Purchaser Information Booklet for Cove Creek Condominium

A Condominium Project

in

Taylor, Michigan

Developer:

Beech-Goddard, L.L.C.
a Michigan limited liability company
31300 Orchard Lake Road
Farmington Hills, MI 48334

Beantley's

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for
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Congratulations on your decision to purchase your new condominium at Cove Creek!

Thank you for your recent Reservation and for selecting Sherr Development to build your new condominium home. We realize you may be both excited and overwhelmed at the same time.... Relax and take a deep breath, because the Team here intends on making this a fun and exciting experience for you! The following is a checklist to help you through the next couple of weeks in order to prepare for your Purchase Agreement signing.

1. **Review the document package** you received at your reservation signing. It should include the following documents: *Condominium Buyers Handbook, *Master Deed and Exhibits, *Disclosure Statement and Exhibits, *Purchase Agreement, *Escrow Agreement & *Limited Warranty. Please contact us if any of these documents are missing or if you have any questions following your review.
2. If you haven't already done so, **schedule an appointment** with the Sales Office to sign your paper work. Allow approximately one hour of uninterrupted time for this meeting.
3. **Decide on your "structural" selections prior to your paperwork signing.** Any questions you may have regarding these options need to be answered prior to our meeting in order to properly prepare the paperwork beforehand. Please keep in mind that once these decisions have been made they cannot be changed.
4. We invite you to **preview the Selections Center** so that you may prepare for your future Color Selection appointment. This process has been lengthened to the full month following your purchase agreement in order to consider all your color selection choices for your new home. **The Sales Staff will contact you to schedule this appointment.**
5. A **payment of $9,000** will be required at the Purchase Agreement appointment. (Reminder: your $10,000 total deposit will be applied towards your down payment.)
6. Please **contact your lender in order to receive your "Mortgage Commitment".** Simply provide us with this letter prior to or within 45 days after signing your Purchase Agreement.

Finally... sit back and enjoy the building process as we build your new home! Most importantly, please call us with any questions you may have and remember, we are here to make you feel comfortable and to keep you informed throughout the experience. We look forward to having you join the Cove Creek neighborhood!

Sincerely,

Your Sales Staff

(313) 291-0700 25813 Cove Creek Ct.• Taylor, MI 48180 (313) 291-0027 fax
www.sherrdev.com

Michigan Department of Attorney General
Consumer Protection Division
P. O. Box 30213
Lansing, MI 48909
Phone: (517) 373-1140
www.ag.state.mi.us

The Act provides the right to notify the agency in a governmental unit responsible for administration and enforcement of construction regulations of an alleged violation of the state construction code, other applicable building code, or construction regulation.

A person who willfully aids in the advertisement of a statement or representation that misrepresents the facts concerning a condominium project, as described in the recorded master deed, is guilty of a misdemeanor and shall be punished by a fine or imprisonment or both. An action under this section shall be brought by the prosecuting attorney of the county in which the property is located, or by the department of attorney general.

A person can not take action arising out of the development or construction of the common elements, or the management, operation, or control of a condominium project, more than three years from the transitional control date or two years from the date of the cause of the action, whichever occurs later. The transitional control date is the date the board of directors takes office by an election where the co-owners' votes exceed the developer's votes for the board members.

Legal References

Condominium Act, P.A. 59 of 1978, as amended, MCL 559.101 et seq.
Condominium Rules, R559.101 et seq, 1985 Michigan Administrative Code
Occupational Code, P.A. 299 of 1980, MCL 339.101 et seq.
Consumer Protection Act, P.A. 331 of 1976, MCL 445.901 et seq.
Stille-Derossett-Halle Single State Construction Code Act, P.A. 230 of 1972, MCL 125.1501 et seq.

Approval: CIS Director

PUB-C-0139 (9/01)

A co-owner may take action against the association of co-owners to compel the association to enforce the condominium documents. To the extent that the condominium documents expressly provide, the court shall determine costs of the proceeding and the successful party shall recover those costs.

A co-owner may take action against another co-owner for injunctive relief or for damages for noncompliance with the terms of the condominium documents or the Act.

The bylaws must contain a provision that disputes relating to the interpretation of the condominium documents or arising out of disputes among co-owners may be resolved through arbitration. Both parties must consent to arbitration and give written notice to the association. The decision of the arbitrator is final and the parties are prohibited from petitioning the courts regarding that dispute.

A developer and a co-owner, or association of co-owners, may execute a contract to settle by arbitration for any claim against the developer that might be the subject of a civil action. A purchaser or co-owner has the exclusive option to execute a contract to settle by arbitration for any claim against the developer that might be the subject of a civil action and involves less than $2,500. All costs will be allocated in the manner provided by the arbitration association. A contract to settle by arbitration must specify that the arbitration association will conduct the arbitration. The method of appointment of the arbitrator will be pursuant to rules of the arbitration association. Arbitration will be in accordance with sections 5001 to 5065 of Act No. 236 of 1961, MCL 600.5001 to 5065, which may be supplemented by rules of the arbitration association. An arbitration award is binding on the parties to the arbitration.

A condominium developer may be required to be a licensed residential builder under the Occupational Code. If a person has violated the Occupational Code or administrative rules, a complaint must be made within 18 months after completion, occupancy or purchase of a residential structure. Conduct subject to penalty is described in Article 24 of the Occupational Code. Complaints concerning construction may be filed with:

Michigan Department of Consumer & Industry Services
Bureau of Commercial Services
Enforcement Division
P. O. Box 30018
Lansing, MI 48909
Phone: (517) 241-9202
www.cis.state.mi.us/bcs

The Michigan Consumer Protection Act prohibits certain methods, acts, and practices, provides for certain investigations and prescribes penalties. Complaints regarding an alleged violation of the Consumer Protection Act may be filed with:

board members equal to the percentage of units they hold. The developer has the right to elect the number of board members equal to the percentage of units that are owned by the developer, if the developer has paid all assessments for those units.

Documents the Association Must Provide

The association of co-owners must provide a financial statement annually to each co-owner. The books, records, and contracts concerning the administration and operation of the condominium project must be available for examination by any of the co-owners at convenient times. All books and records must be audited or reviewed by independent accountant annually, but the audit does not have to be certified. The association must keep current copies of the master deed, all amendments to the master deed, and other condominium documents available at reasonable hours to co-owners, prospective purchasers and prospective mortgagees.

Amendments to Condominium Documents

If the condominium documents contain a statement that the developer or association of co-owners has reserved the right to amend the documents for that purpose, then the documents may be amended without the consent of the co-owners, as long as the change does not materially alter or change the rights of a co-owner.

The master deed, bylaws and condominium subdivision plan may be amended, even if the amendment will materially alter or change the rights of a co-owner with the consent of at least 2/3 of the votes of the co-owners and mortgagees.

The method or formula used to determine the percentage of value of each unit for other than voting purposes cannot be modified without the consent of each affected co-owner. Provisions relating to the ability or terms under which a co-owner may rent a unit may not be modified without the consent of the co-owner. A co-owner's unit dimensions or the limited common elements to the co-owner's unit may not be modified without the co-owner's consent.

Remedies Available Pursuant to the Act

A developer who offers or sells a condominium unit in violation of the Act is liable to the purchaser for damages.

A person or association of co-owners adversely affected by a violation of, or failure to comply with, the Act, administrative rules issued under the authority of the Act, or any provision of an agreement or a master deed may take action in a court with jurisdiction. The court may award costs to the prevailing party.

The Condominium Buyers' Handbook

State of Michigan
Department of Consumer and Industry Services
Office of Policy and Legislative Affairs
Boundary Commission
www.cis.state.mi.us/opla

The Condominium Buyers Handbook was created by the Michigan Department of Consumer and Industry Services as required by the Condominium Act, Public Act 59 of 1978, as amended. This edition reflects Public Act 379 of 2000 amendments that took effect January 2, 2001.

This handbook is intended as a guide for people who are considering buying a condominium. It provides a summary of portions of the Condominium Act (MCL 559.101 et seq.) and is directed primarily toward residential condominium buyers, although the Act also provides for business, campground and marina condominium developments.

Although the Department of Consumer & Industry Services is identified as the administrator in the Act, the Legislature repealed the Department's regulatory responsibilities many years ago. The Act does not give the Department authority to enforce any provisions in the Act. The last section of the handbook describes the remedies the Act does provide. In addition, the Department will forward a copy of a complaint received regarding a developer of a condominium project to the developer along with a notice of available remedies in the Act. Contact:

Michigan Department of Consumer & Industry Services
Office of Policy & Legislative Affairs
P.O. Box 30004
Lansing, MI 48909
(517) 241-4580
www.cis.state.mi.us/opla

Condominium Ownership

Unit owners have exclusive ownership rights to their unit and the right to share the common elements of the condominium project with the other co-owners. The development is privately owned and maintained by the co-owners, unless the local government agrees to take responsibility for maintaining a portion of the development. Roads are an example of a portion of a condominium development that may become public. The master deed will designate the percentage of ownership of each condominium unit in the development. This percentage of value will determine your obligation for payment of monthly fees, assessments, and may determine your voting percentage at association meetings.

The bylaws should be read carefully as they contain provisions outlining your rights as an owner. Modifications or repairs to your unit may require approval of the co-owners association. There may be restrictions on pets, renting, use of recreational facilities, and other prohibitions in the bylaws that you should be aware of before signing a purchase agreement.

Association of Co-owners (Condominium Board):

Initially, the developer appoints the board of directors, who govern the development until the first annual meeting. The provisions for holding the annual meeting and designating the voting procedures are included in the condominium bylaws. The association of co-owners is elected by the co-owners and is responsible for governing the development and maintaining the general common elements. The general common elements may consist of hallways, lobbies, building exteriors, lawns, streets (if the roads are private), recreation facilities, heating, water and electric systems. The association has authority to determine the monthly maintenance fee and the amount of any special assessments. The association of co-owners may hire a management company to provide services for the development. Each co-owner must pay a monthly fee for these services and any special assessments.

Rules governing the association are written in the bylaws of the condominium development. After the association of co-owners is created, it may adopt bylaws for the operation of the association. Meetings of the co-owners association are meetings of a private entity, and not subject to the Open Meetings Act, which requires government agencies to allow public attendance at meetings. Associations are required to maintain a reserve fund for major repairs and replacement of common elements. The minimum amount is 10 % of the annual budget on a non-cumulative basis.

You should receive a disclosure statement itemizing the association's budget at the time you are given the master deed. The monthly assessment is considered a lien on the condominium unit and you cannot be exempt from assessments and monthly fees by nonuse of any common elements or by abandonment of the condominium unit. Co-owners must notify the association if they rent or mortgage their unit.

If you have complaints with the association or other co-owners, review the condominium bylaws to determine what recourse you have. Generally only professional arbitrators or the courts have jurisdiction over complaints between these parties.

Site Condominiums

The term "site condominium" is used to describe a condominium development with single-family detached housing instead of two or more housing units in one structure. Site condominium developments must comply with the Act. The Act requires developers to notify the appropriate local government of their intent to develop a condominium project. The type of review the development is subject to depends on the local government's ordinances. Site condominium documents are not reviewed by the State for conformance with the Act.

There is another type of residential subdivision development in Michigan that is regulated in accordance with the Land Division Act. Subdivisions developed pursuant to the Land Division Act are subject to state review for conformance with the Land Division Act.

