If one (1) or more Units are developed together as one condominium residence, all of the restrictions in this Article shall apply as though a single Unit were involved without any increase in density. The minimum unit sizes are listed below:

<u>Size</u>	<u>Square Footage</u>
One Story (w/basement)	1,400
One Story (w/o basement)	1,600
One and One-Half Story	1,800
Two Story (w/basement)	2,200
Two Story (w/o basement)	1,600

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Additionally, each Unit shall contain an attached minimum two (2) car garage.

Section 5. **GRADING AND DRAINAGE**. The grade of any Unit in the Condominium may not be changed from the Grading Plan approved by the Township of Canton without the written consent of the Architectural Control Committee and any governmental authority having jurisdiction.

a. **Surface Drainage**. It shall be the responsibility of each Owner to maintain the surface drainage grades of his unit as established by the Developer. Each Owner covenants that he will not change the surface grade of his unit in a manner which will materially increase or decrease the storm water flowing onto or off of his unit and will not block, pond or obstruct surface water. The Board of Directors of the Association shall enforce this covenant and may enter upon the units in the Condominium to correct any violation of this covenant and shall charge the cost of the correction to the Owner who has violated this covenant. The condition of soil and/or sediment shall be maintained by each Owner in compliance with any applicable environmental rules and regulations.

b. **Footing Drains**. It shall be the responsibility of each Owner to assure that the footing drains are clear of obstructions and installed in accordance with the Utility Plan approved by the Township of Canton. It shall be the responsibility of each Owner to maintain the footing drains within his Unit. If any Owner shall fail to maintain the footing drains or shall fail to have the drains properly installed as part of the storm water drainage system, the Association may enter upon the unit of such Owner and perform all necessary connections, repairs and maintenance of the footing drains. The costs for such connections, repairs and maintenance shall be charged to the Owner and shall be a lien upon the Unit.

Section 6. **OUTSIDE EQUIPMENT**. All outside equipment, including air conditioning compressors and pads, shall be placed and located within five (5) feet of the rear of the Condominium residence unless otherwise approved in writing by the Architectural Control Committee.

Section 7. **DEBRIS, SOIL EROSION CONTROL AND DAMAGE TO ROADWAYS OR COMMON ELEMENTS DURING CONSTRUCTION**. All vacant Units must remain free to debris, litter, and trash and be cleaned up regularly. Further, during construction, the Owner shall be responsible for preventing soil erosion or soil buildup on the roads. A soil erosion fence or other fence approved by the Developer shall be used for such maintenance. Until landscaping is installed, the Owner shall be responsible for violation of the provisions of this section by any of his or her contractors, subcontractors, agents or employees. Notwithstanding any provision to the contrary, damage to the roads or common elements which are the result of construction activities must be repaired by the Owner who caused the damage (or the contractor, subcontractor, agent or employee who caused the damage) at the Owner's sole expense.

Section 8. **GARBAGE**. No Unit shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste. Garbage and trash shall be kept only in sanitary containers and may not be put out for collection any earlier than the evening before the day scheduled for collection.

Section 9. EXTERIOR LIGHTING AND APPEARANCE. All exterior lighting, lamps and posts for any residence must conform to the general architectural scheme of the project. Rocks, monuments and other materials may be utilized to enhance the exterior appearance, subject to the approval of the Architectural Control Committee or the Developer.

Section 10. TEMPORARY STRUCTURES AND OLD OR USED BUILDINGS. No temporary occupancy shall be permitted in an unfinished condominium residence. The use of a trailer for materials and supplies to be used by a builder in the construction of a residence and which shall be removed from the premises upon enclosure of the residence may be allowed. Accessory buildings shall be permitted within a Unit as provided for by the Township of Canton ordinances.

Section 11. LIVESTOCK AND POULTRY. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any unit except that dogs, cats or other animals as household pets may be permitted as provided for in this Article.

Section 12. FENCES. No Co-Owner shall install a fence of any kind, unless required by law during the "Construction and Sales Period". At the discretion of the Association, fences may be allowed only if they are in compliance with the Township of Canton ordinances and approved by the Developer or the Association by a vote of two-thirds (66 2/3%) of all Co-Owners. No other fences, of any kind, shall be allowed unless required by law (i.e. such as fencing around swimming pools). Fences may not be permitted closer than 15' to the side yard line of yards adjacent to road rights-of-way, or closer than 33' to the side or rear yard lines of Units containing landscaping easements. All fences shall comply with the regulations set forth in the adopted Canton Township Fence Ordinance, and other applicable laws & ordinances.

No fences shall be allowed in front yard areas, other than partial fences to complement landscaping berms and plantings which have been approved by the Developer or the Association. Only wood, stone or brick fences, or other fencing approved by the Developer or the Association shall be permitted within the Development. provided, however, fences may be permitted by the Developer for dog runs only, and provided further that such dog runs are no larger than 20' by 30', and located immediately behind a house, not further than 40' from the rear of the house, and there is only one dog run per Homesite. It is the intent of the Developer that fences for dog runs be as close to the house as possible and not be visible from the front of the house. Evergreen plant and evergreen trees installation along such fences to provide screening may be required by the Developer in the case of corner lots. In addition, fences will be permitted to be erected around any in-ground swimming pool, in accordance with ordinances regulating the construction and use of swimming pools. The location, design and materials of all fences shall be subject to the approval of the Developer & Canton Township.

Section 13. JACUZZIS, HOT TUBS AND SWIMMING POOLS. Jacuzzis, hot tubs and swimming pools may be installed in rear yard areas, but only upon specific written approval of the Developer & the Township of Canton. Such approval by the Developer shall not be unreasonably withheld. No above-ground pools of any sort shall be permitted under any circumstances. Any Owner

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intending to construct any jacuzzi, hot tub or pool must submit to the Township of Canton a detailed description and proposed layout showing size, location, materials, shape, landscaping, fencing, screening, and type of construction.

