[illegible] COUNTY TREASURER'S CERTIFICATE
I hereby certify that there are no TAX LIENS or TITLES held by the state or any individual against the within description, and all TAXES are same as paid for five years previous to the date of this instrument, or appear on the records in this office except as stated.
10-20-93 Dianne H. Hardy, Treasurer
9355 Sec. 135 Act 206, 1893 as Amended
Taxes not examined.
5028

036952 OCT 25 93

117/2

RECORDED October 25, 1993
AT 3:30 O'CLOCK P.M.
NANCY HAVILAND
REGISTER OF DEEDS
LIVINGSTON COUNTY

LIBER 1752 PAGE 0868

MASTER DEED
(Knollwood Hills Condominium)

This Master Deed is made and executed on this 31st day of August, 1993, by DeMaria Investments, a Michigan co-partnership, hereinafter referred to as "Developer", 45500 Grand River Ave., Novi, Michigan 48376, in pursuance of the provisions of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended), hereinafter referred to as the "Act".

W I T N E S S E T H:

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

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

ARTICLE I
TITLE AND NATURE

The Condominium Project shall be known as Livingston County Condominium Subdivision Plan No. 56. The engineering plans for the Project were approved by, and are on file with, the Township of Hamburg. The architectural plans for all dwelling's and other improvements to be constructed within the Project must be approved by the Township of Hamburg and thereafter will be filed with the Township of Hamburg. The Condominium Project is established in accordance with the Act. The Units contained in the Condominium, including the number, boundaries, dimensions and

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area of each Unit therein, are set forth completely in the Condominium Subdivision Plan attached as Exhibit B hereto. Each individual Unit has been created for residential purposes and each Unit is capable of individual utilization on account of having its own access to a Common Element of the Condominium Project or a public road. Each Co-owner in the Condominium Project shall have an exclusive right to his Unit and shall have undivided and inseparable rights to share with other Co-owners the Common Elements of the Condominium Project as are designated by the Master Deed.

ARTICLE II
LEGAL DESCRIPTION

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

> A part of the Northwest 1/4 of Section 13, Town 1 North, Range 5 East, Hamburg Township, Livingston County, Michigan and being more particularly described as follows:
>
> > Beginning at the Northwest Corner of said Section 13; thence S 89°35'17" E 1327.68 feet along the North line of said Section 13 and the south line of "Pine Valley Estates" as recorded in Liber 18 of Plats, Pages 49-52, L.C.R.; thence S 00°23'20" W (platted as South) 548.47 feet along the west line of Ore Lake Heights Subdivision as recorded in Liber 2 of Plats, Page 65, L.C.R.; thence N 89°32'57" W 80.00 feet; thence N 00°23'20" E 15.00 feet; thence N 89°32'57" W 107.86 feet; thence S 00°23'20" W 238.48 feet, thence S. 89°32'57" E 127.86 feet to the west line of Hamburg Road (60 FT 1/2 ROW), thence along said ROW line S 00°23'20" W 500.60 feet to the North Line of Cowell Road (50 FT 1/2 ROW); thence along said Row Line ~~N 89°32'57"~~ N 89°32'57" W 1007.09 feet, thence N 00°32'34" E 445.00 feet, thence N 89°32'57" W 264.00 feet to the West line of section 13; thence along said West line N 00°32'34" E 826.65 feet to the Point of Beginning.

ARTICLE III
DEFINITIONS

Certain terms are utilized not only in this Master Deed and Exhibits A and B hereto, but are or may be used in various other instruments such as, by way of example and not limitation, the Articles of Incorporation and rules and regulations of the Knollwood Hills Condominium Association, a Michigan non-profit corporation, and deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment of, or transfer of, interests in Knollwood Hills as a condominium. Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

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

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

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

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

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

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

Section 7. Condominium Project, Condominium or Project. "Condominium Project", "Condominium" or "Project" means Knollwood Hills as a Condominium Project established in conformity with the provisions of this Act.

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

Section 9. Construction and Sales Period. "Construction and Sales Period", for the purposes of the Condominium Documents and the rights reserved to Developer thereunder, means the period commencing with the recording of the Master Deed and continuing as long as the Developer owns any Unit which it offers for sale.

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

Section 11. Developer. "Developer" means DeMaria Investments, a Michigan co-partnership, which has made and executed this Master Deed, and its successors and assigns. Both successors and assigns shall always be deemed to be included within the term "Developer" whenever, however and wherever such terms are used in the Condominium Documents.

Section 12. First Annual Meeting. "First Annual Meeting" means the initial meeting at which non-developer Co-owners are permitted to vote for the election of all Directors and upon all other matters which properly may be brought before the meeting. Such meeting is to be held (a) in the Developer's sole discretion after 50% of the Units which may be created are sold, or (b) mandatorily within (i) 54 months from the date of the first Unit conveyance, or (ii) 120 days after 75% of all Units which may be created are sold, whichever first occurs. The maximum number of Units that may be added to the Project pursuant to Article VII hereof shall be included in the calculation of the number of Units which may be created.

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 exceed the votes which may be cast by the Developer.

Section 14. Unit or Condominium Unit. "Unit" or "Condominium Unit" each mean a single Unit in Knollwood Hills, as such space may be described in Article V, Section I hereof and on Exhibit B hereto, and shall have the same meaning as the term "Condominium Unit" as defined in the Act.

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

ARTICLE IV
COMMON ELEMENTS

The Common Elements of the Project described in Exhibit B attached hereto, as may be modified from time to time pursuant to certain other provisions of this Master Deed and the By-laws attached hereto as Exhibit A, and the respective responsibilities for maintenance, decoration, repair or replacement thereof, are as follows:

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

(a) Land. The land described in Article II hereof (other than individual unit sites described in Article V, Section 1 below and in Exhibit B hereto as constituting the Condominium Units or Limited Common Elements), including riparian and littoral rights, if any, attributable to such land.

(b) Improvements. All roads (except dedicated roads), and other surface improvements not identified as Limited Common Elements and not located within the boundaries of a Condominium Unit. Those structures and improvements that now or hereafter are located within the boundaries of a Condominium Unit shall be owned in their entirety by the Co-owner of the Unit in which they are located and shall not, unless otherwise expressly provided in the Condominium Documents, constitute Common Elements.

(c) Electrical. That portion of the electrical transmission system throughout the Project which is located within the Common Elements, excluding the service and connection to the residence located on each unit.

(d) Telephone. That portion of the telephone system through the Project which is located within the Common Elements, excluding the service and connection to the residence located on each unit.

(e) Gas. That part of the gas distribution system throughout the Project which is located within the Common Elements, excluding the service and connection to the residence located on each unit.

(f) Storm Sewer. The storm sewer system throughout the Project.

(g) Telecommunications. That part of the telecommunications system, if and when it may be installed, which is located within the Common Elements, excluding the service and connection to the residence located on each unit.

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

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

Section 2. Limited Common Elements. Limited Common Elements shall be subject to the exclusive use and enjoyment of the Co-owner of the Unit or Units to which the Limited Common Elements are appurtenant. The Limited Common Elements are, to the extent any of the following are located outside the boundaries of a Condominium Unit, driveways, mailboxes, and any other improvements constructed by Developer and designated Limited Common Elements pursuant to Article VII below. All such Limited Common Elements shall be shown on amendments to the Condominium Subdivision Plan, as provided in Article VII below.

Section 3. Co-owner Responsibilities. The responsibility for construction, and the costs of maintenance, decoration, repair and replacement of any and all improvements located within a Unit and appurtenant Limited Common Elements, if any, shall be borne by the Co-owner of the Unit which is served thereby; provided, however, that the exterior appearance of such improvements and appurtenant Limited Common Elements, if any, to the extent visible from any General Common Element in the Project, shall be subject at all times to the approval of the Association. In connection with any amendment made by Developer pursuant to Article VII hereof, Developer may designate additional Limited Common Elements that are to be maintained, decorated, repaired and replaced at Co-owner expense.

The responsibilities set forth above shall be in addition to all such responsibilities set forth in Article VI hereof or elsewhere in the Condominium Documents.

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

ARTICLE V
UNIT DESCRIPTION AND PERCENTAGE OF VALUE

Section 1. Description of Units. Each Unit in the Condominium Project is described in this paragraph with reference to the Condominium Subdivision Plan of Knollwood Hills as surveyed by JCK & Associates, Inc. and attached hereto as Exhibit B. Each Unit shall consist of the land contained within the Unit boundaries as shown in Exhibit B hereto and delineated with heavy outlines, together with all appurtenances thereto.

Section 2. Percentage of Value. The percentage of value assigned to each Unit shall be equal. The determination that percentages of value should be equal was made after reviewing the comparative characteristics of each Unit in the Project which would affect maintenance costs and value and concluding that there are not material differences among the Units insofar as the allocation of percentages of value is concerned. The percentage of value assigned to each Unit shall be determinative of each Co-owner's respective share of the Common Elements of the Condominium Project, the proportionate share of each respective Co-owner in the proceeds and the expenses of administration and the value of such Co-owner's vote at meetings of the Association. The total value of the Project is 100%.

ARTICLE VI
EASEMENTS

Section 1. The Association shall in no event be obligated to repair any dwelling or other improvement located within or appurtenant to a Unit. The wells, septic tanks and drain fields installed for each Unit shall be privately owned by the Co-owners thereof, as is true of all improvements made thereon, and the Association shall have no responsibility to perform maintenance, repair or replacement of improvements made on condominium Units.

Section 2. Grant of Easements by Association. The Association, acting through its lawfully constituted Board of Directors (including any Board of Directors acting prior to the Transitional Control Date) shall be empowered and obligated to grant such easements, licenses, rights-of-entry and rights-of-way over, under and across the Condominium Premises for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the Condominium, subject, however, to the approval of the Developer so long as the Construction and Sales Period has not expired. No easements created under the Condominium Documents may be modified or obligations with respect thereto varied without the consent of each person benefitted thereby.