Limited or General Common Elements

Limited common elements are property with usage restrictions. A carport space assigned to a unit is a limited common element. The yard of a unit that is a single family detached home may be a limited common element for use by the owner of that unit. General common elements may be roads, open space areas and recreation facilities. They are available for use by everyone in the development. The master deed specifies which parts of your condominium development are designated as limited or general common elements. Use of the common elements is governed by the bylaws for the condominium development.

Condominium Documents

The condominium documents include the master deed, condominium subdivision plan, bylaws for the condominium project, and any other documents referred to in the master deed or bylaws. In addition, the developer is required to provide a disclosure statement. Once the condominium association is established, it may adopt another set of bylaws pertaining to the association's operation. The association or management company must keep books and records with a detailed account of the expenditures and receipts affecting the project and its administration, and which specify the operation expenses.

Preliminary Reservation Agreements

A preliminary reservation agreement gives you the opportunity to purchase a particular condominium unit for a specified period of time upon sale terms to be determined later. The developer must place the payment you make in an escrow account with an escrow agent. If you make a payment under a preliminary reservation agreement and cancel the agreement, the developer must fully refund the money. If you subsequently enter into a purchase agreement, the developer must treat the payment made as if it was made under a purchase agreement.

Purchase Agreements

A purchaser may withdraw from a signed purchase agreement without cause or penalty within nine business days as long as the property has not been conveyed to the purchaser. The nine-business day window starts the day on which the documents listed below are received, if that day is a business day. The developer must deposit payments made under a purchase agreement in an escrow account with an escrow agent.

Before signing an agreement, it is advisable to seek professional assistance to review all condominium documents. Some issues to consider before buying include the following:

- The bylaws may contain a variety of restrictions. The bylaws may require you to receive association approval for certain actions. If you do not obtain prior approval, the association has authority to enforce any legal restrictions in the bylaws.
- You may be subject to a binding purchase agreement before construction begins or is completed. Determine whether the agreements will provide you with adequate rights if the developer does not finish the unit in time to meet the occupancy date.
- Review all restrictions, covenants, and easements that might affect the condominium project or your unit.
- Determine if the developer has reserved any rights to alter the project.
- Before signing a purchase agreement make sure you have financing, or that the agreement specifies it is dependent on your ability to obtain a mortgage commitment for the unit.
- You may want to determine if the developer is contractually obligated to finish the development. The local government may have required the developer to provide letters of credit to complete elements of the project.
- Do not rely on verbal promises, insist that everything be in writing and signed by the person who made the promise.
- When buying a condominium in a structure that has been converted from an existing building, you will also be a joint owner of the furnace, roof, pipes, wires and other common elements. Ask for an architect's or engineer's report on the condition of all building components and their expected useful life. Ask to see copies of the building maintenance records, and find out what improvements the developer has made.

Documents the Developer Must Provide

The developer must provide copies of the following documents to a prospective purchaser:

1. The recorded master deed.
2. A copy of the purchase agreement and escrow agreement .
3. The condominium buyer's handbook.
4. A disclosure statement that must include information about:
   - the developer's previous experience with condominium projects,
   - any warranties undertaken by the developer, and
   - the extent to which financial arrangements have been provided for completion of all structures and improvements labeled "must be built" on the subdivision plan.

Advisory Committee

The advisory committee is established when one of the following occurs, whichever happens first:

1. 120 days after 1/3 of the units are sold to nondeveloper co-owners.
2. One year after a unit is sold to a nondeveloper co-owner.

The purpose of the advisory committee is to meet with the project board of directors to facilitate communication and aid in the transition of control to the association of co-owners. The advisory committee ceases when a majority of the board of directors of the association of co-owners is elected by the nondeveloper co-owners.

Election of Board of Directors for Association of Co-owners

No later than 120 days after 25% of nondeveloper co-owners have title to the units that may be created, at least one director, and not less than 25% of the board of directors shall be elected by the nondeveloper co-owners.

No later than 120 days after 50% of nondeveloper co-owners have title to the units that may be created, at least 33.3% of the board of directors shall be elected by nondeveloper co-owners.

No later than 120 days after 75% of nondeveloper co-owners have title to units that may be created, and before 90% are conveyed to nondeveloper co-owners, the nondeveloper co-owners shall elect all directors on the board, except if the developer owns and offers for sale at least 10% of the units, or as long as 10% of the units remain to be created, the developer shall have the right to designate one director.

If titles to 75% - 100% of the units that may be created have not been conveyed, 54 months after the first conveyance, the nondeveloper co-owners shall elect the number of

ARTICLE VII

EASEMENTS, RESTRICTIONS AND AGREEMENTS

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

(a) Developer (on its behalf and on behalf of its successors) hereby reserves permanent easements for ingress and egress over the roads and walks in the Condominium and permanent easements to use, tap into, enlarge or extend all roads, walks and utility lines in the Condominium, including, without limitation, all communications, water, gas, electric, storm and sanitary sewer lines, and any pumps, sprinklers or water retention areas. These easements shall run with the land in perpetuity. Developer has no financial obligation to support such easements.

(b) Developer reserves the right and power to dedicate all or any of the roads in the Condominium to public use, and all persons acquiring any interest in the Condominium, including without limitation all Co-owners and Mortgagees, shall be deemed irrevocably to have appointed Developer and its successors as agent and attorney-in-fact to make such dedication and to act in behalf of all Co-owners and their Mortgagees in any statutory or special assessment proceedings with respect to the dedicated roads. After the Transitional Control Date, the foregoing right and power may be exercised by the Association, acting upon the recommendation of the Ranch Committee, with respect to the North General Common Elements, and of the Architectural Control Committee, with respect to the South General Common Elements.

(c) Upon approval by and affirmative vote of not less than 51% of all Co-owners of the Ranch Units, with respect to Ranch Unit Limited Common Elements and/or North General Common Elements, or 51% of all Co-owners of the Single Family Units, with respect to Single Family Limited Common Elements and/or South General Common Elements, in each case in number and in value, the Association shall be vested with the power and authority to sign petitions requesting establishment of a special assessment district pursuant to provisions of applicable Michigan statutes for improvement of roads within or adjacent to the Ranch Unit Condominium Portion or the Single Family Condominium Portion, as applicable. In the event that a special assessment road improvement project is established pursuant to applicable Michigan law with respect to the Ranch Unit Condominium Portion, the collective costs shall be assessable to the Ranch Units as a whole shall be borne by all Ranch Unit Co-owners in proportion to their respective Percentages of Value. Similarly, In the event that a special assessment road improvement project is established pursuant to applicable Michigan law with respect to the Single Family Condominium Portion, the collective costs shall be assessable to the Single Family Units as a whole shall be borne by all Single Family Unit Co-owners in proportion to their respective Percentages of Value.

(d) Developer, by recordation of this Master Deed, reserves the right and power to grant easements over, or dedicate, portions of any of the Common Elements for utility, drainage, street, safety or construction purposes or for any other purposes deemed necessary by the City, and all persons acquiring any interest in the Condominium, including without limitation all Co-owners and Mortgagees, shall be deemed to have appointed Developer and its successors as agent and attorney-in-fact to make such easements or dedications. After the Transitional Control Date, the foregoing right and power may be exercised by the Association.

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

(f) There shall be easements to and in favor of the Association, and its officers, directors, agents and designees (and the Developer prior to the First Annual Meeting), in, on and over all Units, for access to the Units and the exterior of each of the Residences and appurtenances that are constructed within each Unit to conduct any activities authorized by this Master Deed or the Condominium Bylaws.

(g) Developer, the Association, the City and all public and private utility companies and their agents shall have such easements over, under, across and through the Condominium, including all Units and Common Elements, as may be necessary to develop, construct, market and operate any Units within the land described in Article II hereof, and also to fulfill any responsibilities of inspection, construction, (including construction of utilities), extension, relocation, maintenance, repair, decoration, replacement or removal of utilities, or machinery or equipment connected to such utilities which they or any of them are required or permitted to perform under the Condominium Documents or by law or to respond to any emergency or common need of the Condominium.

(h) Easements for the construction, installation and maintenance of public utilities, and for drainage facilities and other purposes, are reserved as shown on the Plan. Within all of the foregoing easements, unless the necessary approvals are obtained from the municipality in which the Unit is located and any other appropriate municipal authority and except for a Residence and except for the paving necessary for each Residence's driveway, no Structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of such service facilities and utilities, including underground electrical and telephone local distribution systems, or which may change, obstruct or retard the flow or direction of water in and through drainage in the easements, nor shall any change, which may obstruct or retard the flow of surface water or be detrimental to the property of others, be made by the occupant in the finished grade of any Unit once established by the builder upon completion of construction of the Residence thereon. The easement area of each Unit and all improvements in it shall be maintained (in a presentable condition continuously) by the Unit Owner, except for those improvements for which a public authority or utility company is responsible, and the Unit Owner shall be liable for damage to service facilities and utilities thereon, including damage to electric, gas, and telephone distribution lines and facilities therein. Except as may be otherwise provided herein, each Unit Owner shall maintain the surface area of easements within the Owner's Unit, to keep weeds out, to keep the area free of trash and debris, and to take such action as may be necessary to eliminate or minimize surface erosion.

(i) The architectural and building specifications and use restrictions set forth in Article VI of the Bylaws govern the development and use of each Unit in the Condominium along with the provisions of this Master Deed and the Condominium Subdivision Plan. All improvements made within any Unit, including the construction of a Residence and any other Structure, and the use and occupancy thereof, shall comply fully with the architectural and building specifications and use restrictions established by Article VI of the Bylaws. The terms, provisions, restrictions and conditions of Article VI of the Bylaws are incorporated fully herein by this reference.

(j) The Developer (and after the First Meeting, the Association) shall have the right and easement to obtain access during reasonable hours and upon reasonable notice to water meters, sprinkler controls and valves, fire suppression equipment and other Common Elements located within any Ranch Unit or its appurtenant Limited Common Elements. The foregoing easement shall include the right to enter all Ranch Units at any time, even without notice in the case of an emergency or as reasonably necessary to prevent a perceived emergency.

ARTICLE VIII

AMENDMENTS

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

(a) Amendments may be made and recorded by Developer or by the Association.

(b) If the amendment will materially adversely reduce the benefits to and/or increase the burdens upon the Co-owners or Mortgagees, then such amendment requires the consent of not less than two-thirds (2/3) in value of the votes of the Co-owners and Mortgagees of the Units (unless a greater majority is specified in the Condominium Bylaws). An amendment materially adversely reducing the benefits to and/or increasing the burdens upon the Ranches, the North General Common Elements, or the Ranch Unit Limited Common Elements shall only require the consent of not less than two-thirds (2/3) in value of the votes of the Co-owners and Mortgagees of the Ranch Units (unless a greater majority is specified in the Condominium Bylaws) require. An amendment materially adversely reducing the benefits to and/or increasing the burdens upon the Single Family Units, the South General Common Elements or the Single Family Limited Common Elements shall only require the consent of not less than two-thirds (2/3) in value of the votes of the Co-owners and Mortgagees of the Single Family Units (unless a greater majority is specified in the Condominium Bylaws). A Mortgagee shall have one vote for each mortgage held.

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

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

(2) To amend the Condominium Bylaws, subject to any restrictions on amendments stated therein;

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

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

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

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

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

(8) To record an "as-built" Condominium Subdivision Plan and/or consolidating master deed; and

(9) To amend the description of land included in the Condominium as set forth in Articles X and XI below.

(10) To amend the Condominium Subdivision Plan in order to change the exterior architectural appearance of any building within the Condominium provided that no such amendment shall increase the size of the applicable building footprint as indicated thereof on the Condominium Subdivision Plan.