Section 14. LANDSCAPING, WEED CONTROL, WETLANDS AND SETBACKS FROM WETLANDS.

a. All sod, landscaping, trees, and plantings shall be approved by the Architectural Control Committee and Township of Canton. No structures shall be permitted within landscape easements.

b. No Co-Owner shall perform any landscaping or plant any trees, shrubs, or flowers or place any ornamental materials upon the Common Elements without the prior written approval of the Architectural Control Committee.

c. All weeds shall be kept below a height of twelve (12) inches.

d. Each Co-Owner shall install sod in the front yard within 90 days of occupancy, weather permitting. A Co-Owner may install either sod or seed for the back yard, also, within 90 days of occupancy. If seed is used, it must be installed as a mulch blanket and pegged in place.

e. Each Co-Owner shall additionally be responsible for planting 1 tree within 90 days of occupancy, which shall be not less than two and one-half (2 1/2") inches in diameter and at least four feet (4') in length from the ground.

f. A certain portion of the land within the Development contains wetlands which are protected by federal and state law. Any disturbance of a wetland by depositing material in it, dredging or removing material from it, or draining water from the wetland may only be done after a permit has been obtained from the Department of Environmental Quality or its administrative successor. In order to ensure that no violations of this provision occur, no Co-Owner may disturb any wetland within the Development without obtaining: 1) written authorization from the Association; 2) any Township permits; and 3) any necessary state permits.

g. No Co-Owner may clear cut trees from large expanses of a unit site. Clear cutting is allowed for house construction (and a reasonable area surrounding the house for maneuvering and construction purposes not to exceed twenty (20') feet, driveway construction and other construction otherwise permitted under these Bylaws. It is the express intent of this restriction to forbid any Co-Owner from eliminating the majority of trees in an area not used for home construction. No structure, septic field, drain field, earth berm, earth structure, earth obstruction, deck, jacuzzi, hot tub or swimming pool or like thing shall be placed within 25' of any wetland, as defined by the Goemaere-Anderson Wetlands Protection Act (MCA 18.595 (51) et seq; MCLA 281.701 et. seq.)

In addition, no earth movement, excavation, land balancing or earth disruption of any kind shall take place within 25' of any wetlands described in the above paragraph. This section shall not be

construed so as to prevent normal lawn care, landscaping and maintenance within the prohibited setback area.

h. Lawn and driveway adornments such as rocks shall not be placed in the road Right-of-Way or General Common Elements, which are delineated on the Exhibit "B" drawings for the Development, and approved by Canton Township.

Section 15. MAILBOXES

The type of all mailboxes for all units shall be prescribed by the Developer and shall be located near the roadway as approved by the Developer and as required by the postal authorities. If required by postal authorities, a common mail station for mailboxes will be placed on the premises, the expenses of acquisition, maintenance, repair and replacement for which will be borne by the Association as an administrative expense.

Section 16. ARCHITECTURAL CONTROL COMMITTEE AND ARCHITECTURAL CONTROL

a. Until certificates of occupancy have been issued for condominium residences on one hundred (100%) percent of the units in the Condominium, the Developer shall constitute and be the sole member of the first Architectural Control Committee of the Association. The purpose of this Committee is to assure that the Condominium is developed and maintained in a beautiful and professional manner consistent with high quality and uniform standards. The members of the Committee shall not receive any compensation. Once certificates of occupancy have been issued for every Unit, the Developer shall forthwith resign as members of the Committee to be succeeded by three (3) persons selected by the Board of Directors of the Association. Until certificates of occupancy reach the one hundred (100%) percent level, the Developer may, in its sole discretion, assign all rights, authority, and privileges of membership on the Architectural Control Committee to the Association. Until certificates of occupancy reach the one hundred (100%) percent level, the Architectural Control Committee shall have all of these remedies and enforcement rights contained in these Bylaws.

b. Before constructing any condominium residence or making any exterior improvement, change, or elevation change upon any unit, a co-owner shall receive the written approval of the Architectural Control Committee. No application for a building permit or application for any other governmental approval or construction may be filed until written approval of the Committee is received, and notice of the approval is sent to Canton Township. In the event that the Architectural Control Committee receives an application for approval and fails to object within seven (7) days, it shall be deemed approved.

c. A co-owner, other than the Developer, intending to construct any residence, improvement, garage, structure, or intending to change the exterior or elevation of any Unit shall submit to the Committee plans and specifications, including site, grading, utility and garage plans, prepared by an architect registered in the State of Michigan, showing the size, nature, kind, type and

color of brick, shape, elevations, facade, height and materials, color scheme (including, but not limited to stain and paint colors), siding, location, and the approximate cost of such improvement. A copy of the plans and specifications, as finally approved, shall be kept permanently with the Committee. Items requiring the written approval of the Committee include, but are not limited to, the following: Condominium residences, fences, walls, drives, walks and dog runs.

d. The Architectural Control Committee shall have the absolute right to waive any specifications in these By-laws and the right to refuse to approve any plans and specifications which are not suitable or desirable in its sole and absolute discretion for aesthetic or any other reasons. In no event shall the Committee have any personal liability for its actions. In considering any plans or specifications, the Committee may take into consideration any of the following: (1) the suitability and aesthetic quality of the proposed building or other structure to be built, (2) the site upon which it is proposed to erect the same, (3) the compatibility of the planned structure with the adjacent or neighboring residences, (4) whether the proposed improvement will impair the structural integrity of a residence or common elements, (5) whether the proposed improvement would create a nuisance or annoyance to surrounding co-owners, and (6) the impact on the overall standards and appearance of the Condominium.

e. Upon receipt from the Architectural Control Committee, the Developer or Builder shall have thirty (30) days after the receipt of all required plans and specifications to issue a written denial. If the Developer or Builder fail to issue a written denial of the plans and specifications within the thirty (30) day period, they shall be deemed to be fully complied with.

Section 17. ALTERATIONS AND MODIFICATIONS. With the exception of the Developer or Builder, no Co-owner shall make any alterations in the exterior appearance of his Unit or make changes in any of the Common Elements, Limited or General, without the express written approval of the Architectural Control Committee. No Co-owner shall in any way restrict access to or tamper with any element that must be accessible to service the Common Elements or which affects an Association responsibility in any way. Should access to any facilities of any sort be required, the Association may remove any coverings or attachment of any nature that restrict such access and it will have no responsibility for repairing, replacing or reinstalling any materials that are damaged in the course of gaining such access.

Section 18. ACTIVITIES. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, Limited or General. Additionally, with the exception of washing of autos, boats or recreational vehicles, no work may be performed on any auto, boat or recreational vehicle which cannot be performed within the confines of the Unit owner's garage. Further, nothing shall be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium. No unreasonably noisy activity shall occur on the Common Elements or in any Unit at any time. No Co-owner shall permit anything to be done in his unit or on the Common Elements that will increase the rate of insurance on the Condominium without the written approval of the Association. Each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. Activities

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which are deemed offensive and are expressly prohibited include, but are not limited to, any activity involving the use of firearms, air rifles, pellet guns, B-B guns, bows and arrows, firecrackers or other similar dangerous weapons, projectiles or devices.