Section 3. Easements for Maintenance, Repair and Replacement. The Developer, the Association and all public or private utilities shall have such easements as may be necessary over the Condominium Premises, including all Units and Common Elements to fulfill any responsibilities of maintenance, repair, decoration or replacement which they or any of them are required or permitted to perform under the Condominium Documents.

Section 4. Utility Easement. Developer also hereby reserves for the benefit of itself, its successors and assigns, and all future owners of any land adjoining the Condominium or any portion or portions thereof perpetual easements to utilize, tap, tie into, extend and enlarge all utility mains located on the Condominium Premises, including, but not limited to, water, gas, storm and sanitary sewer mains. In the event Developer, its successors or assigns, thus utilizes, taps, ties into, extends or enlarges any utilities located on the Condominium Premises, it shall be obligated to pay all of the expenses reasonably necessary to restore the Condominium Premises to their state immediately prior to such utilization, tapping, tying-in, extension or enlargement. The costs of maintenance, repair and replacement of all utilities shared by the Co-owners and the owner or owners of any land adjoining the Condominium Premises shall be borne by all such persons proportionately based upon the ratio of the number of residential dwellings located upon the adjoining land to the total number of residential dwellings sharing the utilities.

Developer reserves the right at any time prior to the Transitional Control Date to grant easements for utilities over, under and across the Condominium to appropriate governmental agencies or public utility companies and to transfer title of utilities and roads to state, county or local governments. Any, such easement or transfer of title may be conveyed by Developer without the consent of any Co-owner, mortgagee or other person and may be evidenced by an appropriate amendment to this Master Deed and to Exhibit B hereto, recorded in the Washtenaw County Records. All Co-owners and mortgagees of Units and other persons interested in the Project from time to be deemed to have irrevocably and unanimously consented to an amendment or amendments of this Master Deed to effect the foregoing easement or transfer of title.

Section 5. Telecommunications Agreements. The Association, acting through its duly constituted Board of Directors 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 contract or agreement, including wiring agreements, right-of-way agreements, access agreements and multi-unit agreements and, to the extent allowed by law, contracts for sharing of any installation or periodic subscriber service fees as may be necessary, convenient or desirable to provide for telecommunications, videotext, broad band cable, satellite dish, earth antenna and similar services (collectively "Telecommunications") to the Project or any Unit therein. Notwithstanding the foregoing, in no event shall the Board of Directors enter into any contract or agreement or easement, license or right of entry or do any other act or thing which will violate any provision of any federal, state or local law or ordinance. Any and all sums paid by any Telecommunications or other company or entity in connection with such service, including fees, if any, for the privilege of installing same or sharing periodic subscriber service fees, shall be receipts affecting the administration of the Condominium Project within the meaning of the Act and shall be paid over to and shall be the property of the Association.

Section 6. Other Easements. The Project (including each Unit) shall be subject to certain easements as shown in Exhibit B, attached.

ARTICLE VII
AMENDMENT

This Master Deed and the Condominium Subdivision Plan (Exhibit B to said Master Deed) may be amended with the consent of 66-2/3% of the Co-owners, except as hereinafter set forth:

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

Section 2. Mortgagee Consent. Wherever a proposed amendment would alter or change the rights of mortgagees generally, then such amendment shall require the approval of 66-2/3% of all first mortgagees of record allowing one vote for each mortgage held.

Section 3. By Developer. Pursuant to Section 90(1) of the Act, the Developer hereby reserves the right, on behalf of itself and on behalf of the Association, to amend this Master Deed and the Condominium Documents without approval of any Co-owner or mortgagee for the purposes of correcting survey or other errors and for any other purpose unless the amendment would materially alter or change the rights of a Co-owner or mortgagee, in which event mortgagee consent shall be required as provided in Section 2 of this Article.

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

Section 5. Termination, Vacation, Revocation or Abandonment. The Condominium Project may not be terminated, vacated, revoked or abandoned without the written consent of all Co-Owners.

Section 6. Developer Approval. During the Construction and Sales Period, Article IV, Article V, Article VI, Article VII and this Article IX shall not be amended nor shall the provisions thereof be modified by any other amendment to this Master Deed without the written consent of the Developer.

Section 7. Township Approval. Any amendment to this Master Deed (whether by the Developer or the Association) including but not limited to any modification of the Common Areas, Unit configurations or setbacks shown on Exhibit B, attached must be approved by the Township of Hamburg.

ARTICLE VIII
ASSIGNMENT

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

WITNESSES:

Sally Hall

Sally Hall

Debra Bulinda

Debra Bulinda

DeMaria Investments, a Michigan co-partnership

By: Richard DeMaria

Richard DeMaria, general partner

And By: Joseph DeMaria

Joseph DeMaria, general partner

STATE OF MICHIGAN)
) SS.
COUNTY OF OAKLAND)

On this 31st day of August, 1993, the foregoing Master Deed was acknowledged before me by Richard DeMaria and Joseph DeMaria, the general partners of DeMaria Investments, a Michigan co-partnership, on behalf of the partnership.

Cheryl A. Smith

Notary Public
Oakland County, Michigan
My commission expires: 4-27-94

CHERYL A. SMITH
NOTARY PUBLIC - OAKLAND COUNTY, MICH.
MY COMMISSION EXPIRES 4-27-94

Master Deed drafted by:

David W. Hipp, Esq.
Bodman, Longley & Dahling
34th Floor
100 Renaissance Center
Detroit, Michigan 48243
(313) 259-7777

EXHIBIT A

BYLAWS

ARTICLE I
ASSOCIATION OF CO-OWNERS

Knollwood Hills, a residential site Condominium Project located in the Township of Hamburg, Livingston County, Michigan, shall be administered by an Association of Co-owners which shall be a non-profit corporation, hereinafter called the "association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Condominium Documents and the laws of the State of Michigan. These By-laws shall constitute both the By-laws referred to in the Master Deed and required by Section 3(8) of the Act and the By-laws provided for under the Michigan Non-profit Corporation Act. Each Co-owner shall be entitled to membership and no other person or entity shall be entitled to membership. The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium Project available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium Project. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

ARTICLE II
ASSESSMENTS

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

Section I. Assessments for Common Elements. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the Common Elements, or the improvements constructed or to be constructed within the perimeters of the Condominium Units for which the Association has maintenance responsibility, or the administration of the Condominium Project shall constitute expenditures affecting the administration of the Project, and all sums received as the proceeds of, or pursuant to, any policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute receipts affecting the administration of the Condominium Project, within the meaning of Section 54(4) of the Act.

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

(a) Budget. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular monthly payments as set forth in Section 3 below rather than by special assessments. At a minimum, the reserve fund shall be equal to 10% of the Association's current annual budget on a noncumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular Project, the Association should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-owner shall not affect or in any way diminish the liability of any Co-owner for any existing or future assessments. Should the Board of Directors at any time determine, in the sole discretion of the Board of Directors: (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium, (2) to provide replacements of existing Common Elements, (3) to provide additions to the Common Elements not exceeding $8,000 annually for the entire Condominium Project, or (4) that an event of emergency exists, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Board of Directors also shall have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 4 hereof. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the

Association and the members thereof, and shall not be enforceable by any creditors of the Association or the members thereof.

(b) Special Assessments. Special assessments, in addition to those required in subparagraph (a) above, may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other needs or requirements of the association, including, but not limited to: (1) assessments for additions to the Common Elements of cost exceeding $8,000 for the entire Condominium Project per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 hereof, (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subparagraph (b) (but not including those assessments referred to in subparagraph (a) above, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than 60% of all Co-owners. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or the members thereof.

Section 3. Apportionment of Assessments and Penalty for Default. Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with the percentage of value allocated to each Unit in Article V of the Master Deed, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit. Annual assessments as determined in accordance with Article II, Section 2(a) above shall be payable by Co-owners in 12 equal monthly installments, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment.

Each installment in default for 10 or more days shall bear interest from the initial due date thereof at the rate of 7% per annum until each installment is paid in full. The Association may, pursuant to Article XIX, Section 4 hereof, levy fines for the late payment in addition to such interest. Each Co-owner (whether 1 or more persons) shall be, and remain, personally liable for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment) pertinent to his Unit which may be levied while such Co-owner is the owner thereof, except a land contract purchaser from any Co-owner including Developer shall be so primarily personally liable and such land contract seller shall be secondarily personally liable for all such assessments levied up to and including the date upon which such land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit. Each Co-owner (whether 1 or more persons) shall be, and remain, personally liable for the payment of all assessments pertinent to his Unit which may be levied while such Co-owner is the owner thereof. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorneys' fees; second, to any interest charges and fines for late payment on such installments; and third, to installments in default in order of their due dates.

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

Section 5. Enforcement.

(a) Remedies. In addition to any another remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. A Co-owner in default shall not be entitled to utilize any of the General Common Elements of the Project and shall not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-owner of ingress or egress to and from his Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him. All of these remedies shall be cumulative and not alternative and shall not preclude the Association from exercising such other remedies as may be available at law or in equity.

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

(c) Notice of Action. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of 10 days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or their last known address, a written notice that one or more installments of the annual assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorneys' fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of record. If the delinquency is not cured within the 10-day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law.

(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 liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on his Unit.