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

(e) Notwithstanding anything in this Master Deed contained to the contrary, including the provisions of Articles IX below, any amendment hereto purporting to modify in a material way the Common Elements or any Unit or to decrease the number of Units shall require the prior written approval of the City.

ARTICLE IX

CONVERTIBLE AREAS

(a) The Common Elements and all Units have been designated on the Condominium Subdivision Plan as Convertible Areas within which the Units and Common Elements may be modified and within which Units may be expanded, moved, deleted and created as provided in this Article IX. The Developer reserves the right, but not an obligation, to convert the Convertible Areas, subject to the prior written approval of the City. The foregoing notwithstanding, two of the Units must be built.

(b) Subject to the prior written approval of the City, the Developer reserves the right, in its sole discretion, during a period ending 6 years from the date of recording this Master Deed, to modify the size, location, and configuration of any Unit that it owns in the Condominium, and to make corresponding changes to the Common Elements, subject to the requirements of local ordinances and building authorities. The changes could include (by way of illustration and not limitation) the deletion of Units from the Condominium and the substitution of General and Limited Common Elements therefor. Unless, expanded in accordance with Article XI hereof, the maximum number of units in the Condominium may not exceed 44 Units.

(c) All improvements constructed or installed within the Convertible Areas described above shall be restricted exclusively to residential use and to such Common Elements as are compatible with residential use. There are no other restrictions upon such improvements except those provided in the Bylaws and those which are imposed by state law, local ordinances or building authorities.

(d) The consent of any Co-owner shall not be required to convert the Convertible Areas. All of the Co-owners and Mortgagees and other persons interested or to become interested in the Condominium from time to time shall be deemed to have irrevocably and unanimously consented to such conversion of the Convertible Areas and any amendment or amendments to this Master Deed to effectuate the conversion and to any reallocation of Percentages of Value of existing Units which Developer may determine necessary in connection with such amendment or amendments. All such interested persons irrevocably appoint the Developer or its successors, as agent and attorney for the purpose of execution of such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be effected without the necessity of re-

recording an entire Master Deed or the Exhibits thereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits hereto. Nothing herein contained, however, shall in any way obligate Developer to convert the Convertible Areas. These provisions give notice to all Co-owners, Mortgagees and other persons acquiring interests in the Condominium that such amendments of this Master Deed may be made and recorded, and no further notice of such amendment shall be required.

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

ARTICLE X

CONTRACTION OF CONDOMINIUM

Intentionally Deleted

ARTICLE XI

EXPANSION OF CONDOMINIUM

Intentionally Deleted

ARTICLE XII

ASSIGNMENT

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

ARTICLE XIII

MISCELLANEOUS

(a) The City shall have the right, but not the obligation, to repair or maintain all facilities, equipment, and/or improvements located or to be located within the General Common Elements or Limited Common Elements of the Condominium.

(b) Any private rights of the Developer, Co-owners and/or the Association in any road located within the General Common Elements or Limited Common Elements of the Condominium which has not previously been dedicated to public use shall terminate upon dedication of such right of way to the City, the Board of Commissioners of the Wayne County Road Commission or any other governmental entity for public road purposes.

IN WITNESS WHEREOF, Developer has caused this Master Deed to be executed.

BEECH-GODDARD, L.L.C.
a Michigan limited liability company

By: Sherr Development Corporation, Member

By: _____
STUART D. SHERR

Its: VICE PRESIDENT

STATE OF MICHIGAN)
) ss.
COUNTY OF WAYNE)

The foregoing instrument was acknowledged before me this January 26, 2004 by Stuart D. Sherr, the Vice President of Sherr Development Corporation, the Member of Beech-Goddard, L.L.C., a Michigan limited liability company, on behalf of the company.

_____*
TERRY A. GRIEVE
NOTARY PUBLIC-WAYNE COUNTY, MI
ACTING IN OAKLAND COUNTY, MI
MY COMMISSION EXP. 03/18/2006

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

*To comply with the Michigan Recording Act, type or print names in black ink beneath signatures.

Drafted by and when recorded return to:
Alan M. Hurvitz, Esq.
Honigman Miller Schwartz and Cohn LLP
32270 Telegraph Road Suite 225
Bingham Farms, Michigan 48025-2457
(248) 566-8454

EXHIBIT A

011204

BYLAWS

ARTICLE I

ASSOCIATION OF CO-OWNERS

Cove Creek Condominium, a residential condominium located in Wayne County, Michigan, shall be administered by an Association of Co-owners which shall be a nonprofit corporation, herein referred to as 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 in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and Section 3(8) of the Act and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Co-owner shall be entitled to membership and no other person or entity shall be entitled to membership. The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to the Co-owner's Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed and other Condominium Documents for the Condominium available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium. The Association, all Co-owners in the Condominium 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. All capitalized terms used herein not otherwise defined herein shall have the same meaning as set forth in the Master Deed to which these Bylaws are attached as an exhibit or as set forth in the Act.

ARTICLE II

ASSESSMENTS

The levying of assessments by the Association against the Units and collection of such assessments from the Co-owners in order to pay the expenses arising from the management, administration and operation of the Association shall be governed by the following provisions:

1. Taxes Assessed on Personal Property Owned or Possessed in Common. 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.

2. Receipts and Expenditures Affecting Administration. Expenditures affecting administration of the Condominium shall include all costs incurred in satisfaction of any liability arising within, caused by or connected with the Common Elements or the administration of the Condominium, Receipts affecting administration of the Condominium shall include all sums received by the Association as proceeds of, or pursuant to, a policy of insurance securing the interests of the Co-owners against liabilities or losses arising within, caused by or connected with the Common Elements or the administration of the Condominium.

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

(a) The Annual Budget and Regular Assessments. The Board of Directors of the Association shall establish two separate annual budgets in advance for each fiscal year. One budget shall relate to the Ranch Unit Condominium Portion and the other budget shall relate to the Single Family Condominium Portion. Each such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the portion of the Condominium to which such budget relates, including a reasonable allowance for contingencies and reserves. The annual budget for the Ranch Unit Condominium Portion shall be prepared by the Ranch Committee, and the annual budget for the Single Family Condominium Portion shall be prepared by the Architectural Control Committee. The Board of Directors shall adopt the budgets presented to the Board of Directors by such Committees. Upon adoption of the annual budgets by the Board of Directors, copies of the budget relating to the Ranch Unit Condominium Portion shall be delivered to each Ranch Unit Co-owner, and copies of the budget relating to the Single Family Condominium Portion shall be delivered to each Single Family Unit co-owner. The assessment relating to each Unit for said year shall be established based upon the relevant budget, although the failure to deliver a copy of such 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. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements in each portion of the Condominium that must be replaced on a periodic basis shall be established in the budget for such portion and must be funded by regular payments as set forth in Section 5 below rather than by special assessments. At a minimum, the reserve fund in each budget shall be equal to 10% of the relevant current annual budget (excluding that portion of such budget allocated to the reserve fund itself on a non-cumulative basis). Since the minimum standard required by this subparagraph may prove to be inadequate, each of the Ranch Committee and Architectural Control Committee should carefully analyze the portion of the Condominium for which it is responsible 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. Each of such Committees shall annually consider the needs of the portion of the Condominium for which it is responsible to determine if a greater amount should be set aside in reserve or if additional reserve funds should be established for any other purposes. The regular Association assessments provided in this Article II, Section 3(a) shall be levied by the Board of Directors and shall be based upon the recommendation for the amount of such assessment made by the Ranch Committee, with respect to the Ranch Units, and the Architectural Control Committee, with respect to the Single Family Units, which recommendations shall be made by such Committees in their sole discretion.

(b) Special Assessments. Special assessments relating to items other than the North General Common Elements, the South General Common Elements and the Limited Common Elements, 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 appropriate requirements of the Association. Special assessments relating to the Ranch Unit Limited Common Elements and/or the North General Common Elements may be submitted by the Ranch Committee to the Board of Directors from time to time and approved by the Ranch Unit Co-Owners as hereinafter provided. Special assessments relating to the Single Family Limited Common Elements and/or the South General Common Elements may be submitted by the Architectural Control Committee to the Board of Directors from time to time and approved by the Single Family Unit Co-Owners as hereinafter provided. Special assessments relating to items other than the foregoing shall be levied only with the prior approval of more than 60% of all Co-owners in number and in value, or, with respect to items relating to the Common Elements, shall be levied only with the prior approval of more than sixty percent (60%) of the Co-owners, in number and value, of Units in the portion of the Condominium in which such Common Element is located (i.e. a special assessment relating to a Ranch Unit Common Element or the North General Common Elements shall require the prior approval of 60% of the Ranch Unit Co-owners, and a special assessment relating to a Single Family Unit Limited Common Element or the South General Common Element shall require the prior approval of 60% of the Single Family Unit Co-

owners). The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors (but with respect to the Limited Common Elements, the North General Common Elements and the South General Common Elements, the Board of Directors shall levy any assessment submitted by the relevant Committee and approved by the requisite number of Co-owners) for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof.

4. Apportionment of Assessments. Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of management, administration and operation of each of the two portions of the Condominium shall be apportioned among and paid by the Co-owners owning Units in that portion of the Condominium in accordance with the expense allocation assigned to each Unit in Article VI of the Master Deed.

5. Payment of Assessments and Penalty for Default. Annual assessments as determined in accordance with Article II, Section 3(a) above shall be payable by Ranch Co-owners in 12 equal monthly installments, and by Single Family Co-owners in annual installments (or more frequently if recommended by the Architectural Control Committee), in each case 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 Board of Directors may also adopt uniform late charges pursuant to Section 10 of Article VI of these Bylaws. Each Co-owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments (including interest, late charges and costs of collection and enforcement of payment) levied against the Unit which may be levied while such Co-owner is the owner thereof, except a land contract purchaser from any Co-owner including the Developer shall be so personally liable and such land contract seller shall not be personally liable for all such assessments levied up to and including the date upon which, if applicable, such land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorneys' fees; second, to any interest and other charges for late payment on such installments; and third, to installments in default in order of their due dates. A Co-owner selling a Unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve, account or other asset of the Association.

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

7. Enforcement.

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

(b) Foreclosure Proceedings. Each Co-owner, and every other person who from time to time has any interest in the Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the statutory lien that secures payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the Condominium shall be deemed to have authorized and empowered the Association to sell or cause to be sold the Unit with respect to which the assessment(s) is or are delinquent to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by Michigan law. The Association, acting on behalf of all Co-owners may bid at the foreclosure sale, and acquire, hold, lease, mortgage or convey the Unit sold.

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

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

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

(iii) The notice of lien shall be recorded in the office of the register of deeds in the county in which the Condominium is situated and shall be served upon the delinquent Co-owner by first class mail postage prepaid, addressed to the last known address of the Co-owner at least 10 days in advance of the commencement of the foreclosure proceedings.

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

8. Liability of Mortgagee. Notwithstanding any other provisions of the Condominium Documents, if the mortgagee of a first mortgage of record or other purchaser of a Condominium Unit obtains title to the Condominium Unit as a result of foreclosure of the first mortgage, such person, its successors and assigns, is not liable for the assessments by the Association chargeable to the Unit which became due prior to the acquisition of title to the Unit by such person and the expiration of the period of redemption from such foreclosure. The unpaid assessments are deemed to be common expenses collectible from all of the Condominium Unit Co-owners including such persons, its successors and assigns.