Section 19. AESTHETICS. The Common Elements, Limited or General, shall not be used for storage of supplies, materials, personal property or trash of any kind, unless authorized in writing by the Association. The storage of any item of personal property shall not violate any building, health, safety or fire code or ordinance, or cause the insurance premiums for the Unit or the Condominium to increase. No unsightly condition shall be maintained in any private courtyard, patio, porch, deck or any other exterior area. Trash receptacles shall be maintained by Co-owners in designated areas and shall not be permitted to remain on the Unit except for such short periods of time as may be reasonably necessary to permit the periodic collection of trash. In general, no activity shall be carried on nor condition maintained by a Co-owner, either in his Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium.

Section 20. VEHICLES. Other than automobiles, no house trailers, vans, commercial vehicles, boat trailers, boats, personal water craft, camping vehicles, camping trailers, motorcycles, all terrain vehicles, snowmobiles, snowmobile trailers or vehicles, may be parked or stored upon the premises of the Condominium, unless parked in the Co-owner's garage, or parked in an area specifically designated and reserved for such parking by the Board of Directors. All vehicles which are parked outside a garage shall be operable, well maintained, and compatible in appearance with other vehicles in the Condominium. Clunkers and junkers are not permitted. No vehicle or automobile of any kind shall be parked outside a garage for more than two (2) consecutive weeks. Vehicles shall be parked in garages to the extent possible. Garage doors should be closed when not in use. For purposes hereof, a "commercial vehicle" is a) any vehicle other than a passenger car, sports utility vehicle, van having windows on all sides or light duty pick up truck b) which is used to store or haul materials, tools or supplies for a business and c) which has excessive lettering or advertising for a business.

Section 21. GENERAL MAINTENANCE STANDARDS. Each Co-owner shall maintain his Unit and any Common Elements for which he has maintenance responsibility in a safe, clean and sanitary condition and in a manner consistent with the overall appearance and standards set forth in the Article. 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 which may affect any other Unit. Each Co-owner shall be responsible for any damages or costs incurred by the Association or any other Co-owner resulting from negligent damage to or misuse of any of the Common Elements by him, his family, guests, agents or invitees. Any costs or damages owing to the Association may be collected from the responsible Co-owner in the manner provided in these Bylaws for collection of assessments.

Section 22. SIGNS AND ADVERTISING. Signs, billboards, or other advertising devices of any kind may be displayed or located on a Unit or on the Common Elements, including "For Sale" signs, in accordance with the Township of Canton ordinances. During the Construction and Sales

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Period, approval of any signs or other advertising devices shall be obtained from the Developer. During the Construction and Sales Period, the Developer may permit one sign on the Unit advertising that the Unit, or the Condominium residence and Unit are for sale or lease. Any approved sign shall be constructed and installed in a professional manner. Any approved sign shall be kept clean and in good repair during the period of its maintenance on the Unit.

Section 23. **PETS.** Co-owners may maintain two (2) domesticated pets in accordance with the following restrictions. No animal may be kept or bred for any commercial purpose and shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal may be permitted to run loose at any time upon the Common Elements and any animal shall at all times be attended by some reasonable person while on the Common Elements, Limited or General. No savage or dangerous animal shall be kept and any Co-owner who causes any animal to be brought or kept upon the premises of the Condominium shall indemnify and hold harmless the Association of any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the premises, whether or not the Association has given its permission therefore. Each Co-owner shall be responsible for the collection and disposition of all fecal matter deposited by any pet maintained by such Co-owner. The Association may, without liability to the owner thereof, remove or cause to be removed, any animal from the Condominium which it determines to be in violation of the restrictions imposed by this Section. The Association shall have the right to adopt such additional reasonable rules and regulations with respect to animals as it may deem proper. Upon any violation of this Section, the Board of Directors of the Association may assess fines for such violation in accordance with these Bylaws and in accordance with duly adopted rules and regulations.

Section 24. **PRIVATE ANTENNA STRUCTURES.** Satellite dish and television antennas shall comply with Canton Township's Satellite Dish and Antennae Ordinance, Ordinance No. 13. Antenna shall comply with the setback standards for the district in which they are located. No antenna shall be visible from the front of the house.

Section 25. **PROHIBITED LAUNDRY AND CLOTHES LINES.** Laundry and clothes lines, which may or may not be visible to the public or other Co-Owners, for the purpose of drying or airing clothes, linens, etc. are prohibited within the development.

Section 26. **RULES AND REGULATIONS.** It is intended that the Board of Directors of the Association may, from time to time, make reasonable rules and regulations, without Co-owner approval, to reflect the needs, desires, and problems arising in the Condominium. Copies of all such adopted rules, regulations and amendments shall be furnished to all Co-owners.

Section 27. **RIGHT OF ACCESS OF ASSOCIATION.** The Association or its agents shall have access to each Unit during business hours, upon notice to the Co-owner, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agents shall also have access to each Unit, any improvements and any Common Elements, upon advance notice, as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit. In the event of the failure of a Co-owner to provide means of access, the

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Association may gain access in such manner as may be reasonable under the circumstances and it shall not be liable to such Co-owner for any necessary damage to his Unit and any Common Elements caused or for repair or replacement of any doors or windows damaged in gaining such access for emergency purposes.

Section 28. NOTIFYING ASSOCIATION PRIOR TO UNIT SALE.

a. A Co-owner intending to make a sale of his unit shall notify the Association in writing at least 21 days before the closing date of the sale and shall furnish the name and address of the intended purchaser and such other information as the Association may reasonably require. The Developer shall not be subject to this Section in the sale of any unit following establishment of the Condominium.

b. The purpose of the Section is to enable the Association to be aware at all times of the identities of all persons owning or occupying a unit in the Condominium Project and to facilitate communication with all such persons regarding the rights, obligations and responsibilities under the Condominium Documents. Under no circumstances shall this provision be utilized by the Association or any person for purposes of discrimination against any owner, occupant or prospective owner on the grounds of race, color, creed, national origin, sex or other basis prohibited by law.