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

Section 7. Developer's Responsibility for Assessments. The Developer of the Condominium, although a member of the Association, shall not be responsible at any time for payment of the monthly Association assessments. The Developer, however, shall at all times pay all expenses of maintaining the Units that it owns, including the dwelling and other improvements located thereon, together with a proportionate share of all current expenses of administration actually incurred by the Association from time to time, except expenses related to maintenance and use of the Units in the Project and of the dwellings and other improvements constructed within or appurtenant to the Units that are not owned by Developer. For purposes of the foregoing sentence, the Developer's proportionate share of such expenses shall be based upon the ratio of all Units owned by the Developer at the time the expense is incurred to the total number of Units then in the Project. In no event shall Developer be responsible for payment of any assessments for deferred maintenance, reserves for replacement, for capital improvements or other special assessments, except with respect to Units owned by it on which a completed residential dwelling is located. A "completed residential dwelling" shall mean a dwelling with respect to which a certificate of occupancy has been issued.

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

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

Section 10. Mechanic's Lien. A mechanic's lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1950, as amended, shall be subject to Section 132 of the Act.

Section 11. Statements as to Unpaid Assessments. The purchaser of any Unit may request a statement of the Association as to the amount of any unpaid Association assessments thereon, whether regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exists, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least 5 days prior to the closing of the purchase of such Unit shall render any unpaid assessments and the lien securing same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record.

ARTICLE III
ARBITRATION

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

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

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

ARTICLE IV
INSURANCE

Section 1. Extent of Coverage. The Association shall, to the extent appropriate given the nature of the Common Elements of the Project, carry fire and extended coverage, vandalism and malicious mischief and liability insurance, and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the General Common Elements of the Condominium Project and such insurance shall be carried and administered in accordance with the following provisions:

(a) Responsibilities of Association. All such insurance shall be purchased by the Association for the benefit of the Association, and the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners.

(b) Insurance Common Elements. All General Common Elements of the Condominium Project shall be insured against fire and other perils covered by a standard extended coverage endorsement, if appropriate, in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association.

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

(d) Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, and the Co-owners and their mortgagees, as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these By-laws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Project unless two-thirds (2/3) of the institutional holders of first mortgages on Units in the Project have given their prior written approval.

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

Section 3. Responsibilities of Co-owners. Each Co-owner shall be responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to his residential dwelling and all other improvements constructed or to be constructed within the perimeter of his Condominium Unit, together with all Limited Common Elements appurtenant to his Unit, whether located within or outside the perimeter of his Unit, and for his personal property located therein or elsewhere on the Condominium Project. All such insurance shall be carried by each Co-owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs. Each Co-owner also shall be obligated to obtain insurance coverage for his personal liability for occurrences within the perimeter of his Condominium Unit or with the residential dwelling located thereon and on the Limited Common Elements appurtenant thereto (regardless of where located), and also for alternative living expense in the event of fire. The Association shall under no circumstances have any obligation to obtain any of the insurance coverage described in this Section 3 or any liability to any person for failure to do so.

Section 4. Waiver of Right of Subrogation. The Association and all Co-owners shall use their best efforts to cause all property and liability insurance carried by the Association or any Co-owner to contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

ARTICLE V
RECONSTRUCTION OR REPAIR

Section 1. Determination to Reconstruction or Repair. If any part of the Condominium Project shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

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(a) General Common Elements. If the damaged property is a General Common Element, the damaged property shall be rebuilt or repaired unless it is determined by unanimous vote of all the Co-owners and mortgagees in the Condominium that the Condominium shall be terminated.

(b) Unit or Improvements Thereon. If the damaged property is a unit or any improvements thereon, the Co-owner of such unit alone shall determine whether to rebuild or repair the damaged property, subject to the rights of any mortgagee or other person or entity having an interest in such property, and such Co-owner shall be responsible for any reconstruction or repair that he elects to make. The Co-owner shall in any event remove all debris and restore his unit and the improvements thereon to a clean and sightly condition satisfactory to the Association as soon as reasonably possible following the occurrence of the damage.

Section 2. Repair in Accordance with Master Deed. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the plans and specifications on file with the Township of Hamburg unless the Co-owners shall unanimously decide otherwise.

Section 3. Co-owner Responsibility for Repair. Each Co-owner shall be responsible for the reconstruction, repair and maintenance of any dwelling constructed within the perimeter of his Unit. In the event damage to a dwelling or to any Limited Common Elements appurtenant thereto is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 4 of this Article V. If and to the extent that any dwelling is covered by insurance held by the Association for the benefit of the Co-owner, the Co-owner shall be entitled to receive the proceeds of insurance relative thereto, and if there is a mortgagee endorsement, the proceeds shall be payable to the Co-owner and the mortgagee jointly. In the event of substantial damage to or destruction of any Unit or any improvements located thereon 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. Except as otherwise provided in Section 3 above and in the Master Deed, the Association shall be responsible for the reconstruction, repair and maintenance of the Common Elements. 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 in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessment shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair.

Section 5. Timely Reconstruction and Repair. If damage to Common Elements or the dwelling or other improvements constructed within the perimeter of a Unit adversely affects the appearance of the Project, the Association or Co-owner responsible for the reconstruction, repair and maintenance thereof shall proceed with replacement of the damaged property without delay.

Section 6. Eminent Domain. Section 133 of the Act and the following provisions shall control upon any taking by eminent domain:

(a) Taking of Unit. In the event of any taking of an entire Unit (or of all the improvements located within the perimeter thereof) by eminent domain, the award for such taking shall be paid to the Co-owner of such Unit and the mortgagee thereof, as their interests may appear. After acceptance of such award by the Co-owner and his mortgagee, they shall be divested of all interest in the Condominium Project. In the event that any 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 interest may appear.

(b) Taking of Common Elements. If there is any taking of any portion of the Condominium other than any Unit, the condemnation proceeds relative to such taking shall be paid to the Co-owners and their mortgagees in proportion to their respective interests in the Common Elements and the affirmative vote of more than two-thirds (2/3) of the Co-owners shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

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

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

Section 7. Notification of FHLMC. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC") then, upon request therefor by FHLMC, the Association shall give it written notice at such address as it may, from time to time, direct of any loss to or taking of the Common Elements of the Condominium if the loss or taking exceeds $10,000 in amount or damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FSLMC exceeds $1,000.

Section 8. Priority of Mortgagee Interests. Nothing contained in the Condominium Documents shall be construed to give a Condominium Unit Owner, or any other party, priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Condominium Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

ARTICLE VI
RESTRICTIONS

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

Section 1. General Use of Property.

A. Each Unit, shall be used for residential purposes only.

B. Only one dwelling shall be constructed on each Unit and such dwelling shall consist of a single family residential structure only with attached enclosed garage. No carports shall be constructed or utilized on the premises.

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C. House trailers, boats, boat trailers, recreational vehicles, trucks or commercial vehicles (except while making normal deliveries) and currently unlicensed vehicles or vehicles which are inoperable or in the course of repair shall not be stored or parked on any Unit or driveway, except within a private enclosed garage.

D. Migratory birds and fowl, or birds and fowl in a state of nature, shall not be injured or killed by any Unit Owner. No fowl shall be kept, sheltered, or confined on any Units. Nor shall any animals be kept or maintained on any Unit, except domesticated household pets for the enjoyment of the Co-owner and members of his family. Household pets shall have such care as not to be objectionable or offensive on account of noise, odor or unsanitary conditions.

E. No signs, billboards, or other advertising devices or symbols shall be displayed anywhere on the property except 'For Sale' signs not more than six (6) square feet in area, advertising a single Unit or dwelling, and except those signs of a larger size which may be erected and displayed by Declarant or its authorized developer or agent advertising Knollwood Hills during its development, construction and sales. All such signs allowed must be maintained in good condition and must be removed promptly upon the termination of their use.

F. No fences or walls of any kind or purpose, outbuildings, sheds, above ground pools, and satellite dishes shall be placed or constructed on any Unit.

G. No Unit shall be used or maintained as a dumping ground for rubbish. Garbage, trash and other waste shall be disposed of by burning in an incinerator. Non-burnable waste or residue shall be kept in covered sanitary containers. All containers must be kept under cover in a garage, utility room or basement.

H. Unit Owners shall keep and maintain their Unit (occupied or unoccupied) and all property thereon in an orderly manner and shall cause weeds and other growth to be seasonably cut and shall also prevent the accumulation of rubbish and debris on the Unit.

I. All driveways shall be surfaced with concrete or bituminous paving with suitable sub-base support. The grading, installation and paving of driveways shall be completed within a ninety (90) day period after occupancy of residential structures as construction activities and weather permit.

Section 2. Building, Health and Structural Restrictions.

A. No residential structure shall be erected, altered, placed or remain on any Unit which shall have an area less that the designations below, which areas may be computed by including exterior walls and heated areas, but may not be computed by including garage areas, porches, breezeways, basements, etc.

1) One story dwellings shall have no less than 1,500 square feet of living area on the ground floor, above grade.

2) Two-story dwellings shall have no less than 850 square feet of living area on the main ground floor, above grade, and an aggregate living area of 1,650 square feet.

3) One and one-half story dwellings shall have no less than 1,200 square feet of living area on the ground floor, above grade, and an aggregate living area no less than 1,600 square feet.

B. No residence structure shall be erected that does not include an attached garage. The garage entrance can face the street. Garage doors must be sectional type.

C. All structures shall be erected upon a foundation constructed on suitably permanent material extending below the frost line.

D. Fireplace chimneys can only be brick, wood or vinyl. Pre-fab fireplaces can be cantilevered.

E. Sloping roof pitches are to be minimum of 6/12 for functional and aesthetic reasons. Roof shingles to be a minimum 235#. Gutters and downspouts are required.

F. Only new materials (with the exception of reclaimed brick) be used in the construction of a residence structure.

G. The exterior of a residential structure shall be completed, including painting, within one (1) year of commencement of construction. Solid opaque stains only on exterior wood siding.

H. During construction and upon completion, the Unit shall be kept free and clean of construction debris and rubbish and an orderly and neat appearance shall be maintained. Within thirty (30) days after substantial completion of construction of a residential structure, all unused construction materials, equipment and supplies shall be removed from the site. Areas of the Unit disturbed by excavation and construction work shall be finish-graded and seeded, sodded, or otherwise suitably landscaped as soon as construction activities and weather permit.