9. Developer's Responsibility for Assessments. Notwithstanding any other provisions of the Condominium Documents to the contrary, Developer shall not pay regular Association assessments for Units which are owned by Developer but unoccupied, but shall only reimburse the Association for actual expenses incurred by the Association which are reasonably allocable to such Units. Developer shall in no event be liable for any assessment levied in whole or in part to purchase any Unit from Developer or to finance any litigation or other claims against Developer, any cost of investigating and preparing such litigation or claim or any similar or related costs.

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

11. 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.

12. Construction Liens. A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

ARTICLE III

JUDICIAL ACTIONS AND CLAIMS

Actions on behalf of and against the Co-owners shall be brought in the name of the Association. Subject to the express limitations on actions in these Bylaws and in the Association's Articles of Incorporation, the Association may assert, defend or settle claims on behalf of all Co-owners in connection with the Common Elements of the Condominium. As provided in the Articles of Incorporation of the Association, the commencement of any civil action (other than one to enforce these Bylaws or collect delinquent assessments) shall require the approval of a majority in number and in value of the Co-owners (provided that a civil action relating specifically to either the Ranch Unit Condominium Portion or the Single Family Condominium Portion ["Portion Specific Litigation"] shall only require the approval of a majority in number and value of the Co-owners in that portion), and shall be governed by the requirements of this Article III. The requirements of this Article III will ensure that the Co-owners are fully informed regarding the prospects and likely costs of any civil action the Association proposes to engage in, as well as the ongoing status of any civil actions actually filed by the Association. These requirements are imposed in order to reduce both the cost of litigation and the risk of improvident litigation, and in order to avoid the waste of the Association's assets in litigation where reasonable and prudent alternatives to the litigation exist. Each Co-owner shall have standing to sue to enforce the requirements of this Article III (provided that with respect to Portion Specific Litigation, only the Co-owners owning Units in portion involved in the prospective litigation shall have such standing). The following procedures and requirements apply to the Association's commencement of any civil action other than an action to enforce these Bylaws or to collect delinquent assessments:

1. Board of Directors' Recommendation to Co-owners. The Association's Board of Directors (or, in the case of Portion Specific Litigation, the Ranch Committee or Architectural Control Committee, as applicable) shall be responsible in the first instance for recommending to the Co-owners that a civil action be filed, and supervising and directing any civil actions that are filed.

2. Litigation Evaluation Meeting. Before an attorney is engaged for purposes of filing a civil action on behalf of the Association, the Board of Directors shall call a special meeting of the Co-owners

("litigation evaluation meeting") for the express purpose of evaluating the merits of the proposed civil action. The written notice to the Co-owners of the date, time and place of the litigation evaluation meeting shall be sent to all Co-owners (except that with respect to Portion Specific Litigation, only the Co-owners in the Condominium portion that will be involved in the proposed litigation need be notified and invited to the litigation evaluation meeting) not less than twenty (20) days before the date of the meeting and shall include the following information copied onto 8-1/2" x 11" paper:

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

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

(ii) that at least one member of the Board of Directors has personally made a good faith effort to negotiate a settlement with the putative defendant(s) on behalf of the Association, without success;

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

(iv) the Board of Directors' proposed attorney for the civil action is of the written opinion that litigation is the Association's most reasonable and prudent alternative.

(b) A written summary of the relevant experience of the attorney ("litigation attorney") the Board of Directors recommends be retained to represent the Association in the proposed civil action, including the following information:

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

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

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

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

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

(f) The amount to be specially assessed against each Unit in the Condominium (or, with respect to Portion Specific Litigation, each Unit in the Condominium portion that will be the subject of the litigation) to fund the estimated cost of the civil action both in total and on a per Unit basis, as required by Section 6 of this Article III.

3. Independent Expert Opinion. If the lawsuit relates to the condition of any of the Common Elements of the Condominium, the Board of Directors (or, if same is Portion Specific Litigation, then either the Ranch Committee or the Architectural Control Committee, as appropriate) shall obtain a written independent expert opinion as to reasonable and practical alternative approaches to repairing the problems with the Common Elements, which shall set forth the estimated costs and expected viability of each alternative. In obtaining the independent expert opinion required by the preceding sentence, the

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

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

5. Co-Owner Vote Required. At the litigation evaluation meeting the Co-owners shall vote on whether to authorize the Board of Directors to proceed with the proposed civil action and whether the matter should be handled by the litigation attorney. The commencement of any civil action by the Association (other than a suit to enforce these Bylaws or collect delinquent assessments) shall require the approval of a 66-2/3% in value of the Co-owners (or, with respect to Portion Specific Litigation, the approval of a 66-2/3% in value of the Co-owners in the relevant portion). Notwithstanding anything herein to the contrary, no proxy voting shall be permitted in connection with any such vote.

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

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

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

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

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

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

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

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

(a) the status of the litigation;

(b) the status of settlement efforts, if any; and

(c) the attorney's written report.

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

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

ARTICLE IV

INSURANCE

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

(a) Responsibilities of Co-owners and 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. Co-owners may obtain additional insurance upon their Units, at their own expense, in addition to the coverage carried by the Association and Co-owners of Single Family Units shall obtain fire and extended coverage and liability insurance with respect to their individual Units covering the Unit and all structures located thereon. It shall be each Co-owner's responsibility to obtain insurance coverage for personal property located within a Unit or elsewhere in the Condominium and for personal liability for occurrences within a Unit or upon Limited Common Elements

appurtenant to a Unit for which the Co-owner has maintenance responsibilities under the Master Deed and also for alternative living expense in event of fire, and the Association shall have absolutely no responsibility for obtaining such coverages. The Association and all Co-owners shall use their best efforts to obtain property and liability insurance containing appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

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

(c) Premium Expenses. All premiums on insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration. To the extent that any insurance covers the Common Elements, the Association shall arrange for all insurance companies to allocate premiums charged for such insurance between costs for coverage of the North General Common Elements, the South General Common Elements, the Ranch Unit Limited Common Areas, including the Ranches, and the Single Family Limited Common elements. The portion of the premiums allocated to the Limited Common Elements or General Common Elements shall be allocated to the budget for Condominium portion in which such Limited Common Elements or General Common Elements are located and only assessed against the Co-owners of the Units in that portion accordance with Article II hereof.

(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 Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Condominium unless all of the institutional holders of first mortgages on Units in the Condominium have given their prior written approval. Repair of the Ranch Unit Limited Common Elements and North General Common Elements shall be coordinated by the Ranch Committee, and repair of the Single Family Unit Limited Common Elements and South General Common Elements shall be coordinated by the Architectural Control Committee.

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

things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

ARTICLE V

RECONSTRUCTION OR REPAIR

1. Reconstruction or Repair Unless Unanimous Vote to the Contrary. If any part of the Condominium shall be partially or completely destroyed, it shall be reconstructed or repaired unless it is determined by a unanimous vote of all Co-owners that the Condominium shall be terminated and each institutional holder of a first mortgage lien on any Unit in the Condominium has given prior written approval of such termination.

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

3. Responsibility for Reconstruction and Repair. If the damage is to a Single Family Unit, or to a part of a Ranch Unit which is the responsibility of a Co-owner to maintain and repair, it shall be the responsibility of the Co-owner to repair such damage in accordance with Section 4 hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association; provided, that with respect to reconstruction or repair of the Common Elements, the Ranch Committee shall be responsible for the reconstruction or repair of the Ranch Unit Limited Common Elements and North General Common Elements, and the Architectural Control Committee shall be responsible for the reconstruction or repair of the Single Family Limited Common Elements and the South General Common Elements.

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

5. Association Responsibility for Reconstruction and Repair. The Association shall be responsible for the reconstruction and repair of the Common Elements (except as specifically otherwise provided herein or in the Master Deed) and any incidental damage to a Unit caused by such Common Elements or the reconstruction and repair thereof. Immediately after a casualty causing damage to property for which the Association has the responsibility of repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such

Cove Creek

Dear Homebuyer:

Due to an error on the part of the Wayne County Registrar of Deeds, the Master Deed Exhibit A, Bylaws, was recorded two separate times. The two sets of Bylaws, however, are identical.

(313) 291-0700 25813 Cove Creek Ct. • Taylor, MI 48180 (313) 291-0027 fax
www.sherrdev.com

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204055777 2/06/2004
Bernard J. Youngblood
Wayne Co. Register of Deeds

011204

MASTER DEED

COVE CREEK CONDOMINIUM
A RESIDENTIAL CONDOMINIUM
WAYNE COUNTY CONDOMINIUM
SUBDIVISION PLAN NO. 755

THIS MASTER DEED is made and executed this JANUARY 26, 2004, by BEECH-GODDARD, L.L.C., a Michigan limited liability company (hereinafter referred to as "Developer"), whose address is 31300 Orchard Lake Road, Suite 200, Farmington Hills, Michigan 48334.

WITNESSETH:

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

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

$267.00 DEED
RECORDED
REGISTER OF DEEDS, WAYNE COUNTY, MI

ARTICLE I

TITLE AND NATURE

The Condominium shall be known as Cove Creek Condominium, Wayne County Condominium Subdivision Plan No. 755. The engineering and architectural plans for the Condominium Project were approved by and are on file with the City of Taylor. The number, boundaries, dimensions and volume of each Unit in the Condominium, including the buildings in the portion of the Condominium including Ranch Units are set forth in the Condominium Subdivision Plan attached as Exhibit B hereto. Each Unit is capable of individual use, having its own access to a Common Element of the Condominium. Each Ranch Unit, which Units are located within buildings, are capable of individual utilization on account of having its own entrance from and exit to a Common Element of the Condominium Project. Each Co-owner in the Condominium shall have an exclusive right to the Unit owned and shall have undivided and inseparable rights to share with other Co-owners the General Common Elements of the Condominium (if any) as designated by the Master Deed. Each Co-owner of the Ranch Units shall have undivided and inseparable

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This is to certify that there are no tax liens or titles on this property and that taxes are paid for FIVE YEARS previous to date of this instrument EXCEPT 2003 not examined
No. 1734 Date 2/6/2004
WAYNE COUNTY TREASURER Clerk

EXAMINED AND APPROVED
DATE 04 Feb 2004
BY
DANIEL P. LANE
PLAT ENGINEER

R MDC 2676R 87 Pg Auh

rights to share with the other Co-owners of the Ranch Units the Limited Common Elements of the Condominium as designated by the Master Deed as Ranch Unit Limited Common Elements, except as set forth in the Master Deed. Each Co-owner of the Single Family Units shall have undivided and inseparable rights to share with the other Co-owners of the Single Family Units the Limited Common Elements of the Condominium as designated by the Master Deed as Single Family Limited Common Elements, except as set forth in the Master Deed. Co-owners shall have voting rights in the Cove Creek Condominium Homeowners' Association as set forth herein and in the Bylaws and Articles of Incorporation of such Association.

ARTICLE II

LEGAL DESCRIPTION

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

LAND IN THE CITY OF TAYLOR, WAYNE COUNTY, MICHIGAN, MORE PARTICULARLY DESCRIBED AS:

THAT PART OF THE NORTHEAST 1/4 OF SECTION 19, T.3S, R.10E., CITY OF TAYLOR, WAYNE COUNTY, MICHIGAN, BEING DESCRIBED AS: BEGINNING AT A POINT S.00°04'20"E., 1319.86 FEET ALONG THE EAST LINE OF SECTION 19, THE CENTERLINE OF BEECH DALY ROAD (120 FEET WIDE), AND S.87°11'32"W., 60.07 FEET FROM THE NORTHEAST CORNER OF SECTION 19 TO THE WEST RIGHT-OF-WAY LINE OF BEECH DALY ROAD; PROCEEDING THENCE S.87°11'32"W., 596.94 FEET; THENCE N.00°02'00"E., 1258.21 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF GODDARD ROAD; THENCE N.87°02'40"E., 594.70 FEET ALONG SAID SOUTH LINE TO THE WEST RIGHT-OF-WAY LINE OF BEECH DALY ROAD; THENCE S.00°04'20"E., 1259.63 FEET ALONG SAID RIGHT-OF-WAY LINE TO THE POINT OF BEGINNING. CONTAINING 17.20 ACRES MORE OR LESS.