Section 29. RESERVED RIGHTS OF BUILDER.

a. Builder's Rights In Furtherance of Development And Sales. None of the restrictions contained in the Article shall apply to the commercial activities, signs or billboards, if any, of the Builder during the Construction and Sales Period. The Builder shall have the right to maintain a sales office, a business office, a construction office, model units, storage areas, reasonable parking and such access to, from and over the Project as may be reasonable to enable development and sale of the entire Project by Builder. The Builder shall restore the areas so utilized upon termination of use.

ARTICLE VII
ASSESSMENT OF FINES

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

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

a. Notice. Notice of the violation, including the Condominium Document provision

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violated, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will place the Co-owner on notice as to the violation, shall be personally delivered or sent by first class mail, postage prepaid, to the Co-owner and to any tenant, if applicable.

b. **Opportunity To Defend.** The Co-owner shall have an opportunity to appear before the Board and offer evidence in defense of the alleged violation. The appearance before the Board shall be at its next scheduled meeting, but in no event shall the Co-owner be required to appear less than ten days from the date of the Notice of Violation set forth in (a) above.

c. **Default.** Failure to appear or respond to the Notice of Violation in writing constitutes a default.

d. **Hearing And Decision.** After a hearing conducted by the Board, the Board shall by majority vote of a quorum of the Board, decide whether a violation has occurred. If the Co-owner fails to appear for the hearing before the Board after proper notice, the Board may proceed to conduct the hearing without the Co-owner. The Board's decision is final.

Section 3. **AMOUNTS.** If the Board decides that the Co-owner has violated the Condominium Documents, the Board in its discretion may levy fines as follows:

- a. First Violation. Up to a maximum \$25.00 fine.
- b. Second Violation. Up to a maximum \$50.00 fine.
- c. Third Violation. Up to a maximum \$100.00 fine.
- d. Fourth Violation and Subsequent Violations. Up to maximum \$200.00 fine.

Section 4. **COLLECTION.** The fines levied pursuant to Section 3 above shall be assessed against the Co-owner and shall be due and payable together with the regular Condominium assessment. Failure to pay the fine will subject the Co-owner to all liabilities, late charges and other remedies, including foreclosure, set forth in the Condominium Documents.

ARTICLE VIII REMEDIES FOR DEFAULT

Any default by a Co-owner in complying with the Condominium Documents shall entitle the Association or another Co-owner or Co-owners to the following relief:

Section 1. **LEGAL ACTION.** Failure to comply with any of the provisions of the Condominium Documents shall be grounds for relief, which may include an action to recover sums due

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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 permitted by law, an aggrieved Co-owner or Co-owners.

Section 2. **RECOVERY OF COSTS.** In any proceeding arising because of an alleged default by any Co-owner, the Association, if successful, shall be entitled to recover all costs incurred by the Association as a result of the default and the actual attorneys' fees, not limited to statutory fees, incurred by the Association as a result of the default. Costs and attorney fees incurred before initiation of a lawsuit may also be recovered by the Association.

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

Section 4. **ASSESSMENT OF FINES.** The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations in accordance with these Bylaws.

Section 5. **NON-WAIVER OF RIGHT.** The failure of the Association or of any Co-owner to enforce any right, provision 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 or condition in the future.

Section 6. **CUMULATIVE RIGHTS, REMEDIES, AND PRIVILEGES.** All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to the Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies.

Section 7. **ENFORCEMENT OF PROVISIONS OF CONDOMINIUM DOCUMENTS.** A Co-owner may maintain an action against the Association and its officers and directors to compel such persons to enforce the terms and provisions of the Condominium Documents. A Co-owner may maintain an action against any other Co-owner for injunctive relief or for damages or any combination thereof for noncompliance with the terms and provisions of the Condominium Documents or the Act.

ARTICLE IX AMENDMENTS

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

Section 2. **MEETING**. Upon the proposal of any amendments, a meeting for consideration of the same shall be duly called in accordance with the provisions of these Bylaws.

Section 3. **VOTING**. These Bylaws may be amended by the Co-owners at any regular meeting, annual meeting or special meeting called for such purpose by an affirmative vote of sixty-six and two-thirds percent (66-2/3%) of all Co-owners in number and in percentage of value. No consent of the mortgagees shall be required to amend these Bylaws unless such amendment would materially alter or change the rights of such mortgagees, in which event the approval of sixty-six and two-thirds percent (66-2/3%) of the mortgagees shall be required with each mortgagee having one vote for each mortgage held.

Section 4. **BY DEVELOPER**. Without affecting the Developer in any manner, prior to the First-Annual Meeting, these Bylaws may be amended by the Developer without approval from any other person so long as any such amendment does not materially alter or change the rights of the Builder, Co-owner or mortgagee.

Section 5. **WHEN EFFECTIVE**. Any Amendment to these Bylaws shall become effective upon recording of such amendment in the office of the Wayne County Register of Deeds.

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

ARTICLE X MEETINGS

Section 1. **PLACE OF MEETING**. Meetings of the members of the Association shall be held at such place as may be designated by the Board of Directors.

Section 2. **MINUTES, PRESUMPTION OF NOTICE**. Minutes or a similar record of the proceedings of the Association when signed by the President or Secretary, shall be presumed to truthfully 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.

Section 2. **ADJOURNMENT**. If any meeting of the Association cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to a time not

less than 48 hours from the time the original meeting was called.

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

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

Section 6. **FIRST ANNUAL MEETING.** The First Annual Meeting of the Association may be convened by the Developer at anytime after certificates of occupancy have been issued for condominium residences on more than one-half (1/2) of the Units in the Project. The First Annual Meeting shall be called within one hundred twenty (120) days after certificates of occupancy have been issued for Condominium residences on three quarters (3/4) of all Units in the Project or fifty-four (54) months after the sale of the first Unit in the Project, whichever first occurs. The Developer may call meetings of Co-owners for informative or other appropriate purposes before the First Annual Meeting but no such meeting shall be construed as the First Annual Meeting. The date, time and place of such meeting(s) shall be set by the Board of Directors and at least ten (10) days written notice shall be given to each Co-owner.

Section 7. **ANNUAL MEETINGS.** Annual meetings of the Association shall be held each succeeding year after the year in which the First Annual Meeting is held. The date, time and place of annual meetings shall be determined by the Board of Directors. At all annual meetings the Co-owners shall elect a Board of Directors in accordance with the requirements of these Bylaws. The Association may transact, at annual meetings, such other business of the Association as may properly come before them.