I. No structure shall be occupied as living quarters unless and until said structure shall be completed, including exterior painting, according to approved plans and until a temporary or permanent occupancy permit has been issued by the governmental unit having jurisdiction over the construction and use of such structure.

J. No construction of a residential structure shall be commenced on any Unit unless and until written approval of building and site plans for such construction has been given by the Declarant. Architectural design, quality of construction and aesthetic presentation will be a consideration of approval.

K. All residential buildings shall conform to the following setbacks.

1) Front - 25 feet from front lot line.

2) Side - 10 feet from side lot line.

3) Rear - 30 feet from rear lot line.

L. The Declarant may grant exceptions to the building restrictions as it deems suitable.

M. No lot shall be used for other than a single family dwelling.

N. All wells shall be developed by a Michigan licensed well driller and penetrate a 10 ft. protective clay barrier. Prospective purchasers should be aware that water conditioning equipment will be desirable to reduce the iron and hardness present.

O. The test wells is located on Lots 14 and 27 of this development may be used for the potable water supply. If the wells are not intended for use, they must be properly abandoned according to the Groundwater Quality Control Act.

P. The septic locations for both the active and reserve, as well as the water supply systems shall be placed in the areas as indicated on the preliminary plan, which is on file at the LCHD, unless otherwise approved by this Department.

Q. Lot 19 will require the bottom of the stone bed to be no deeper than an elevation of 898.5.

R. Lot 20 will require the bottom of the stone bed to be no deeper than an elevation of 894.5.

S. Lot 23 will require the bottom of the stone bed to be no deeper than an elevation of 878.

T. Lot 25 will require the bottom of the stone bed to be no deeper than an elevation of 885.

U. Lot 14, 20, and 22 will require a 4 to 6 ft. cutdown to naturally occurring soils.

V. Lot 35 will require bottom of stone bed to be no deeper than an elevation of 895.

W. The area designated for the placement of the reserve sewage system must be maintained vacant and free of obstacles which would restrict the placement of a sewage system for future needs. This includes, but is not limited to underground utility lines, driveways, garages, etc.

X. There shall be no future subdividing in the subdivision to create additional building sites utilizing on site sewage disposal and water supply.

Section 3. Leasing and Rental.

(a) A Co-owner may lease his Unit and improvements thereon for the same purposes set forth in Section 1 of this Article VI. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents.

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

(1) Tenants or non Co-owner occupants shall comply with all of the conditions of the Condominium Documents of the Condominium Project and all leases and rental agreements shall so state.

(2) If the Association determine that the tenant or non Co-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:

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

(ii) The Co-owner shall have 15 days after receipt of such notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.

(iii) If after 15 days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Co-owners on behalf of the Association, if it is under the control of the Developer, an action for eviction against the tenant or non Co-owner occupant and simultaneously for money damages in the same action against the Co-owner and tenant or non Co-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages to the Common Elements caused by the Co-owner or tenant in connection with the Unit or Condominium Project.

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

Section 4. Rules and Regulations. It is intended that the Board of Directors of the Association may make rules and regulations from time to time to reflect the needs and desires of the majority of the Co-owners in the Condominium. Reasonable regulations consistent with the Act, the Master Deed and these By-laws concerning the use of the Common Elements may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors (or its successors) prior to the Transitional Control Date. Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-owners.

Section 5. Right of Access of Association. The Association or its duly authorized agents shall have access to each Unit thereon from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agents shall also have access to each Unit thereon at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit or to the improvements thereon. In the event of an emergency, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to his Unit.

Section 6. Common Element Maintenance. Sidewalks, yards, landscaped areas; driveways and roads shall not be obstructed nor shall they be used for purposes other than for which they are reasonably and obviously intended.

Section 7. Co-owner Maintenance. Each Co-owner shall maintain his Unit and the improvements thereon in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems which are appurtenant to or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by him, or his family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association (in which case there shall be no such responsibility, unless reimbursement to the Association is limited by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

Section 8. Reserved Rights of Developer.

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

(b) Enforcement of By-laws. The Condominium Project shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private, residential community for the benefit of the Co-owners and all persons interested in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then Developer, or any entity to which Developer may assign this right, at its option, may elect to maintain, repair and/or replace any Common Elements and/or to do any landscaping required by these By-laws and to charge the cost thereof to the Association as an expense of administration. The Developer shall have the right to enforce these By-laws throughout the Construction and Sales Period notwithstanding that it may no longer own a Unit in the Condominium, which right of enforcement may include (without limitation) an action to restrain the Association or any Co-owner from any activity prohibited by these By-laws.

ARTICLE VII
MORTGAGES

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

Section 2. Insurance. The Association shall notify each mortgagee appearing in said book of the name of each company insuring the Condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief and the amounts of such coverage, to the extent the Association is required by these By-Laws to obtain such coverage.

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

ARTICLE VIII
VOTING

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

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

Section 3. Designation of Voting Representative. Each Co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-owner. Such notice shall state the name and address of the individual representative designated, the number or numbers of the condominium Unit or Units owned by the Co-owner, and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the Co-owner. Such notice shall be signed and dated by the Co-owner. The individual representative designated may be changed by the Co-owner at any time by filing a new notice in the manner herein provided.

Section 4. Quorum. The presence in person or by proxy of 35% of the Co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

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

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

ARTICLE IX
MEETINGS

Section 1. Place of Meeting. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Co-owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Sturgis' Code of Parliamentary Procedure, Roberts Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Condominium Documents or the laws of the State of Michigan.

Section 2. First Annual Meeting. The First Annual Meeting may be convened only by Developer and may be called at any time after more than fifty percent (50%) of the Units in the Condominium have been sold and the purchasers thereof qualified as, members of the Association. In no event, however, shall such meeting be called later than 120 days after the conveyance of legal or equitable title to non-developer Co-owners of seventy-five percent (75%) in number of all Units that may be created or 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Project, whichever first occurs. Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting and no such meeting shall be construed as the First Meeting. The date, time and place of such meeting shall be set by the Board of Directors, and at least 10 days' written notice thereof shall be given to each Co-owner. The phrase "Units that may be created" as used in this paragraph and elsewhere in the Condominium Documents refers to the maximum number of Units which the Developer is permitted, under the Condominium Documents as they may be amended, to include in the Condominium.

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

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

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

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

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

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

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

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

ARTICLE X
ADVISORY COMMITTEE

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

ARTICLE XI
BOARD OF DIRECTORS

Section I. Number and Qualification of Directors. The Board of Directors shall be comprised of three (3) members (five (5) members after the First Annual Meeting) all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association. Directors shall serve without compensation.

Section 2. Election of Directors.

(a) First Board of Directors. The first Board of Directors shall be composed of 3 persons and such first Board of Directors or its successors as selected by the Developer shall manage the affairs of the Association until the appointment of the first non-developer Co-owners to the Board. Elections for non-developer Co-owner Directors shall be held as provided in subsections (b) and (c) below.

(b) Appointment of Non-developer Co-owners to Board Prior to First Annual Meeting. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 25% of the Units that may be created, 1 of the 3 Directors shall be selected by non-developer Co-owners. When the required percentage level of conveyance has been reached, the Developer shall notify the non-developer Co-owners and request that they hold a meeting and elect the required Director. Upon certification to the Developer by the Co-owners of the Director so elected, the Developer shall then immediately appoint such Director to the Board to serve until the First Annual Meeting unless he is removed pursuant to Section 7 of this Article or he resigns or becomes incapacitated.

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

(i) Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 75% of the Units that may be created, and before conveyance of 90% of such Units, the non-developer Co-owners shall elect all Directors on the Board, except that the Developer shall have the right to designate at least one (1) Director as long as the Units that remain to be created and sold equal at least 10% of all Units that may be created in the Project. Whenever the 75% conveyance level is achieved, a meeting of Co-owners shall be promptly convened to effectuate this provision, even if the First Annual Meeting has already occurred.

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

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

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

(v). Once the Co-owners have acquired the right hereunder to elect a majority of the Board of Directors, annual meetings of Co-owners to elect Directors and conduct other business shall be held in accordance with the provisions of Article IX, Section 3 hereof.

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

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

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

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

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

(d) To rebuild improvements to the Common Elements after casualty (subject to the provisions of the Condominium Documents).

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

(f) To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit in the Condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.

(g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of 75% of all of the members of the Association.

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

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

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

Section 5. Management Agent. The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto) at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 3 and 4 of this Article, and the Board may delegate to such management agent any other duties or powers which are not by law

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or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any other contract providing for services by the Developer, sponsor or builder, in which the maximum term is greater than 3 years or which is not terminable by the Association upon 90 days' written notice thereof to the other party and no such contract shall violate the provisions of Section 55 of the Act.

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

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

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

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

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

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

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

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

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

ARTICLE XII
OFFICERS

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

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

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

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

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

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

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

Section 4. Duties. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Directors.

ARTICLE XIII
SEAL

The Association may (but need not) have a seal. If the Board determines that the Association shall have a seal, then it shall have inscribed thereon the name of the Association, the words "corporate seal", and "Michigan".

ARTICLE XIV
FINANCE

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

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

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

ARTICLE XV
INDEMNIFICATION OF OFFICERS AND DIRECTORS

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

ARTICLE XVI
AMENDMENTS

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

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

Section 3. Voting. These By-laws may be amended by the Co-owners at any regular annual meeting or a special meeting called for such purpose by an affirmative vote of not less than two-thirds (2/3) of all Co-owners. No consent of mortgagees shall be required to amend these By-laws unless such amendment would materially alter or change the rights of such mortgagees, in which event the approval of two-thirds (2/3) of first mortgagees shall be required with each mortgagee to have one vote for each mortgage held.