ARTICLE III

DEFINITIONS

Certain terms used in this Master Deed and the Exhibits hereto, and in the Articles of Incorporation and Bylaws of the Cove Creek Condominium Homeowners' Association are defined as follows (the singular shall include the plural of any word or phrase so defined):

(a) The "Act" or "Condominium Act" means Act 59 of the Public Acts of Michigan of 1978, as amended, being MCL §559.1 et seq.

(b) "Architectural Control Committee" means the committee so designated to take certain actions as set forth in the Bylaws.

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

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

(e) "City" shall mean the City of Taylor.

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

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

(h) "Condominium Documents," wherever used, means and includes this Master Deed and the Exhibits hereto and the Articles of Incorporation and rules and regulations, if any, of the Association, as the same may be amended from time to time.

(i) "Condominium Site," "Condominium Unit," "Site" or "Unit" means the volume of space constituting a single complete Unit designed and intended for separate ownership and use in the Condominium as such space may be described on Exhibit B hereto and all structures and improvements within such space.

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

(k) "Consolidating Master Deed" means the final amended Master Deed which shall describe COVE CREEK CONDOMINIUM as a completed Condominium Project and shall reflect the entire land area added to the Condominium from time to time, and all Units and Common Elements therein, and which shall express percentages of value pertinent to each Unit as finally readjusted. Such Consolidating Master Deed, when recorded in the office of the Wayne County Register of Deeds, shall supersede the previously recorded Master Deed for the Condominium and all amendments thereto.

(l) "Convertible Areas" means collectively the convertible areas as defined in Article IX of this Master Deed.

(m) "Co-owner" or "Owner" means a person, firm, corporation, partnership, limited liability company, association, trust or other legal entity or any combination thereof who or which owns one or more Units in the Condominium. Developer is a Co-owner as long as Developer owns one or more Units.

(n) "Developer" means Beech-Goddard, L.L.C., a Michigan limited liability company, its successors or assigns. All development rights reserved to Developer herein are assignable in writing; provided, however, that conveyances of Units by Developer, including the conveyance of Units to a "successor developer" pursuant to Section 135 of the Act, shall not serve to assign Developer's development rights unless the instrument of conveyance expressly so states.

(o) "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 are conveyed, or (b) mandatorily within (i) 54 months from the date of the first Unit conveyance, or (ii) 120 days after 75% of all Units are conveyed, whichever first occurs.

(p) "General Common Elements" means the Common Elements other than the Limited Common Elements. "North General Common Elements" shall mean those General Common Elements located within the Ranch Unit Condominium Portion, and "South General Common Elements" shall mean those General Common Elements located within the Single Family Condominium Portion.

(q) "Limited Common Elements" means that portion of the Common Elements reserved in this Master Deed as either Ranch Unit Limited Common Elements or Single Family Limited Common Elements as described in Article IV of this Master Deed.

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

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

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

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

(v) "Ranches" means the Ranch-style residential buildings as shown on the Condominium Subdivision Plan containing the Ranch Units.

(w) "Ranch Committee" means the committee so designated to take certain actions as set forth in the Bylaws.

(x) "Ranch Unit Condominium Portion" means that portion of the Condominium that is located North of the centerline of Brighton Drain as shown on the Plans.

(y) "Ranch Unit Limited Common Elements" means those Limited Common Elements described as "Limited Common Elements-Units 25-44" in the Plan.

(z) "Ranch Units" means the enclosed space constituting a single complete residential Unit within Units 25-44 inclusive.

(aa) "Residence" means a single residential dwelling together with an attached garage which may be constructed within the perimeter of one of the Single Family Units in accordance with the architectural and building specifications and use restrictions set forth in this Master Deed.

(bb) "Single Family Condominium Portion" means that portion of the Condominium that is located South of the centerline of Brighton Drain as shown on the Plans.

(cc) "Single Family Limited Common Elements" means those Limited Common Elements described as "Limited Common Elements-Units 1-24" in the Plan.

(dd) "Single Family Units" means Units 1-24 inclusive.

(ee) "Structure" or "Structures" means any Residence, Ranch, building, driveway, parking area, structure, dwelling, garage, shed, outbuilding, fence, wall, gazebo, hedge, in ground swimming pool, basketball hoop or any other improvement of a permanent or substantial nature constructed within the perimeter of a Unit.

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

(gg) "Unit" or "Condominium Unit" each mean the space within each of the Single Family Units and the enclosed space within each of the Ranch Units, each constituting a single complete residential Unit in the Condominium, as such space may be described in the Plan, 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 same shall include a reference to any and all genders where the same would be appropriate; similarly, whenever a reference is made herein to the singular, a reference to the plural shall also be included where the same would be appropriate and vice versa.

ARTICLE IV

COMMON ELEMENTS

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

(a) The General Common Elements are any Common Elements not designated as Limited Common Elements on the Plan. The roadways that are located within the Condominium shall be General Common Elements, so long as neither the Developer nor the Association has dedicated such roadways to public use through the acceptance of such a dedication by the County of Wayne, the City, or any other governmental entity. It is not the current intention of the Developer to dedicate such roadways, but Developer has reserved the right and power to do so in Article VI of this Master Deed. Accordingly, it is currently intended that such roadways be private roadways and General Common Elements, only to the extent of the Co-owner's interest therein, if any, and Developer makes no warranty with respect to the nature or extent of such interest, if any.

(b) The Ranch Unit Limited Common Elements are all of the following within the Ranch Unit Condominium Portion:

(1) The land (excluding any part thereof included in the Ranch Units described in Article VI below and on the Plan) and beneficial easements, if any, described in Article II hereof, including any drives, walks, wetland areas, detention areas, open space, entranceway features, and Ranch Unit Limited Common Element lighting and landscaped areas.

(2) The storm water drainage system throughout the Ranch Unit Condominium Portion, including below-ground and above-ground systems, and the electrical, gas, water, sanitary sewer, storm sewer, irrigation, telephone and cable television (if any) networks or systems throughout the Ranch Unit Condominium Portion, including that contained within Ranch Units to the extent that the portion within the Ranch Unit is a main that also services other Units (leads connecting utility mains to Residences built within Units are not Common Elements). Some or all of the utility lines, systems and mains described above may be owned by the local public authority or by the company that is providing the appurtenant service. Accordingly, such utility lines, systems and mains shall be Ranch Unit Limited Common Elements only to the extent of the Ranch Unit Co-owners' interest therein, if any, and Developer makes no warranty with respect to the nature or extent of such interest, if any.

(3) All beneficial utility and drainage easements.

(4) Such other elements of the Ranch Unit Condominium Portion not herein designated as Limited Common Elements which are not the roadways described in Article IV(a) above and which are enclosed within the boundaries of a Unit.

(c) Ranch Unit Limited Common Elements are also the areas, if any, depicted on the Plan as Ranch Unit Limited Common Elements and are limited to the use of the Co-owners of the Ranch Units, which areas include, but are not limited to, the parking and drive areas adjacent to such Units, all as depicted on the Condominium Subdivision Plan, and appurtenant to each grouping of such Ranch Units as shown on the Plan. Furthermore, the following shall be Ranch Unit Limited Common Elements for the use of the Co-owners of the Ranch Units:

(1) The mailbox structures and individual mailboxes (but not the right to use nor the interior space within any individual mailbox which right to use and interior space is expressly reserved to the Co-owner of the Unit to which same is appurtenant)

(2) Foundations, supporting columns, Unit perimeter walls (but not including windows and doors therein), roofs, ceilings, floor construction between Unit levels and chimneys.

(3) The electrical, gas, water, sanitary sewer, storm sewer, telephone, plumbing, and cable television (if any) networks or systems within Limited Common Element walls, floors or ceilings.

(d) The following Ranch Unit Limited Common Elements shall be subject to the exclusive use and enjoyment of the Owner of the Ranch Unit to which the following Ranch Unit Limited Common Elements are appurtenant. These Ranch Unit Limited Common Elements are as follows:

(1) Porch. Each individual porch is restricted in use to the Co-owner of the Unit served thereby as shown on Exhibit B hereto.

(2) Deck. Each individual deck is restricted in use to the Co-owner of the Unit to which it adjoins.

(3) Patio. Each individual patio is restricted in use to the Co-owner of the Unit to which it adjoins.

(4) Unit Sidewalk. Each individual unit sidewalk designated therefor on the Condominium Subdivision Plan is restricted in use to the Co-Owner of the Unit to which it adjoins.

(5) Unit Driveway. Each individual unit driveway designated therefor on the Condominium Subdivision Plan is restricted in use to the Co-Owner of the Unit to which it adjoins.

(6) Air Conditioner Compressors. Each individual air conditioner compressor, its pad and other equipment and accessories related thereto together with the ground surface immediately below the pad, are restricted in use to the Co-owner of the Unit which such air conditioner compressor services.

(7) Windows, Screens and Doors. The windows, screens and doors in the Project are restricted in use to the Co-owner of the Unit to which such windows, screens and doors are appurtenant.

(8) Garage Doors. The garage door and its hardware shall be limited in use to the Co-owner of the Unit serviced thereby.

(9) Interior Surfaces. The interior surfaces of Unit and garage perimeter walls, ceiling and floors shall be subject to the exclusive use and enjoyment of the Co-owner of such Unit.

(10) Exterior Lighting. The exterior porch lights are limited to the use of the Unit which they serve.

(11) Utility Meters. Utility meters are limited to the Unit served thereby.

(12) Utilities. The electric, gas, water, sanitary sewer, storm sewer, telephone, plumbing and cable television (if any) systems from the point of the meter (or, if there is no meter, point where same is no longer a Common Element) into the Unit which they serve are limited to the Units served thereby.

(13) Heating and Cooling Systems. Each heating and cooling system including, without limitation, all equipment and duct work related thereto are limited to the Unit served thereby.

(e) The Single Family Limited Common Elements are all of the following within the Single Family Unit Condominium Portion:

(1) The land (excluding any part thereof included in the Single Family Units described in Article VI below and on the Plan) and beneficial easements, if any, described in Article II hereof, including any drives, walks, wetland areas, detention areas, open space, entranceway features, and Single Family Limited Common Element lighting and landscaped areas.

(2) The storm water drainage system throughout the Single Family Condominium Portion, including below-ground and above-ground systems, and the electrical, gas, water, sanitary sewer, storm sewer, irrigation, telephone and cable television (if any) networks or systems throughout the Single Family Condominium Portion, including that contained within Single Family Units to the extent that the portion within the Single Family Unit is a main that also services other Units (leads connecting utility mains to Residences built within Units are not Common Elements). Some or all of the utility lines, systems and mains described above may be owned by the local public authority or by the company that is providing the appurtenant service. Accordingly, such utility lines, systems and mains shall be Single Family Limited Common Elements only to the extent of the Single Family Unit Co-owners' interest therein, if any, and Developer makes no warranty with respect to the nature or extent of such interest, if any.