Section 8. **ORDER OF BUSINESS.** The order of business at all meetings of the co-owners 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 meetings or special meetings held for such purpose); (i) unfinished business; and (j) new business. Meetings of co-owners shall be chaired by the most senior officer of the Association present at such meeting. For purposes of the Section, the order of seniority of officers shall be President, Vice President, Secretary and Treasurer.

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Section 9. **ACTION WITHOUT MEETING.** Any action which may be taken at a meeting of the co-owners (except for the election or removal of Directors) may be taken without a meeting by written ballot of the co-owners. Ballots shall be solicited in the same manner as provided in Section 5 of this Article X for the giving of notice of meetings of co-owners. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the co-owner specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt, within the time period specified in the solicitation, of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of 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.

ARTICLE XI BOARD OF DIRECTORS

Section 1. **NUMBER AND QUALIFICATION OF DIRECTORS.** Except for the first Board of Directors and unless otherwise decided at the First Annual Meeting, the affairs of the Association shall be governed by a Board of five (5) Directors all of whom must be Co-owners of the Association. Directors shall serve without compensation.

a. **Advisory Committee.** Within one hundred twenty (120) days after certificates of occupancy have been issued for condominium residences on one-third (1/3) of all the Units in the Project or one (1) year after the sale of the first Unit in the Project, whichever first occurs, the Board of Directors shall call a special meeting of the Co-owners for the purpose of electing five (5) persons from among the Co-owners, unaffiliated with the Developer, to serve on an Advisory Committee to the Board of Directors. The Advisory Committee shall meet with the first Board of Directors for the purpose of facilitating communication and aiding the transition of control of the Board of Directors to the Co-owners. The Advisory Committee shall automatically cease to exist when a majority of the Board of Directors of the Association is elected by the Co-owners unaffiliated with the Developer.

Section 2. **ELECTION OF DIRECTORS.**

a. **First Board.** The first Board of Directors shall be composed of five (5) persons as selected by the Developer.

b. **Election of Non-Developer Co-owner Directors to Board**

Before the First Annual Meeting. Within one hundred twenty (120) days after certificates of occupancy have been issued for condominium residences one-quarter (1/4) of all the Units in the Project, one (1) Director shall be elected by the Co-owners unaffiliated with the Developer. The Director so elected shall serve until the First Annual Meeting unless removed pursuant to Section 7 of this Article or resignation.

c. **Election of Directors At and After First Annual Meeting.** Within one hundred twenty (120) days after certificates of occupancy have been issued for condominium residences on three quarters (3/4) of all Units in the Project, the Co-owners shall elect all of the Directors to the Board, 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 ten percent (10%) of the Units in the Project.

Section 3. **POWERS AND DUTIES.** The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by law, by the Condominium Documents, or required to be exercised by the Association.

Section 4. **OTHER DUTIES.** In addition to the duties imposed by these Bylaws and the Condominium Bylaws, the Board of Directors shall be responsible specifically for the following:

- a. To manage and administer the affairs of and to maintain the Condominium Project and the Common Elements.
- b. To levy and collect assessments from the Co-owners of the Association and to use the proceeds for the purposes of the Association.
- c. To carry insurance and collect and allocate the proceeds.
- 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 Project.
- f. To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit in the Condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.
- g. To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the business of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action shall also be approved by an affirmative vote of seventy-five percent (75%) of all the Co-owners in

number and in value.

h. To make rules and regulations.

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

j. To enforce the provisions of the Condominium Documents.

Section 5. MANAGEMENT AGENT. The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto) at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize. In no event shall the Board be authorized to enter into any contract with a professional management agent or any other contract providing for services by the Developer, sponsor or builder, in which the maximum term is greater than three (3) years or which is not terminable by the Association upon ninety (90) days written notice to the other party. No management contract shall violate the Condominium Act, as amended.

Section 6. VACANCIES. Vacancies on the Board of Directors which occur after the date on which the Board of Directors for 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 cast by the Developer ("Transitional Control Date") shall be filled by a vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association. Vacancies among elected Directors, who are Co-owners unaffiliated with the Developer, which occur before the Transitional Control Date, may be filled only through an election by such Co-owners.

Section 7. REMOVAL. At any regular or special meeting of the Association where timely notice of the removal action proposed to be taken has been given, any one or more of the Directors may be removed, with or without cause, by the affirmative vote of fifty-one percent (51%) in number of all the Co-owners in the Project. A successor director may be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be thirty-five percent (35%) in number of all Co-owners in the Project. 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 Co-owners unaffiliated with the Developer 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 time and place as shall be fixed by the Directors at the

meeting at which such Directors were elected

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

Section 10. SPECIAL MEETING. 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 in like manner and on like notice on the written request of three (3) Directors.

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

Section 12. QUORUM. At the meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business. The acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors less than a quorum is present, the majority of those present may adjourn the meeting to a subsequent date upon twenty-four (24) hours 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 shall constitute the presence of such Director for purposes of determining a quorum.

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

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

ARTICLE XII OFFICERS

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Section 1. **OFFICERS.** 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. The Directors may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in their judgment may be necessary. Any two offices except that of the President and Vice President may be held by one person.

a. **President.** 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 to assist in the conduct of the affairs of the Association.

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

c. **Secretary.** The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all annual and special meetings of the Association. The Secretary shall have charge of the corporate seal, if any, 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. **Treasurer.** The Treasurer shall have responsibility for the Association 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 property in the name and to the credit of the Association, and in such depositories as may, from time to time, be designated by the Board of Directors.

Section 2. **ELECTION.** After each annual meeting of the Association, the Board of Directors shall elect Officers at its first organization meeting. Officers shall hold office at the pleasure of the Board.

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

Section 4. **DUTIES.** The officers shall have such other duties, powers and responsibilities as

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shall, from time to time, be authorized by the Board of Directors.

ARTICLE XIII VOTING

Section 1. VOTE. Each Co-owner shall be entitled to one vote for each Condominium Unit owned when voting by number and one vote, the value of which shall equal the percentage of value assigned to the Co-owner's unit when voting by value. Voting shall be by value except in those instances when voting is specifically required to be both in value and in number.

Section 2. ELIGIBILITY TO VOTE. No Co-owner shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Project to the Association. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 below or by a proxy given by such individual representative. At and after the First Annual Meeting the Developer shall be entitled to vote for each Unit which it owns.

Section 3. DESIGNATION OF VOTING REPRESENTATIVE. Each Co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-owner. Such notice shall state the name and address of the individual representative designated, the number of the Condominium 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.