Section 4. By Developer. Pursuant to Section 90(1) of the Act, the Developer hereby reserves the right, on behalf of itself and on behalf of the Association, to amend these By-laws without approval of any Co-owner or mortgagee unless the amendment would materially alter or change the rights of a Co-owner or Mortgagee, in which event mortgagee consent shall be required as provided in Section 3 above.

Section 5. When Effective. Any amendment to these By-laws shall become effective upon recording of such amendment in the office of the Livingston County Register of Deeds.

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

ARTICLE XVII
COMPLIANCE

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

ARTICLE XVIII
DEFINITIONS

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

ARTICLE XIX
REMEDIES FOR DEFAULT

Any default by a Co-owner shall entitle the Association or another Co-owner or Co-owners to the following relief:

Section 1. Legal Action. Failure to comply with any of the terms or provisions of the Condominium Documents shall be grounds for relief, which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.

Section 2. Recovery of Costs. In any proceeding arising because of an alleged default by any Co-owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (not limited to statutory fees) as may be determined by the court, but in no event shall any Co-owner be entitled to recover such attorneys' fees.

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

Section 4. Assessment of Fines. The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all

Co-owners in the same manner as prescribed in Article IX, Section 5 of these By-laws. Thereafter, fines may be assessed only upon notice to the offending Co-owners as prescribed in said Article IX, Section 5, and an opportunity for such Co-owner to appear before the Board no less than 7 days from the date of the notice and offer evidence in defense of the alleged violation. All fines duly assessed may be collected in the same manner as provided in Article II of these By-laws. No fine shall be levied for the first violation. No fine shall exceed $25 for the second violation, $50 for the third violation or $100 for any subsequent violation.

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

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

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

ARTICLE XX
RIGHTS RESERVED TO DEVELOPER

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

ARTICLE XXI
SEVERABILITY

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

ARTICLE XXII
TOWNSHIP ORDINANCES

In addition to the requirements of these Bylaws, the Condominium Project and all condominium units shall be constructed, used, owned, repaired and reconstructed in accordance with the zoning ordinances of Hamburg Township in effect upon the date of recording of these Bylaws.

LIVINGSTON COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 56

EXHIBIT "B" TO THE MASTER DEED OF

KNOLLWOOD HILLS

HAMBURG TOWNSHIP
LIVINGSTON COUNTY, MICHIGAN

DEVELOPER:

OEMARIA INVESTMENTS, INC.
45500 GRAND RIVER ROAD
NOVI, MICHIGAN 48376

PREPARED BY:

JCK AND ASSOCIATES, INC.
45650 GRAND RIVER AVENUE
P. O. BOX 759
NOVI, MICHIGAN 48376
(313) 348-2680

LEGAL DESCRIPTION:

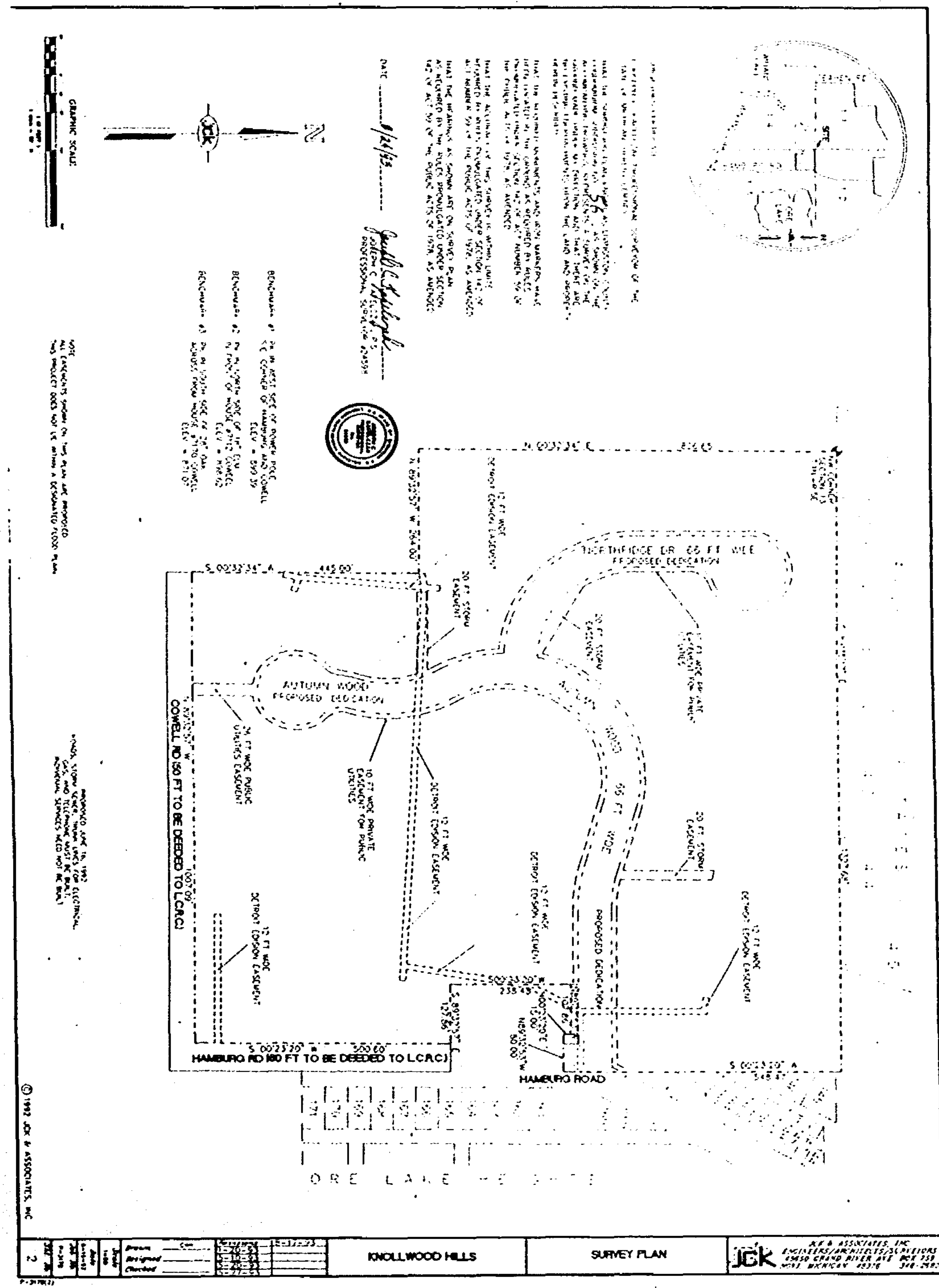
A PART OF THE NORTHWEST 1/4 OF SECTION 13, TOWN 1 NORTH, RANGE 5 EAST, HAMBURG TOWNSHIP, LIVINGSTON COUNTY, MICHIGAN AND BEING MORE PARTICULARY DESCRIBED AS FOLLOWS:
BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 13; THENCE S 89°35'17" E 1327.68 FEET ALONG THE NORTH LINE OF SAID SECTION 13 AND THE SOUTH LINE OF "PINE VALLEY ESTATES" AS RECORDED IN LIBER 18 OF PLATS, PAGES 49-52, L.C.R.; THENCE S 00°23'20" W (PLATTED AS SOUTH) 548.47 FEET ALONG THE WEST LINE OF "ORE LAKE HEIGHTS SUBDIVISION" AS RECORDED IN LIBER 2 OF PLATS, PAGE 65, L.C.R.; THENCE N 89°32'57" W 80.00 FEET; THENCE N 00°23'20" E 15.00 FEET; THENCE N 89°32'57" W 107.86 FEET; THENCE S 00°23'20" W 238.48 FEET; THENCE S 89°32'57" E 127.86 FEET TO THE WEST LINE OF HAMBURG ROAD (60 FT 1/2 ROW); THENCE ALONG SAID ROW LINE S 00°23'20" W 500.60 FEET TO THE NORTH LINE OF COWELL ROAD (50 FT 1/2 ROW); THENCE ALONG SAID ROW LINE N 89°32'57" W 1007.09 FEET; THENCE N 00°32'34" E 445.00 FEET; THENCE N 89°32'57" W 264.00 FEET TO THE WEST LINE OF SECTION 13; THENCE ALONG SAID WEST LINE OF N 00°32'34" E 826.65 FEET TO THE POINT OF BEGINNING.