(3) All beneficial utility and drainage easements.

(4) Such other elements of the Single Family Condominium Portion not herein designated as Limited Common Elements which are not the roadways described in Article IV(a) above and which are not enclosed within the boundaries of a Unit.

(f) The respective responsibilities for the maintenance, decoration, repair, replacement, restoration and/or renovation of all Common Elements shall be as follows:

(1) The Association shall maintain, repair and replace all North General Common Elements as directed by the Ranch Committee, and all South General Common Elements as directed by the Architectural Control Committee except to the extent that any of such General Common Elements are dedicated to public use (provided that, the Association may, in its reasonable discretion, undertake the maintenance, repair and replacement of even those areas within the Condominium dedicated to public use, e.g. it may choose to clear snow and ice from the publicly dedicated roadways within the condominium) and any landscaped areas located in the roads (even if the roads are publicly dedicated) and the expense thereof shall be borne by the Association and allocated, as set forth in the Bylaws, to either the Ranch Units or Single Family

Unit based upon whether the cost was incurred for a Ranch Unit Limited Common Element or a Single Family Limited Common Element.

(2) The Association shall also maintain, repair and replace all Ranch Unit Limited Common Elements, as directed by the Ranch Committee, and all Single Family Limited Common Elements, as directed by the Architectural Control Committee, except to the extent that any of such Limited Common Elements are dedicated to public use.

(3) It is anticipated that the Ranches will be constructed as depicted on the Plan. The responsibility for, and the costs of maintenance, decoration, repair and replacement of the interior of each Ranch Unit shall be borne by the Co-owner (or Co-owners) of the Unit which is served thereby. Furthermore, costs associated with the maintenance, decoration, repair, and replacement of the following Ranch Unit Limited Common Elements shall be allocated as follows:

(i) Porches. The costs of maintenance, repair and replacement of all porches referred to in Section (d)(1) of this Article shall be borne by the Association and the cost and expense thereof shall be shared equally among the Co-owners of the Ranch Units; provided, however, each Unit Co-owner shall be responsible for removal of snow from the porch appurtenant to its Unit.

(ii) Decks. The costs of maintenance, repair and replacement of all decks referred to in Section (d)(2) of this Article shall be borne by each Unit Co-Owner with respect to the deck appurtenant to its Unit.

(iii) Patios. The costs of maintenance, repair and replacement of all patios referred to in Section (d)(3) of this Article shall be borne by the Association and the cost and expense thereof shall be shared equally among the Co-owners of the Ranch Units; provided, however, each Unit Co-Owner shall be responsible for removal of snow from the patio appurtenant to its Unit.

(iv) Air Conditioner Compressors. The costs of maintenance, repair and replacement of each air conditioner compressor, its related pad and the ground surface immediately below the same as described in Section (d)(6) of this Article shall be borne by the Co-owner of the Unit such air conditioner compressor services.

(v) Windows and Screens. The repair, replacement and interior maintenance of all window glass and screens referred to in Section (d)(7) of this Article and the costs thereof shall be borne by the Co-owner of the Unit to which any such windows and screens are appurtenant. Exterior maintenance of windows shall be the responsibility of the Association and the cost and expense thereof shall be shared equally among the Co-owners of the Ranch Units.

(vi) Garage Doors. The costs of repair, replacement and maintenance (except in cases of Co-owner fault) of all garage doors referred to in Section (d)(8) of this Article and the costs thereof shall be borne by the Association and the cost and expense thereof shall be shared equally among the Co-owners of the Ranch Units. In cases of Co-owner fault, the periodicity and the material utilized to repair, replace and maintain garage doors, shall be determined solely by the Ranch Committee which shall be responsible for performance of the work at the expense of the responsible Co-owner.

(vii) Interior Surfaces. The costs of decoration and maintenance (but not repair or replacement except in cases of Co-owner fault) of all interior surfaces

referred to in Section (d)(9) of this Article shall be borne by the Co-owner of each Unit to which such Limited Common Elements are appurtenant.

(viii) Exterior Porch Lights. The responsibility for and costs of maintenance, repair and replacement of exterior lights installed by the Developer shall be borne by the Association and the cost and expense thereof shall be shared equally among the Co-owners of the Ranch Units, except that Co-owners shall be responsible for replacement of bulbs. All replacement bulbs shall be clear glass. Co-owners shall not disable nor tamper with lights operated on photo-cells.

(ix) Utility Meters. Co-owners shall be responsible for the maintenance of the utility meters which serve their respective Units.

(x) Utility Systems. Co-owners shall be responsible for the maintenance, repair and replacement of the utility systems from the point of connection to the meter, into and throughout their respective Units, except to the extent such systems shall be contained within Ranch Unit Limited Common Element walls or floors or ceilings in which case such maintenance, repair and replacement shall be the responsibility of the Association and the cost and expense thereof shall be shared equally among the Co-owners of the Ranch Units.

(xi) Heating and Cooling Systems. The costs of maintenance, repair and replacement of the heating and cooling systems shall be borne by the Co-owner of the Unit such systems services.

The structure, exterior color or appearance of any Ranch may not be changed by a Co-owner of any Ranch Unit. Furthermore, the structure, exterior color, or appearance of any Residence and any other improvements within a Single Family Unit shall not be changed without the prior written specific approval of such change from the Architectural Control Committee of the Association. The Residences and Ranches and other improvements within each of the Units shall conform in all respects to the architectural and building specifications and use restrictions provided in the Bylaws, this Master Deed, the rules, and regulations, if any, of the Association and applicable ordinances of the municipality in which the Condominium is located.

(4) In connection with any amendment made by the Developer pursuant to Article VIII hereof, Developer may designate additional Limited Common Elements that are to be maintained, decorated, repaired and replaced at individual Co-owner's expense or, in proper cases, at Association expense.

(5) The cost of repair of damage to a Common Element caused by a Co-owner, or family member or invitee of a Co-owner, shall be assessed against the Co-owner.

(6) In the event a Co-owner fails to maintain, decorate, repair or replace any items for which he is responsible, the Developer, prior to the Transitional Control Date and thereafter, the Association (at the direction of the Ranch Committee, with respect to the Ranch Unit Condominium Portion, or the Architectural Control Committee, with respect to the Single Family Condominium Portion) shall have the right, but not the obligation, to take whatever action or actions it deems desirable to so maintain, decorate, repair and replace any of such Limited Common Elements, all at the expense of the Co-owner of the Unit. Failure of the Association (or the Developer) to take any such action shall not be deemed a waiver of the Association's (or the Developer's) right to take any such action at a future time. All costs incurred by the Association or the Developer in performing any responsibilities under this Article IV which are required, in the first instance to be borne by any Co-owner, shall be assessed against such Co-owner and shall be due and payable with his assessment next falling due; further, the lien for nonpayment shall

attach as in all cases of regular assessments and such assessments may be enforced by the use of all means available to the Association under the Condominium Documents and by law for the collection of regular assessments including, without limitation, legal action, foreclosure of the lien securing payment and imposition of fines.

ARTICLE V

USE OF PREMISES

Each Unit shall only be used for residential purposes. All Residences, Structures and other improvements constructed in the Unit shall comply with the terms, provisions and conditions of this Master Deed and the Condominium Bylaws. No person shall use any Unit or the Common Elements in any manner inconsistent with the purposes of the Condominium or in any manner which will interfere with or impair the rights of any other Co-owner in the use and enjoyment of the Condominium.

ARTICLE VI

CONDOMINIUM UNIT DESCRIPTION AND PERCENTAGE OF VALUE

1. Description of Units. The Condominium consists of 44 residential Units. Each Unit is described in this paragraph with reference to the Condominium Subdivision Plan attached hereto as Exhibit B as prepared by Jarrett-Mills-Schron and Associates, Inc. Each Unit shall include all that space contained within the Unit boundaries as shown on the Plan and delineated with heavy outlines. With respect to Ranch Units, such Units shall include all that space contained within the interior unfinished unpainted walls and ceilings and from the finished subfloor and with respect to each Ranch Unit garage, all that space contained within the unpainted surface of the garage floor, the interior unfinished walls and the uncovered underside of the garage-roof joists or drywall ceiling covering same, all as shown on the floor plans and sections in the Condominium Subdivision Plan and delineated with heavy outlines. The dimensions shown on basement and foundation plans in the Condominium Subdivision Plan have been or will be physically measured by Jarrett-Mills-Schron and Associates, Inc. For all purposes, individual Units may hereafter be defined and described by reference to this Master Deed and the individual number assigned to the Unit in the Plan.

2. Percentage of Value. The Condominium consists of 44 Units numbered 1 through 44 inclusive. The Percentage of Value assigned to each Unit shall be equal. The Percentage of Value assigned to each Unit shall be determinative of the proportionate share of each respective Co-owner in the proceeds and expenses of the Association, and the value of such Co-owner's vote at meetings of the Association, and the undivided interest of the Co-owner in the Common Elements. The total percentage value of the Condominium is 100%. Each Unit percentage of value shall be equal and shall be the number obtained by dividing 100 by the number of Units included in the Condominium The method and formula used by Developer to determine the foregoing percentages was to determine that each Unit should be equal. In terms of expenses, however, the expenses incurred by the Association in connection with the various Units should be allocated among the various Units as follows: (i) with respect to expenses pertaining to the Ranch Unit Limited Common Elements and the North General Common Elements, only the Ranch Units shall be included in computing the expense allocation for such matters, and each Ranch Unit expense allocation shall be equal and shall be the number obtained by dividing 100 by the number of Ranch Units; and (ii) with respect to expenses pertaining to the Single Family Limited Common Elements and the South General Common Elements, only the Single Family Units shall be included in computing the expense allocation for such matters, and each Single Family Unit expense allocation shall be equal and shall be the number obtained by dividing 100 by the number of Single Family Units., and that expenses incurred by the Association relating to Ranch Unit Limited Common Elements (and North General Common Elements) and Single Family Limited Common Elements (and South General Common Elements) should be borne equally by the Co-owners of the Ranch Units and the Co-owners of the Single Family Units, respectively.

reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the repayment of the costs thereof are insufficient, assessments shall be made against all Co-owners within the portion of the Condominium where such Common Element is located for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation. Assessments pursuant to this Article V, Section 5 may be made by the Association without a vote of the Co-owners.

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

7. Eminent Domain. The following provisions shall control upon any taking by eminent domain:

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

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

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

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

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

ARTICLE VI

RESTRICTIONS

1. Uses Permitted. No Unit shall be used for other than residential purposes. No Co-owner shall carry on any commercial activities anywhere on the premises of the Condominium. Notwithstanding the foregoing, Developer may conduct any of the activities expressly described in the Master Deed or its exhibits.