Section 4. QUORUM. The presence in person or by proxy of thirty-five percent (35%) of the Co-owners in number and in value qualified to vote shall constitute a quorum for holding a meeting 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 before any duly called meeting who is not present in person or by proxy shall be counted in determining the presence of a quorum with respect to the questions upon which the vote is cast.

Section 5. VOTING. Votes may be cast only by the designated voting representative in person or in writing or by proxy. Proxies and any written votes must be filed with the Secretary of the Association. Cumulative voting shall not be permitted.

Section 6. MAJORITY. Unless stated otherwise, a majority shall consist of fifty-one percent (51%) in number of those Co-owners qualified to vote and present in person, by proxy or by written vote at a given meeting of the Association.

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ARTICLE XIV INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. INDEMNIFICATION OF OFFICERS AND DIRECTORS. Every Director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney fees, reasonably incurred by him or her in connection with any proceeding to which he or she may be or have been a Director or Officer, whether or not he or she is a Director or Officer at the time such expenses are incurred. The right to indemnification shall not apply in those cases where the Director or Officer is legally judged guilty of willful and wanton misconduct or gross negligence in the performance of his or her duties. In the event any claim for reimbursement or indemnification is based upon a settlement by the Director or Officer seeking such reimbursement or indemnification, the right to indemnification shall only apply if the Board of Directors (with the Director seeking reimbursement abstaining) approve such settlement and reimbursement as being in the best interest of the Association. The 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 for any indemnification or reimbursement which has been approved, the Board of Directors shall notify all Co-owners of the intent to pay. The Board 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 XV MORTGAGES

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

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

Section 3. NOTIFICATION OF MEETINGS. Upon written 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 Association and to designate a representative to attend such meeting.

ARTICLE XVI FINANCE

Section 1. GENERAL. The finances of the Association shall be handled in accordance with the Condominium Documents and the Act.

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

Section 3. BANK ACCOUNTS. The funds of the Association shall be deposited in such bank as may be designated by the Directors and shall be withdrawn only upon the check or order of such Officers, employees or agents as are designated by resolution of the Board of Directors from time to time. The funds may be invested from time to time in insured accounts, deposit certificates or in interest bearing obligations of the U.S. Government.

Section 4. RECORDS. The Association shall keep detailed books of account showing all expenditures and receipts of administration 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. The costs of any such audit and any accounting expenses shall be expenses of administration.

ARTICLE XVII 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 XVII. The requirements of this Article XVII will ensure that the Co-owners 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 XVII. The following procedures and requirements apply to the Association's commencement of any civil action other than an action to enforce those Bylaws or to collect delinquent assessments:

Section 1. BOARD OF DIRECTORS RECOMMENDATION TO CO-OWNERS. The Associations' Board of Directors shall be responsible in the first instance for recommending to the Co-owners that a civil action be filed, and supervising and directing any civil actions that are filed.

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

(1) it is in the best interest 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 plaintiff or defendant on behalf of the Association, without success;

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

(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. 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.

c. 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.

d. The litigation attorney's proposed written fee agreement.

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

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

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

Section 5. CO-OWNER VOTE REQUIRED. At the litigation evaluation meeting the Co-owners shall vote on whether to authorize the Board of Directors to proceed with the proposed civil action and whether the matter should be handled by the litigation attorney. The commencement of any civil action by the Association (other than a suit to enforce these Bylaws or collect delinquent assessments) shall require the approval of a majority in number and in value of the Co-owners. Any proxies to be voted at the litigation evaluation meeting must be signed at least seven (7) days prior to the litigation evaluation meeting.

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

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

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

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

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

e. Whether the originally estimated total cost of the civil action remains accurate.

Section 8. **MONTHLY BOARD MEETINGS.** The Board of Directors shall meet monthly during the course of any civil action to discuss and review:

a. the status of the litigation;

b. the status of settlement efforts, if any; and

c. the attorney's written report.

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

Section 10. DISCLOSURE OF LITIGATION EXPENSES. The attorney's 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 XVIII SEVERABILITY

In the event that any of the terms, provisions or covenants of the Master Deed, these Bylaws, the Corporate Bylaws, the Articles of Incorporation or rules and regulations of the Association 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 Master Deed, Bylaws or Articles of Incorporation or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

DRAFTED BY AND
WHEN RECORDED RETURN TO:

Mark Capaldi
18700 West Ten Mile Road
Southfield, Michigan 48075

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DISCLOSURE STATEMENT

DEER CREEK

A site condominium project in the Township of Canton, Wayne County, Michigan, consisting of a maximum 64 residential units.

Offered by: Inline Developments, L.L.C.
4204 Martin Road, Suite A
Walled Lake, Michigan 48390

PURCHASERS SHOULD REVIEW ALL OF THE CONDOMINIUM DOCUMENTS TO FULLY ACQUAINT THEMSELVES WITH THE PROJECT, AND THEIR RIGHTS AND RESPONSIBILITIES RELATING THERETO.

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SUMMARY OF THE PROJECT

The Project

"Deer Creek" is a Michigan residential site condominium development which will consist of 64 detached residential homesites. The development will be constructed pursuant to the plans and specifications which have been approved by the Canton Township Board.

A site condominium is similar to a platted subdivision, in that each purchaser owns the land And the residence which is constructed on the site. There are also certain general common elements, which are maintained by the association of co-owners.

Inline Developments, L.L.C. is the Developer of Deer Creek. It is comprised of four (4) Members: Stano Development, L.L.C., Hills Development, Inc., Breeze Hill Corporation and Craig Piasecki. All of the Members have extensive experience in residential & commercial real estate development. The sites may also be purchased by other licensed residential builders for construction and sale of homes to prospective buyers. All homes constructed on the sites must be in conformity with applicable local governmental rules and regulations. All structures and other improvements, including landscaping, shall first be approved by the Deer Creek Homeowners Association. The purpose for this rule is so that Deer Creek will maintain a consistent & pleasant appearance throughout the development.

The Association

The Deer Creek Homeowners Association is a Michigan non-profit corporation. Each co-owner automatically becomes a member after the purchase of a unit, after the Association receives a certified copy of the Warranty Deed. The Association is governed by five (5) Directors.

Annual meetings of the Association are held when called by the Board of Directors. The purpose of the annual meetings is to permit the co-owners to elect a Board of Directors for the next year. Prior to each annual meeting, the co-owners will receive notice, stating the time and location of the meeting and the matters to be considered. More specific information about the Association can be found in the Master Deed and Bylaws.