JCK JOB NO. P-3?3

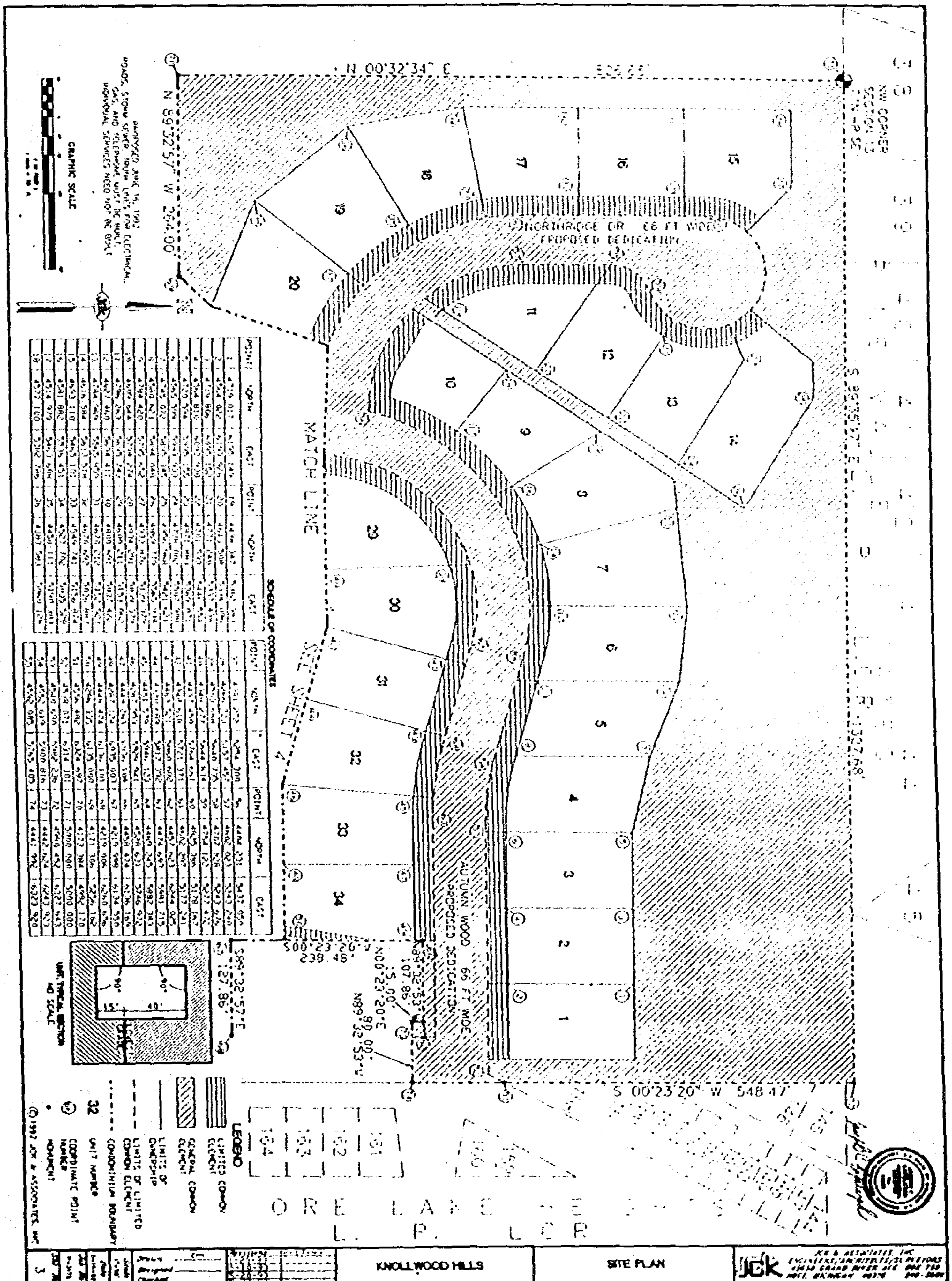
INDEX TO DRAWINGS:

PROPOSED JUNE 16, 1992
SHEET 1

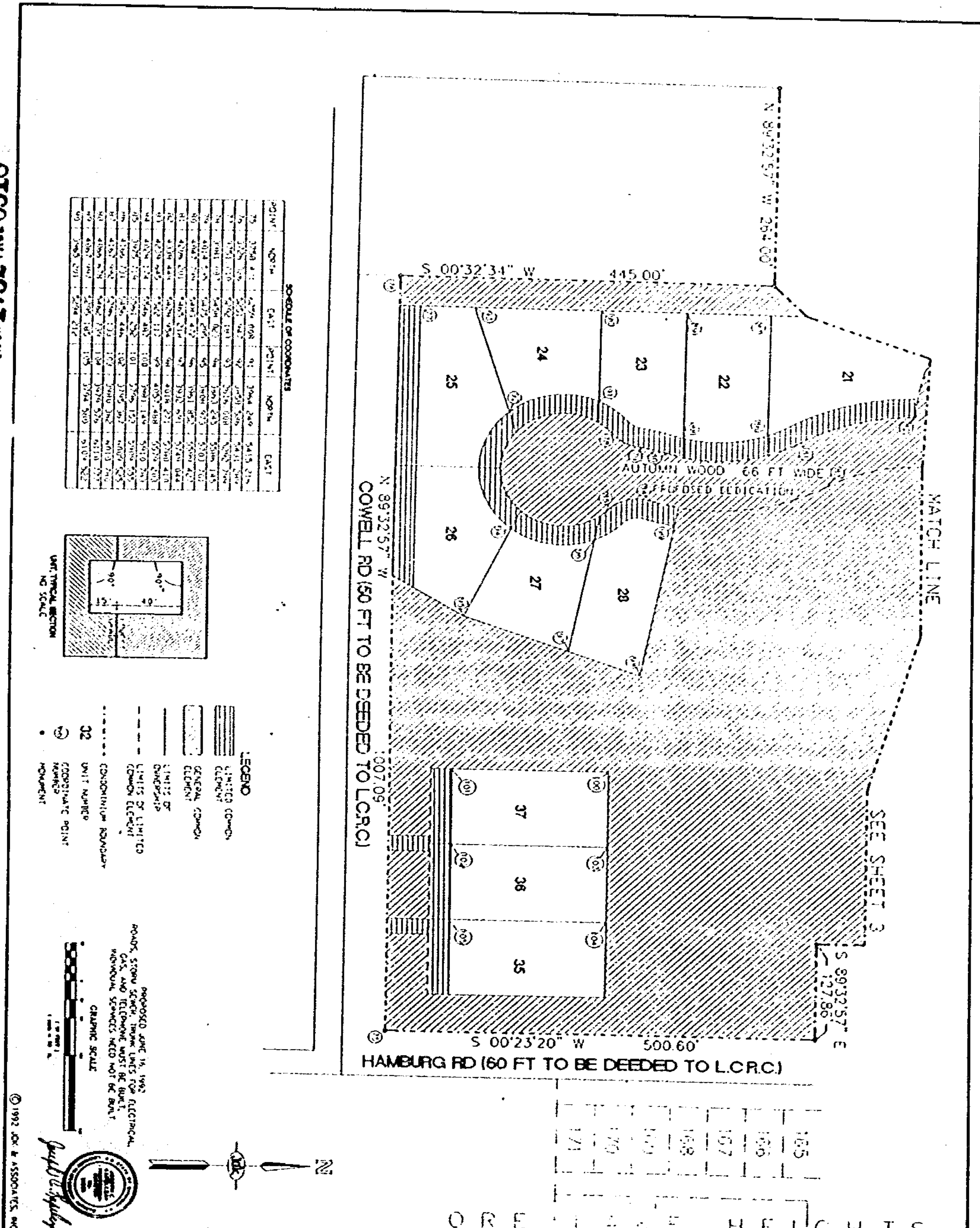
LIBER 1752 PAGE 0916



LIBER 1752 PAGE 0917



LIBER 1752 PAGE 0918



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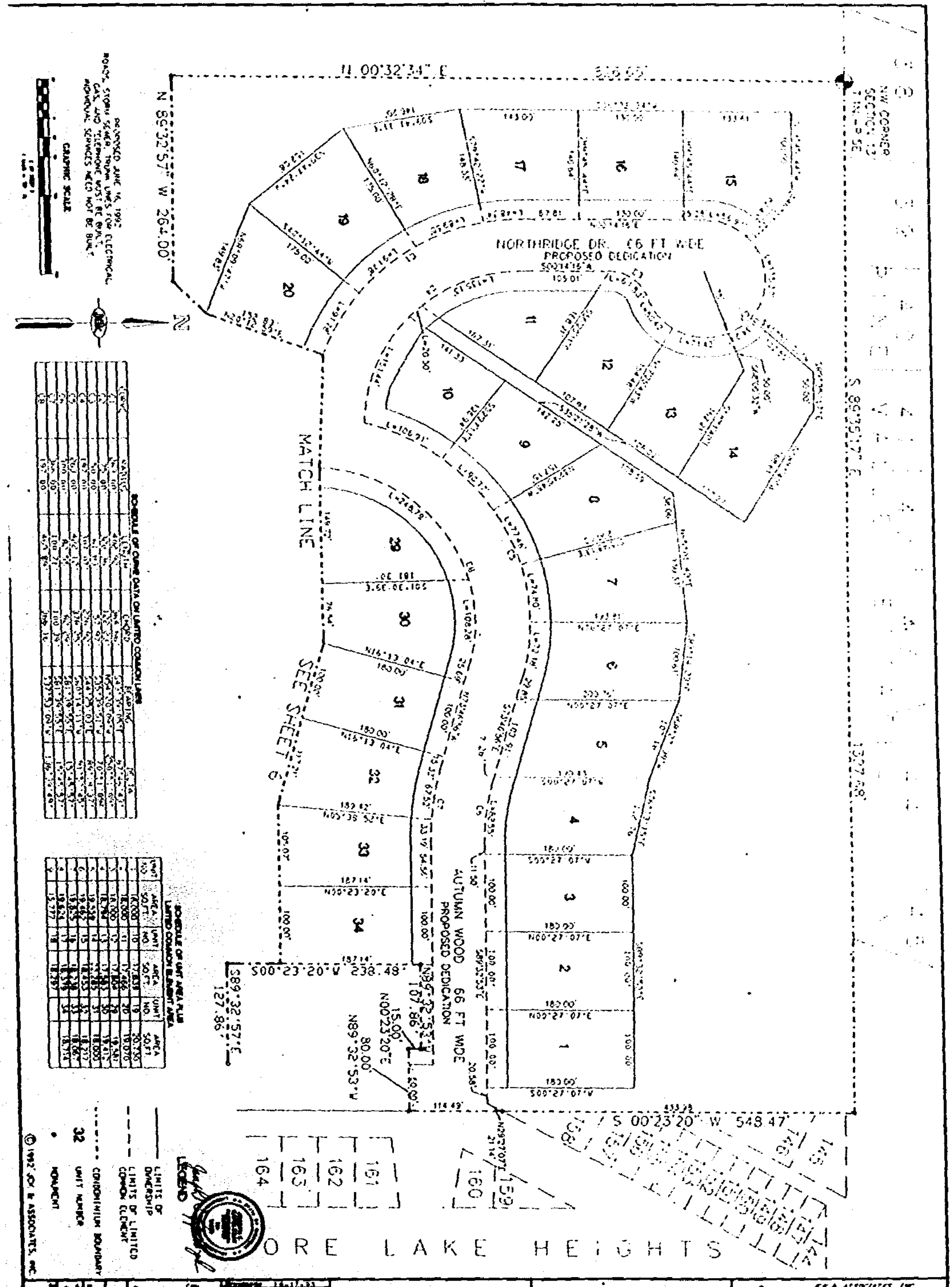
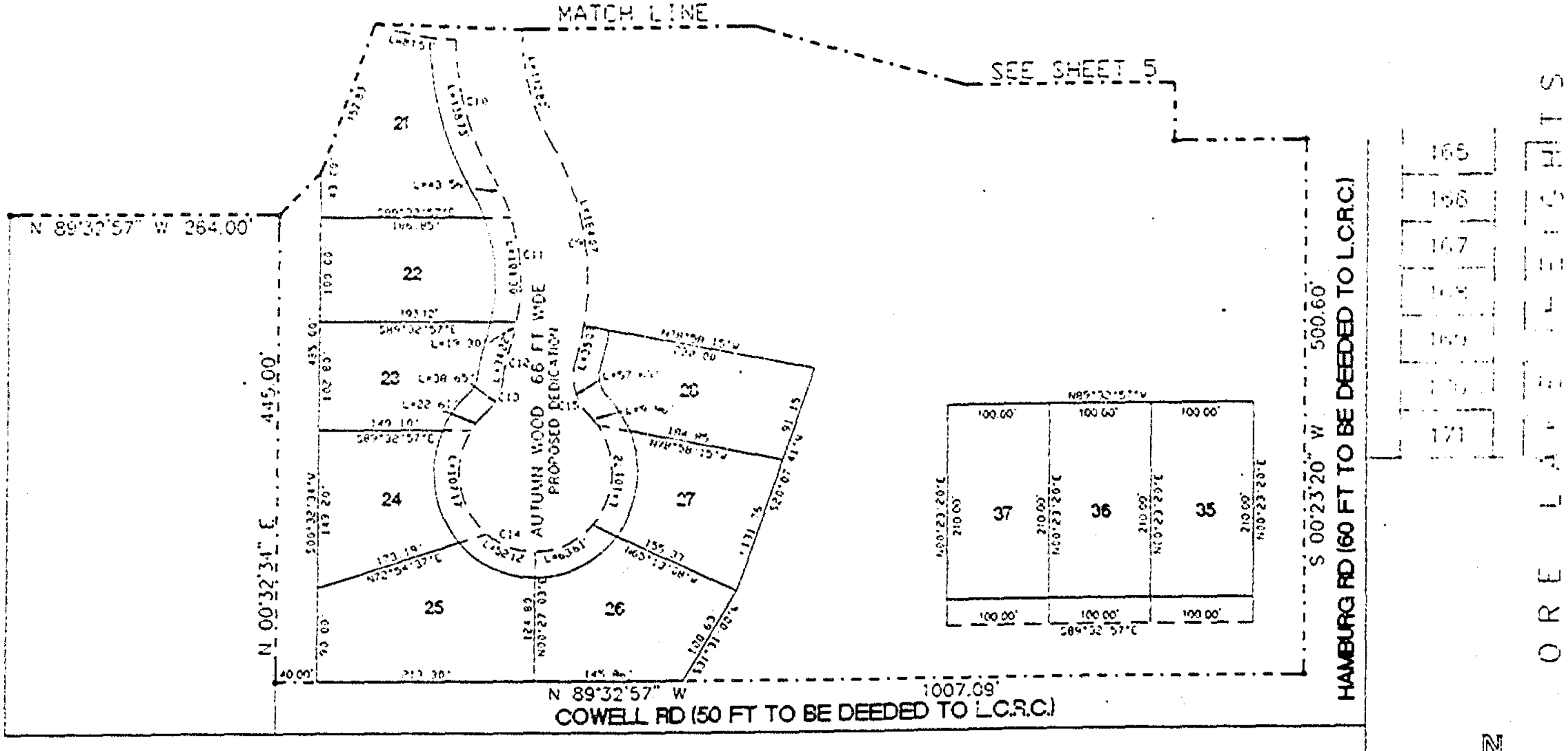
KNOLLWOOD HILLS	SITE PLAN	JCK & ASSOCIATES, INC. ENGINEERS/ARCHITECTS/SURVEYORS 45150 GRAND RIVER AVE BOX 750 NOVI, MICHIGAN 48376 348-2680



JCK & ASSOCIATES, INC. ENGINEERS, ARCHITECTS, SURVEYORS	AREAS AND PERIMETERS OF THE LIMITED COMMON LINES	KNOLLWOOD HILLS

5



SCHEDULE OF CURVE DATA ON LIMITED COMMON LINES

CURVE	RADIUS	LENGTH	CHORD	BEARING	DELTA
C9	263.00'	219.16'	212.87'	N06°34'25"W	47°44'40"
C10	263.20'	138.72'	137.13'	S15°20'04"E	30°13'22"
C11	197.00'	164.16'	159.45'	S06°34'25"E	47°44'40"
C12	283.00'	34.22'	34.20'	S13°50'05"W	06°55'39"
C13	50.00'	38.65'	37.70'	S27°16'11"W	44°13'34"
C14	55.00'	257.20'	103.37'	S87°01'24"W	272°52'43"
C15	50.00'	57.63'	54.49'	N15°43'16"W	66°02'22"

SCHEDULE OF UNIT AREA PLUS LIMITED COMMON ELEMENT AREA

UNIT NO.	AREA SQ. FT	UNIT NO.	AREA SQ. FT
21	23,547	27	18,089
22	19,432	28	18,677
23	18,034	35	21,000
24	18,310	36	21,000
25	25,436	37	21,000
26	21,950		

LEGEND

- ——— LIMITS OF OWNERSHIP
- — — LIMITS OF LIMITED COMMON ELEMENT
- — · — CONDOMINIUM BOUNDARY
- 32 UNIT NUMBER
- • MONUMENT

PROPOSED JUNE 16, 1992
ROADS, STORM SEWER, TRUNK LINES FOR ELECTRICAL, GAS, AND TELEPHONE MUST BE BUILT. INDIVIDUAL SERVICES NEED NOT BE BUILT.

GRAPHIC SCALE

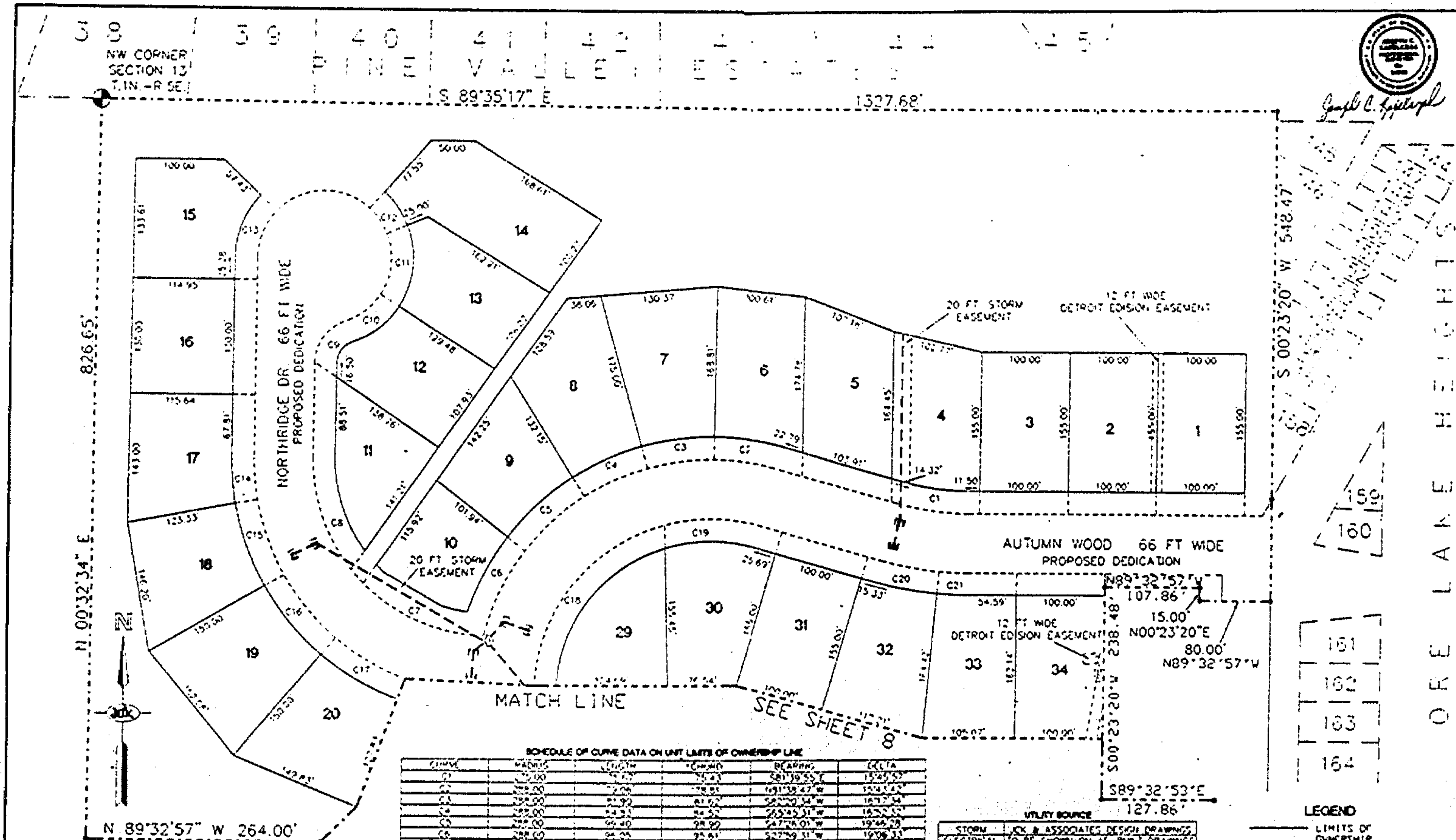
KNOLLWOOD HILLS

AREAS AND PERIMETERS OF THE LIMITED COMMON LINES

JCK & ASSOCIATES, INC.