2. Alterations and Modifications.

(a) Ranch Units. No Co-owner of any Ranch Unit shall make alterations in exterior appearance or make structural modifications to any Ranch Unit (including interior walls through or in which there exist easements for support or utilities) or make changes in any of the Common Elements located within the Ranch Unit Condominium Portion without the express written approval of the Ranch Committee including but not limited to, exterior painting or the erection of decks, antennas, lights, aerials (provided that satellite dishes of no greater than 18 inches in height shall be allowed), awnings, doors, shutters or other exterior attachments or modifications; nor shall any Co-owner of a Ranch Unit damage or make modifications or attachments to Common Element walls between Units which in any way impair sound conditioning qualities of the walls. The Ranch Committee may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium. Any patio, deck, privacy screen or other approved Co-owner construction outside the boundaries of the Ranch Unit shall be a Limited Common Element assigned to the Unit which it serves and shall be the maintenance responsibility of the Co-owner of the Unit to which it is appurtenant. No buildings, fences, walls, retaining walls, drives, walks or other structures or improvements shall be commenced, erected maintained, nor shall any addition to, or change or alteration to any structure be made (including in color or design), except interior alterations, nor shall any hedges, trees or substantial plantings, or landscaping modifications be made, until plans and specifications acceptable to the Ranch Committee showing the nature, kind, shape, height, materials, color scheme, location and approximate cost of such structure or improvement and the grading or landscaping plan of the area to be affected shall have been submitted to and approved in writing by the Ranch Committee, and a copy of said plans and specifications, as finally approved, delivered to the Ranch Committee. The Ranch Committee shall have the right to refuse to approve any such plans or specifications, or grading or landscaping plans which are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing upon such plans, specifications, grading or landscaping, it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to effect the same, and the degree of harmony thereof with the Condominium as a whole.

(b) Prior Approval of Proposed Structures. Except as otherwise expressly provided herein, the Developer shall have exclusive jurisdiction over the rights of approval and enforcement set forth in the Condominium Documents. A Single Family Unit Owner may only construct, install or place on a Single Family Unit those Structures that have been approved in writing by the Developer in the manner set forth herein. Developer may construct or authorize any improvements on a Site that Developer in its sole discretion elects to make without the necessity of prior consent from the Association or any other person or entity, subject only to the express limitations in the Condominium Documents. Before constructing any Residence or making any exterior improvement, change, or elevation change upon any Site, an Owner shall receive the written approval of the Developer. No application for a building permit or application for any other governmental approval or construction shall be filed until written approval of the Developer is received. The Developer shall approve in advance the licensed residential builder engaged by the Owner to construct a Residence and any other improvements in the Owner's Single Family Unit. The Developer may require that such builder or Owner furnish to the Association adequate security, in the Developer's sole discretion, to protect the Association against costs and expenses which it might incur in connection with the failure to complete construction in a timely and diligent manner in accordance with the approved plans and specifications for the Residence and other improvements. No Structure may be erected, installed or placed upon or in any Single Family Unit unless the Owner of such Site has submitted the following documentation (and any other documentation reasonably required by Developer) to the Developer (to the extent required by Developer), and the Developer has approved all of such documentation in writing and, then, the same shall only be erected, installed or placed thereon in accordance with such approved documentation (subject to immaterial modifications as may be required to be made during the course of construction as the result of field conditions discovered subsequent to the commencement of construction):

(i) Survey. A topographic survey of the Site prepared and certified by a licensed engineer or surveyor showing existing and proposed grades, the location of all trees in excess of three inches in diameter at 48 inches above ground level, and the proposed location of each Structure located or to be located upon the Site.

(ii) Architectural Plans. Construction and architectural plans prepared and certified by a licensed architect including dimensioned floor plans, typical sections and all elevations for the Structure to be constructed upon or in the Site.

(iii) Specifications. Specifications for each Structure prepared and certified by a licensed architect or engineer setting forth the type and quality of all materials and workmanship and including a detailed finish schedule for all exterior materials, products and finishes, with actual samples of all exterior materials.

(iv) Construction Schedule. A construction schedule specifying the commencement and completion dates of construction of the Structures, as well as such other dates as the Developer may specify for completion of stages of the Structures.

A Site Owner shall submit two copies of the aforedescribed documents to the Developer, and the Developer shall retain one copy of each document for its records. The Developer shall have 30 days after the receipt of all required plans and specifications to issue a written approval or denial. If the Developer fails to issue a written approval or denial of the plans and specifications within the 30 day period, then written approval will not be required and the plans and specifications submitted shall be deemed to comply with this Section.

(c) Assignment of Developer's Approval Rights. Developer's rights under this Article VI Section 2(b) may, in Developer's sole discretion, be assigned to the Architectural Review Committee or other successor to Developer. There shall be no surrender of this right prior to the issuance of certificates of occupancy of Residences in 100% of the Sites in the Condominium, except in a written instrument in recordable form executed by Developer and specifically assigning to the Architectural Review Committee or other successor(s) to Developer the rights of approval and enforcement set forth in this Section 2(b) of Article VI. From and after the date of such assignment or later expiration of Developer's exclusive powers, the Architectural Review Committee shall exercise all such powers, and Developer shall have no further responsibilities with respect to any matters of approval or enforcement set forth herein.

(d) Building Restrictions. Except as otherwise permitted herein, no Structure may be constructed, installed, or placed on a Site except (A) with respect to the Single Family Units, one detached Residence shall be permitted which shall not exceed the requirements of the City in which the Structure is located and which Residence shall include an appropriate driveway and parking areas, and (B) with respect to the Ranch Units, Ranch attached Structures, all subject further to the following restrictions:

(i) Minimum Residence Size. With respect to the Single Family Units, all Residences shall contain the minimum square footage required at the time of construction by the city or municipality in which the Site is located. In addition to the foregoing, each such Residence shall contain, at a minimum, the following "livable floor areas":

a. A one story Residence shall have a minimum livable floor area of 1,450 square feet.

b. A one and one-half story Residence shall have a minimum livable floor area of 1,750 square feet.

c. A two story Residence shall have a minimum livable floor area of 2,050 square feet.

As used herein, "livable floor area" shall be calculated by measuring from internal wall to internal wall, and shall exclude garages, patios, decks, open porches, terraces, basements, storage sheds and like areas even if attached to the Residence. Livable floor area shall include, however, enclosed porches if the roof of the porch forms an integral part of the Residence. Developer reserves the right, in its sole discretion, to increase or decrease the minimum livable floor area for all unbuilt Residences in the Condominium, subject to the prior written approval of the City.

(ii) Site Boundary Lines. In no event shall a Structure be placed, erected, installed or located on any Site nearer to the front, side or rear Site boundary line than is permitted at the time the Structure is installed by the ordinances of the City.

(iii) Completion of Construction and Landscaping. The exterior of all Residences and other Structures must be completed as soon as practical after construction commences, except where such completion is impossible or would result in great hardship to the Owner or builder due to strikes, fires, national emergency or natural calamities. All Sites shall be sodded or seeded and appropriately landscaped within 30 days after occupancy, weather permitting. With respect to the Single Family Units, if, however, occupancy of a Residence occurs after October 1st, then the Site shall be sodded or seeded and appropriately landscaped by June 1st of the following year. In the event such sodding and landscaping has not been timely installed in accordance with the foregoing, Developer shall have the right to enter upon the applicable Site, upon reasonable prior notice, and to install such sodding or perform such seeding and to install such landscaping at the cost and expense of the Co-owner of such Site. The Co-owner shall pay Developer for the cost and expense thereof within 21 days after receipt of a statement therefor together with an administrative fee to be determined by Developer but not to exceed 25% of such cost and expense. The amount owing on such statement shall accrue interest commencing upon the conclusion of such 21 day period at a per annum rate equal to five percentage points in excess of the prime rate identified in the "money rates section" of the Wall Street Journal (or a successor daily business publication of general circulation if the Wall Street Journal is no longer published) during the period such amount remains unpaid (i.e., if such prime rate is 8.5%, then the per annum rate shall be 13.5%). The amount owing, together with interest thereon, shall be secured by a lien upon the Site in favor of Developer, which lien shall be deemed to have attached and be perfected upon the installation of such sodding or seeding and landscaping without the necessity of the filing of any notice thereof, which lien shall be subordinate to any first mortgage upon the Site and which lien may be foreclosed by Developer in the manner provided for the judicial foreclosure of mortgages in Michigan. Developer may, at its option, record against the Site a notice of the aforementioned lien.

(iv) Roofs. Flat roofs are prohibited.

(v) Driveway. All driveways shall be paved with concrete or asphalt and shall be completed prior to occupancy, if weather permits.

(vi) Air Conditioners and Similar Equipment. No external air conditioning unit shall be placed in or attached to a window or wall in the front of any Residence. No external air conditioning unit shall be placed in or attached to any window or wall of any Residence without the prior written approval of the Board of Directors. No compressor or other component of a central air conditioning system (or similar system, such as a heat pump) shall be so located upon any Site so as to be visible from the street on which such Site fronts, and, to the extent reasonably possible, all such external equipment shall be located on the Site so as to minimize

the negative impact thereof on any adjoining Site, in the terms of noise and appearance. In general, such equipment shall be located only in the rear yard (not in any side yard area), within five feet (5') of the rear wall of the Residence.

(vii) Tree Protection and Preservation. Trees measuring three inches or more in diameter at 48 inches above ground level may not be removed without the written approval of the Developer. Prior to commencement of construction, each Site Owner shall submit to the Developer a plan for the preservation of trees in connection with the construction process. The Site Owner shall not commence construction unless such plan is approved by the Developer. It shall be the responsibility of each Site Owner to maintain and preserve all large trees within the Site, which responsibility includes welling trees, if necessary.

(viii) Public Utilities. All public utilities such as water mains, sanitary sewers, storm sewers, gas mains, electric and telephone local distribution lines, cable television lines, and all connections to same, either private or otherwise, shall be installed underground. However, above-ground transformers, pedestals and other above-ground electric and telephone utility installations and distribution systems and surface and off-site drainage channels and facilities, as well as street lighting stanchions, shall be permitted.

(ix) Public Utility and Drainage Easement Areas. Easements for the construction, installation and maintenance of public utilities, and for drainage facilities, are reserved as shown on the Plan. Within all of the foregoing easements, unless the necessary approvals are obtained from the appropriate municipal authority and except for the paving necessary for each Residence's driveway, no Structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of such service facilities and utilities, including underground electrical and telephone local distribution systems, or which may change, obstruct or retard the flow or direction of water in and through drainage in the easements, nor shall any change, which may obstruct or retard the flow of surface water or be detrimental to the property of others, be made by the Owner in the finished grade of any Site once established by the builder upon completion of construction of the Residence thereon. The easement area of each Site and all improvements in it shall be maintained (in a presentable condition continuously) by the Site Owner, except for those improvements for which a public authority or utility company is responsible, and the Site Owner shall be liable for damage to service facilities and utilities thereon, including damage to electric, gas, and telephone distribution lines and facilities therein. Except as may be otherwise provided herein, each Site Owner shall maintain the surface area of easements within the Owner's Site, to keep weeds out, to keep the area free of trash and debris, and to take such action as may be necessary to eliminate or minimize surface erosion.

3. Activities. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium, nor shall any unreasonably noisy activity be carried on in or on the Common Elements or within any Unit at any time. No Co-owner shall do or permit anything to be done or keep or permit to be kept in the Co-owner's Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if improved, which increased cost may be assessed to and collected from the Co-owner in the manner provided in Article II hereof.

4. Animals or Pets. Without the prior written consent of the Board of Directors, no animal or pet other than two cats or two dogs or one cat and one dog, each not to exceed 60 pounds in weight, shall be kept in the Condominium with respect to any one Unit by the Co-owner or Co-owners thereof.

Any pets kept in the Condominium shall have such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions. No savage or dangerous animal shall be kept. No birds which emit loud or obnoxious noises shall be kept. No animal may be permitted to run loose upon the Common Elements and any animal shall at all times be attended by a responsible person while on the Common Elements. Any person who causes or permits an animal to be brought or kept on the Condominium property shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the Condominium property. The term "animal or pet" as used in this Section shall not include small animals which are constantly caged such as small birds or fish. All pets must be registered with the Board of Directors of the Association.