Liber 34501
Page 50**Legal Proceedings and Section 58 of the Condominium Act**

The Developer is not a party to or involved in any legal or administrative proceedings. As required by statute, Section 58 of the Michigan Condominium Act states:

"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 administering body chargeable to the unit which became due prior to the acquisition of title to the unit by such person. The unpaid assessments are deemed to be common expenses collectible from all of the condominium unit owners including such persons, its successors and assigns."

Management

The Developer has not entered into or negotiated any contracts for the management and operation of the development.

Utilities

Utility services to the premises are provided as follows:

- 1) Sanitary sewer and water – Charter Township of Canton;
- 2) Electricity – Detroit Edison Company;
- 3) Natural gas – Michigan Consolidated Gas Company;
- 4) Telephone – Comcast;
- 5) Cable television – Comcast.

Note: The development will also be served by a private storm drainage and detention system.

Budget and Assessments

Each co-owner at Deer Creek shall pay an annual assessment for their share of common

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expenses. The assessments collected from each co-owner will be used for the maintenance of the common elements and project operations. Because the day-to-day operation of the project is dependent upon the availability of funds, it is important that each co-owner pay the annual assessment in a timely fashion. A one-time reserve equal to 1 year's total estimated annual assessment will additionally be established by the Developer, which will be paid by Purchaser at the time of Closing.

The amount of the annual assessment will be determined by the amount of common expenses. All assessments levied against co-owners will be apportioned equally. A late charge of one (1%) percent per month shall be assessed by the Association upon any unpaid assessment in default for five days. The Association may enforce the collection of delinquent assessments by suit at law for a money judgment or by foreclosure of the lien securing payment. No co-owner is exempt from liability for assessments.

The assessments will be used to pay for the following services: 1) Snow removal for all streets including applying ice-melting material if needed; 2) Lawn service including planting grass, mowing, fertilizing, watering and raking lawns in the common area; 3) Tree planting, fertilizing & pruning; 4) Liability insurance; 5) Erection and maintenance of signage; 6) Maintenance of the open space areas, paths, landscaping & benches; 7) Common area taxes, if any.

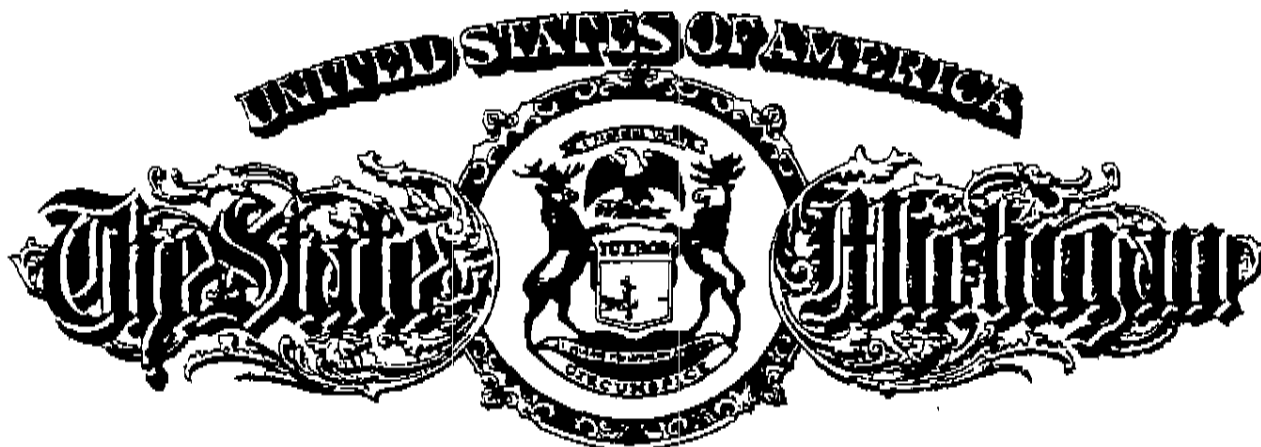
A copy of the Developer's Initial Budget is attached to this Disclosure Statement.

Purpose of Disclosure Statement

The Developer has prepared this Disclosure Statement in good faith, in reliance upon sources of information believed to be accurate and in an effort to disclose material facts about the development which it believes satisfies the requirements of the average purchaser. No express warranties are provided unless specifically stated. Each purchaser is urged to retain an attorney in connection with the purchase of a home.

The Michigan Department of Commerce publishes "The Condominium Buyer's Handbook, which the Developer delivers to each prospective homeowner.

The Master Deed and other instruments referred to herein are in summary form only and may or may not completely express the content of the various condominium documents. Each purchaser is referred to the original Master Deed and other original instruments as contained within the Purchaser Information Booklet. In accordance with the proposed rules of the State Department of Commerce, legal phraseology, technical terms and terms of art have been minimized and brevity has been the objective to the extent consistent with the purposes of the Disclosure Statement and rules of the Michigan Department of Commerce.



Michigan Department of Consumer and Industry Services

Lansing, Michigan

This is to Certify That

DEER CREEK HOMEOWNERS ASSOCIATION

was validly incorporated on August 1, 2000, as a Michigan nonprofit corporation, and said corporation is validly in existence under the laws of this state.

This certificate is issued to attest to the fact that the corporation is in good standing in Michigan as of this date and is duly authorized to transact business or conduct affairs in Michigan and for no other purpose.

This certificate is in due form, made by me as the proper officer, and is entitled to have full faith and credit given it in every court and office within the United States.



Sent by Facsimile Transmission
609052

In testimony whereof, I have hereunto set my hand, in the City of Lansing, this 25th day of September, 2001

Andrew S. Matloff, Director

Bureau of Commercial Services

CAS 502 (2/92)

MICHIGAN DEPARTMENT OF COMMERCE - CORPORATION AND SECURITIES BUREAU		
Date Received		(FOR BUREAU USE ONLY)
		Trans No: 1 3151790-1 07/27/2000 Check: 2387 ID: Amt: \$20.00 MARK CAPALDI
Name		FILED AUG 01 2000 EFFECTIVE DATE: Administrator CORP. SECURITIES & LAND DEV. BUREAU
Mark Capaldi, P.C.		
Address		
33477 S. Woodward, Suite 500		
City	State	Zip
Birmingham	Michigan	48009

DOCUMENT WILL BE RETURNED TO NAME AND ADDRESS INDICATED ABOVE

CORPORATION IDENTIFICATION NUMBER

767-643

ARTICLES OF INCORPORATION

For use by Domestic Nonprofit Corporations
 (Please read information and instructions on last page)

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

ARTICLE I

The name of the corporation is:

Deer Creek Homeowners Association

ARTICLE II

The purpose for which the corporation is organized is to manage and operate the affairs of Deer Creek Condominiums, located in Canton Township, Wayne County, Michigan.