Sheet No. 6

LIBER 1752 PAGE 0921



GENERAL NOTES

1. ROADS, STORM SEWER, TRUNK LINES FOR ELECTRICAL GAS AND TELEPHONE MUST BE BUILT. INDIVIDUAL SERVICES NEED NOT BE BUILT
2. ALL UTILITIES SHOWN ARE IN THEIR APPROXIMATE LOCATIONS PER UTILITY SOURCE.
3. ALL UTILITIES NOT SHOWN ON THIS PLAN TO BE SHOWN ON AS-BUILT DRAWINGS
4. ALL SITES TO BE SERVICED WITH ELECTRICAL BY DETROIT EDISON CO., TELEPHONE BY MICHIGAN BELL TELEPHONE CO. AND GAS BY CONSUMER POWER CO.

GRAPHIC SCALE

SCHEDULE OF CURVE DATA ON UNIT LIMITS OF OWNERSHIP LINE

CURVE	RADIUS	LENGTH	CHORD	BEARING	DELTA
C1	[illegible]	[illegible]	35.43	S81°39'55"E	15°45'52"
C2	288.00	79.06	78.81	N81°38'47"W	15°45'42"
C3	288.00	81.90	81.62	S82°20'34"W	16°17'34"
C4	288.00	54.93	54.52	S65°45'31"W	15°55'52"
C5	288.00	99.40	98.92	S47°26'01"W	19°46'28"
C6	288.00	96.35	95.61	S27°59'31"W	19°06'33"
C7	172.00	117.99	115.41	N63°12'55"W	39°17'19"
C8	172.00	125.07	122.33	S20°32'38"E	41°39'48"
C9	75.00	30.92	28.99	S35°39'33"W	20°50'34"
C10	100.00	67.21	65.97	N51°49'51"E	38°29'57"
C11	100.00	95.23	91.57	N05°17'25"E	54°33'45"
C12	100.00	45.66	45.26	N35°04'13"W	26°09'31"
C13	100.00	75.89	74.08	S21°58'38"W	43°28'44"
C14	288.00	52.94	52.86	S05°01'41"E	10°31'54"
C15	288.00	98.01	97.54	S20°02'35"E	19°29'54"
C16	288.00	100.51	100.00	S39°47'24"E	19°59'44"
C17	288.00	100.51	100.00	S59°47'08"E	19°59'44"
C18	172.00	209.93	197.13	S37°43'46"W	69°55'36"
C19	172.00	100.69	99.26	S89°25'49"W	33°32'29"
C20	391.00	72.13	72.03	S79°04'02"E	10°34'17"
C21	391.00	35.46	35.45	S86°57'01"E	05°11'45"

UTILITY SOURCE

STORM	JCK & ASSOCIATES DESIGN DRAWINGS
ELECTRICAL	TO BE SHOWN ON AS-BUILT DRAWINGS
TELEPHONE	TO BE SHOWN ON AS-BUILT DRAWINGS
GAS	TO BE SHOWN ON AS-BUILT DRAWINGS

LEGEND ON UNIT AREAS

UNIT NO.	UNIT AREA SQ.FT.	UNIT NO.	UNIT AREA SQ.FT.	UNIT NO.	UNIT AREA SQ.FT.
1	15,500	10	11,236	19	18,327
2	15,500	11	11,971	20	16,567
3	15,500	12	14,958	29	13,849
4	16,259	13	15,500	30	16,158
5	16,262	14	21,287	31	15,500
6	15,914	15	16,208	32	16,089
7	17,868	16	15,033	33	15,845
8	17,596	17	15,418	34	16,234
9	13,400	18	15,954		

LEGEND

- LIMITS OF OWNERSHIP
- LIMITS OF LIMITED COMMON ELEMENT
- 32 UNIT NUMBER
- MONUMENT
- STORM SEWER MANHOLE
- CATCH BASIN

PROPOSED JUNE 16, 1992
ROADS, STORM SEWER, TRUNK LINES FOR ELECTRICAL, GAS, AND TELEPHONE MUST BE BUILT. INDIVIDUAL SERVICES NEED NOT BE BUILT.

KNOLLWOOD HILLS

UTILITY PLAN
UNIT DIMENSIONS AND AREAS

JCK & ASSOCIATES, INC.
ENGINEERS/ARCHITECTS/SURVEYORS

Drawn / Designed / Checked
Scale 1"=50'
Date 6-16-92

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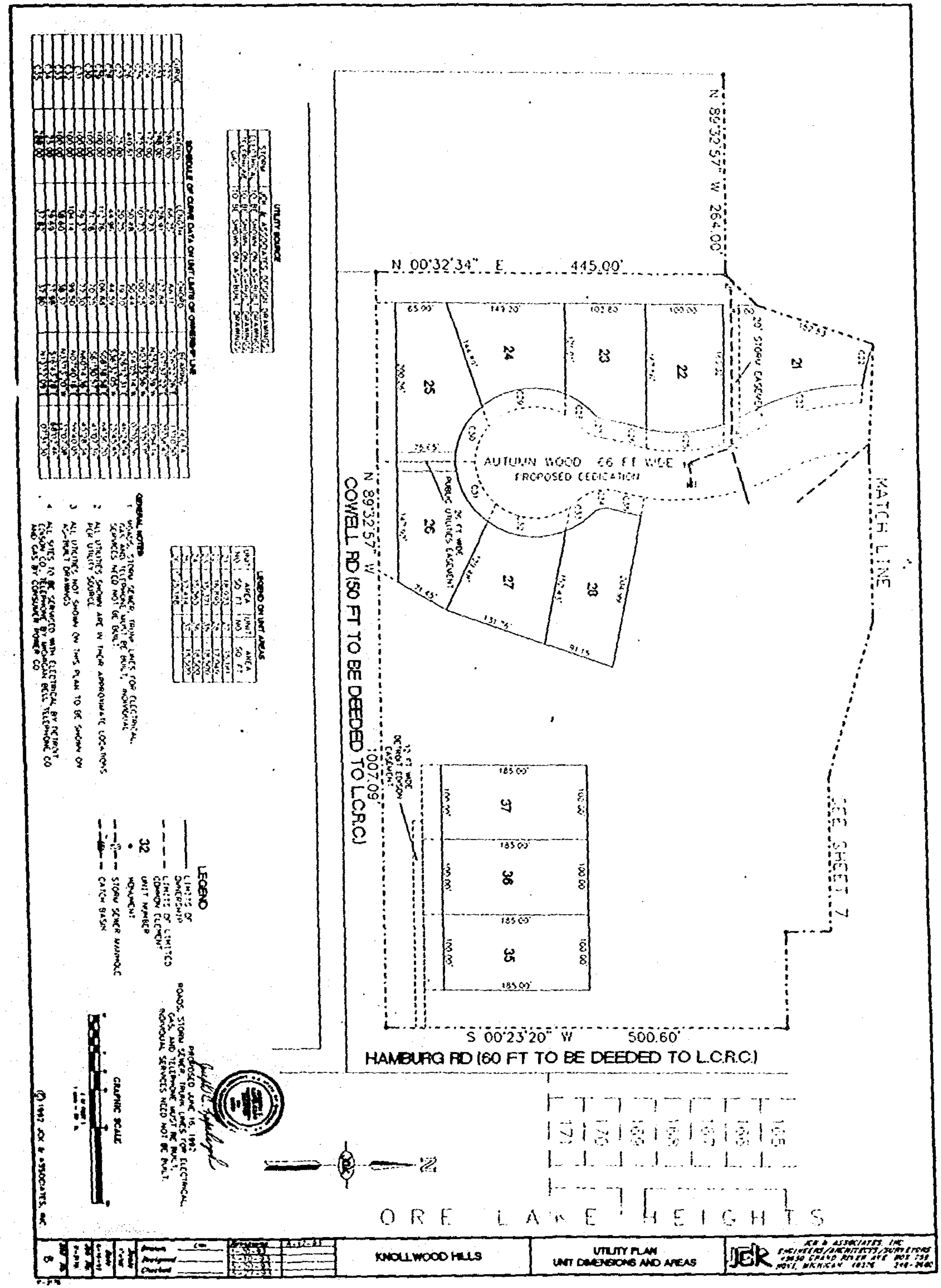
N 89°32'57" W 264.00'
N 00°32'34" E 445.00'
AUTUMN WOOD 66 FT WIDE
PROPOSED DEDICATION
20' STORM EASEMENT
25 FT WIDE PUBLIC UTILITIES EASEMENT
N 89°32'57" W 1007.09
COWELL RD (60 FT TO BE DEEDED TO L.C.R.C.)
12 FT WIDE DETROIT EDISON EASEMENT
MATCH LINE
SEE SHEET 7
S 00°23'20" W 500.60'
HAMBURG RD (60 FT TO BE DEEDED TO L.C.R.C.)
ORE LAKE HEIGHTS
21
22
23
24
25
26
27
28
35
36
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UTILITY SOURCE
SCHEDULE OF CURVE DATA ON UNIT LIMITS OF OWNERSHIP LINE
LEGEND ON UNIT AREAS
GENERAL NOTES
LEGEND
GRAPHIC SCALE
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KNOLLWOOD HILLS
UTILITY PLAN
UNIT DIMENSIONS AND AREAS
JCK & ASSOCIATES, INC
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