ARTICLE III

The corporation is organized upon a non-stock basis.

WJ

ARTICLE III (cont'd)

2. a. If organized on a non-stock basis, the description and value of its real property assets are:

None

- b. The description and value of its personal property assets are:

None

- c. The corporation is to be financed under the following general plan:

Association dues, as provided for in the Condominium Bylaws.

- d. The corporation is organized on a membership basis.

ARTICLE IV

1. The address of the registered office is:

4204 Martin Road, Suite A, Walled Lake, Michigan 48390

2. The mailing address of the registered office, if different from above: n/a

The name of the resident agent at the registered office is:

3. Peter Stano

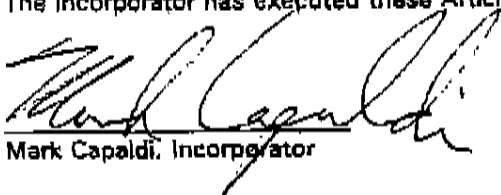
ARTICLE V

The name and address of the incorporator are as follows:

Mark Capaldi, 33477 S. Woodward, Suite 500, Birmingham, Michigan 48009

Use space below for additional Articles or for continuation of previous Articles. Please identify any Article being continued or added. Attach additional pages if needed.

The Incorporator has executed these Articles of Incorporation on the 25th day of July, 2000.

A handwritten signature in black ink, appearing to read "Mark Capaldi", is written over a horizontal line.

Mark Capaldi, Incorporator

G & S 802

Name of Person or Organization
Remitting Fees:

Mark Capaldi

Preparer's Name and Business
Telephone Number:

Mark Capaldi
248-693-8400

INFORMATION AND INSTRUCTIONS

1. The articles of incorporation cannot be filed until this form, or a comparable document, is submitted.
2. Submit one original copy of this document. Upon filing, a microfilm copy will be prepared for the records of the Corporation and Securities Bureau. The original copy will be returned to the address appearing in the box above as evidence of filing.

Since this document must be microfilmed, it is important that the filing be legible. Documents with poor black and white contrast, or otherwise illegible, will be rejected.
3. This document is to be used pursuant to the provisions of Act 162, P.A. of 1982, by one or more persons for the purpose of forming a domestic nonprofit corporation.
4. Article II - The purpose for which the corporation is organized must be included. It is not sufficient to state that the corporation may engage in any activity within the purposes for which corporations may be organized under the Act.
5. Article III - The corporation must be organized on a stock or nonstock basis. Complete Article III(1) or III(2) as appropriate, but not both. Real property assets are items such as land and buildings. Personal property assets are items such as cash, equipment, fixtures, etc.
6. Article IV - A post office box may not be designated as the address of the registered office.
7. Article V - The Act requires one or more incorporators. The addresses should include a street number and name (or other designation), city and state.
8. This document is effective on the date approved and filed by the Bureau. A later effective date, no more than 90 days after the date of delivery, may be stated as an additional article.
9. This document must be signed in ink by each incorporator listed in Article V. However, if there are 3 or more incorporators, they may, by resolution adopted at the organizational meeting by a written instrument, designate one of them to sign the articles of incorporation on behalf of all of them. In such event these articles of incorporation must be accompanied by a copy of the resolution duly certified by the acting secretary at the organizational meeting and a statement must be placed in the articles incorporating that resolution into them.
10. Filing fee & Franchise fee (Make remittance payable to the State of Michigan. Include corporation name on check or money order). \$20.00
11. Mail form and fee to:

Michigan Department of Commerce
Corporation and Securities Bureau
Corporation Division
P.O. Box 30054
Lansing, Michigan 48909
Telephone: (517) 334-6302

Deer Creek Homeowners Association
Initial Budget
Year 2001

		PER UNIT		TOTAL
		<u>MONTHLY</u>	<u>ANNUALLY</u>	<u>ANNUAL</u>
ADMINISTRATIVE:				
Liability Insurance	\$	1.30	\$ 15.63	\$ 1,000.00
Office Supplies		0.39	4.69	300.00
Legal		0.65	7.81	500.00
Auditing		0.65	7.81	500.00
<i>Total Administrative</i>	\$	2.99	\$ 35.94	\$ 2,300.00
LAND SERVICES:				
Lawn Cutting & Fertilization	\$	3.91	\$ 46.88	\$ 3,000.00
Water		0.65	7.81	500.00
Electrical		0.26	3.13	200.00
Irrigation System		0.65	7.81	500.00
Grounds Maintenance		1.95	23.44	1,500.00
Snow Removal		3.91	46.88	3,000.00
<i>Total Land Services</i>	\$	11.33	\$ 135.94	\$ 8,700.00
RESERVES:				
Replacement and deferred maintenance reserves for the common elements such as roads and stormwater drainage systems.	\$	6.51	\$ 78.13	\$ 5,000.00
TOTAL	\$	20.83	\$ 250.00	\$ 16,000.00

Notes:

- 1) This budget covers 64 units created by the recorded Master Deed.
- 2) This is a projection of association expenses for the first full year.
- 3) This budget assumes full occupancy of 64 units in the first full year.
However, the expenses incurred and amounts collected will vary depending upon closings.
- 4) The legal minimum for a reserve under the Michigan Condominium Act is ten (10%) percent of the Total Budget.
- 5) Any savings in any of the above categories will be transferred into the Reserve category.



Homeowner's Association

January 22, 2006

TO: Piper McCredie

RE: Bylaws and List of Board Members

Attached are a copy of the bylaws as requested. Additionally, the board members are listed below:

Nick Khawaja - President
40599 Deer Creek Dr.
Canton, MI 48188
PH: 313-574-9328

William Elias - Vice President
40760 Deer Pines Dr.
Canton, MI 48188
PH: 734-658-5574

Terry Hayse - Secretary
1616 Emerald Pines Dr.
Canton, MI 48188
PH: 734-340-5884

Joe Hays - Treasurer
40832 Deer Pines Dr.
Canton, MI 48188
PH: 734-635-8283