5. Aesthetics. The Common Elements shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in the Master Deed or in duly adopted rules and regulations of the Associations. All rubbish, trash, garbage and other waste shall be regularly removed from each Unit and shall not be allowed to accumulate therein. Unless special areas are designated by the Association, trash receptacles shall not be permitted on the Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. All interior window treatments within any Unit shall be of an off-white color and shall be approved by the Association prior to installation so that all such window treatments shall effect a uniform look throughout the Condominium. The Common Elements and the porches and any decks appurtenant to any Unit shall not be used in any way for the drying, shaking, or airing of clothing or other fabrics. Automobiles may only be washed in areas approved by the Board of Directors. In general, no activity shall be carried on nor condition maintained by a Co-owner, either in a Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium.

6. Common Elements. Each driveway leading into a garage may only be used by the Co-owner entitled to use the garage. The Common Elements shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No Co-owner may leave personal property of any description (including by way of example and not limitation bicycles, vehicles, chairs and benches) unattended on or about the Common Elements. Use of all General Common Elements may be limited to such times and in such manner as the Board of Directors shall determine by duly adopted regulations.

7. Vehicles. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers, recreational vehicles or vehicles other than automobiles and/or motorcycles may be parked or stored upon the Common Elements, unless parked in an area specifically designated therefor by the Board of Directors.

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

9. Signs and Advertising. No signs or other advertising devices shall be displayed which are visible from the exterior of a Unit or on the Common Elements, including "For Sale" signs, without written permission from the Board of Directors.

10. Rules and Regulations. Reasonable regulations consistent with all laws and the Condominium Documents concerning the use of the Common Elements or the rights and responsibilities of the Co-owners and the Association with respect to the Condominium or the manner of operation of the Association and of the Condominium may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors or its successors) prior to the Transitional Control Date; provided, however, that such regulations affecting any Common Element shall only be approved by the Board of Directors if the Committee generally responsible for that Common

Element (i.e. the Ranch Committee with respect to the Ranch Unit Limited Common Elements and the North General Common Elements and the Architectural Control Committee with respect to the Single Family Limited Common Elements and the South General Common Elements) has approved the same. Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-owners or posted on appropriate Common Elements. Any such rule, regulation or amendment may be revoked at any time by the affirmative vote of a majority of the Co-owners with Units in the portion of the Condominium where the Common Element is located.

11. Association's Right of Access. The Association or its duly authorized agents shall have access to each Unit and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The association or its agent shall also have access to each Unit and any Limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit. It shall be the responsibility of each Co-owner to provide the Association means of access to the Co-owner's Unit and any Limited Common Elements appurtenant thereto during all periods of absence and in the event of the failure of such Co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to any Unit or any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of such damage. Subject to the foregoing and other provisions in the Master Deed and these Bylaws, each Co-owner shall be entitled to exclusive occupancy and control over the Co-owner's Unit and all Limited Common Elements appurtenant thereto.

12. Common Element Maintenance. No unsightly condition shall be maintained upon any deck, patio or porch and only furniture and equipment consistent with ordinary deck, patio or porch use shall be permitted to remain there during seasons when the same are reasonably in use and no furniture or equipment of any kind shall be stored on decks, patios or porches during seasons when the same are not reasonably in use. Porch and deck furniture, if any, shall be kept in good condition and repair and shall be in an off-white or hunter green color or, if made from wood, a natural or stained wood color, only.

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

14. Reserved Rights of Developer.

(a) Developer's Rights in Furtherance of Development and Sales. None of the restrictions contained in this Article VI shall apply to the commercial activities or signs or billboards of Developer with respect to unoccupied Units owned by Developer, or of the Association in furtherance of its powers and purposes. Notwithstanding anything to the contrary elsewhere herein contained, until all Units in the entire planned Condominium are sold by Developer, Developer shall have the right to maintain a sales office, a business office, a construction office, model units, storage areas and

reasonable parking incident to the foregoing and such access to, from and over the Condominium as may be reasonable to enable development and sale of the entire Condominium by the Developer and Developer shall have the right to use any model units within the Condominium in connection with the sales activities of its affiliates at other unrelated condominium, townhome or other developments owned and/or operated by Developer or such affiliates.

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

15. Leasing and Rental. Co-owners, including Developer, may rent any number of Units at any time for any term of occupancy not less than one year subject to the following:

(a) Disclosure of Lease Terms to Association. A Co-owner, including the Developer, desiring to rent or lease a Unit shall disclose that fact in writing to the Association at least 10 days before presenting a lease form to a potential lessee and, at the same time, shall supply the Association with a copy of the exact lease form for its review for compliance with the Condominium Documents. If Developer desires to rent Units before the Transitional Control Date, it shall, notify either the Advisory Committee or each Co-owner in writing.

(b) Compliance with Condominium Documents. Tenants and non-owner occupants shall comply with all of the conditions of the Condominium Documents and all leases and rental agreements shall so state.

(c) Procedures in the Event of Non-Compliance with Condominium Documents. If the Ranch Committee, with respect to the Ranch Unit Condominium Portion, or the Architectural Control Committee, with respect to the Single Family Condominium Portion, advises the Association that the tenant or non-owner occupant in the portion of the Condominium for which such Committee has responsibility 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 or non-owner occupant.

(ii) The Co-owner shall have 15 days (or such additional time as may be granted by the Association if the Co-owner is diligently proceeding to cure) after receipt of such notice to investigate and correct the alleged breach by the tenant or non-owner occupant 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 both eviction against the tenant or non-owner occupant and, simultaneously, for money damages against the Co-owner and tenant or non-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceeding. The

Association may hold both the tenant or non-owner occupant and the Co-owner liable for any damages to the Common Elements caused by the Co-owner or tenant or non-owner occupant in connection with the Unit or Condominium.

(d) Notice to Co-owner's Tenant Permitted Where Co-owner is in Arrears to the Association for Assessments. When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant or non-owner occupant occupying a Co-owner's Unit under a lease or rental agreement and the tenant, or non-owner occupant 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.

16. Assessment of Fines. The violation of any of the provisions of these Bylaws and/or of the Master Deed, including any of the rules and regulations promulgated by the Board of Directors of the Association hereunder, by any Co-owner (other than Developer), or a tenant or occupant of such Co-owner's Unit, shall be grounds for assessment by the Association of a monetary fine for such violation against such Co-owner. No fine may be assessed unless the rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the Association, notice thereof has been given to all Co-owners and such rules and regulations are applicable equally to all Co-owners (other than Developer). Thereafter, fines may be assessed only upon notice to the offending Co-owner and an opportunity for such Co-owner to appear before the Board no less than seven days from the date of the notice and offer evidence in defense of the alleged violation. Upon finding an alleged violation after an opportunity for hearing has been provided, the Board may levy a fine in such amount as it, in its discretion, deems appropriate and/or as is set forth in the rules and regulations establishing the fine procedure. The Board may find that a violation of these Bylaws and/or the Master Deed is of a continuing nature, in which case, the Board may levy a fine for each time period (e.g., 24 hours, 7 days, etc.) during which the violation continues. All fines duly assessed may be collected in the manner provided in Article II of these Bylaws as if the same were assessments adopted pursuant to Article II above.

ARTICLE VII

MORTGAGES

1. Notice to Association. Any Co-owner who mortgages the Co-owner's Unit shall notify the Association of the name and address of the mortgagee and the Association shall maintain such information in a book entitled "Mortgages of Units". The Association may, at the written request of a mortgagee of any such Unit, report any unpaid assessments due from the Co-owner of such Unit. The Association shall give to the holder of any first mortgage covering any Unit in the Condominium 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.

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

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

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

2. Eligibility to Vote. No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until the Co-owner has presented evidence of ownership of a Unit in the Condominium to the Association. Except as provided in Article XI, Section 2 of these Bylaws, no Co-owner, other than the Developer, shall be entitled to vote prior to the date of the First Annual Meeting of members held in accordance with Section 2 of Article IX. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article VIII or by a proxy given by such individual representative (except with respect to a vote taken pursuant to Article III, Section 5 of these Bylaws, for which proxy voting shall not be permitted).

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. At any meeting the filing of such written notice as a prerequisite to voting may be waived by the chairman of the meeting.

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

5. Quorum. The presence in person or by proxy of more than the aggregate of: (i) one-half (1/2) in value of the Co-owners owning Ranch Units qualified to vote; and (ii) one-half (1/2) in value of the Co-owners owning Single Family Units shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting such person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

6. 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. Notwithstanding the foregoing, proxy voting shall not be permitted with respect to votes taken pursuant to Article III, Section 5 of these Bylaws. Cumulative voting shall not be permitted.

7. Majority. Unless otherwise required by law or by the Condominium Documents, any action which could be authorized at a meeting of the members shall be authorized by an affirmative vote

of more than fifty (50%) percent in value. The foregoing statement and any other provision of the Master Deed, these Bylaws requiring the approval of a majority (or other stated percentage) of the members shall be construed to mean, unless otherwise specifically stated, majority (or other stated percentage) in value of the votes cast by those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the Co-owners duly called and held.

ARTICLE IX

MEETINGS

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 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.

2. First Annual Meeting. The First Annual Meeting of members of the Association may be convened only by the Developer. The First Annual Meeting may be called at any time in the Developer's discretion after the first conveyance of legal or equitable title of a Unit in the Condominium to a non-developer Co-owner. As provided in Article XI, Section 2 hereof, the First Annual Meeting shall be held on or before 120 days after the conveyance of legal or equitable title to non-developer Co-owners of seventy-five (75%) in number of the Units that may be created in the Condominium or 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Condominium, whichever first occurs. The Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting of members and no such meeting shall be construed as the First Annual Meeting of members. The date, time and place of such meeting shall be set by the Board of Directors, and at least 10 days' written notice thereof shall be given to each Co-owner.

3. Annual Meetings. Annual meetings of members of the Association shall be held on the third Tuesday of March each succeeding year (commencing the third Tuesday of March of the calendar year following the year in which the First Annual Meeting is held) at such time and place as shall be determined by the Board of Directors. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

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

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 he 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 by Article VIII, Section 3 of these Bylaws to be filed with the Association shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

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 10 days

from the time the original meeting was called and notice of the meeting shall be provided as set forth in Section 5 of this Article IX.

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) determination of whether quorum is present; (c) proof of notice of meeting or waiver of notice; (d) reading of minutes of preceding meeting; (e) reports of officers; (f) reports of committees; (g) appointment of inspectors of election (at annual meetings or special meetings held for the purpose of electing Directors or officers); (h) election of Directors (at annual meeting or special meetings held for such purpose); (i) unfinished business; and (j) new business. Meetings of members shall be chaired by the most senior officer of the Association present at such meeting. For purposes of this Section, the order of seniority of officers shall be President, Vice President, Secretary and Treasurer.

8. Action Without Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of Directors or the commencement of litigation in accordance with Article III of these Bylaws) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in Section 5 of this Article IX for the giving of notice of meetings of members. Such solicitations shall specify: (a) the number of responses needed to meet the 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 votes or total percentage of approvals which equals or exceeds the number of votes or percentage of approvals which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

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

ARTICLE X

ADVISORY COMMITTEE

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

ARTICLE XI

BOARD OF DIRECTORS

1. Number and Qualification of Directors. The Board of Directors shall consist of at least four members, all of whom, with respect to "Ranch Directors", as hereinafter defined, must be members of the Association as a result of ownership of Ranch Units or officers, partners, trustees, employees or agents of members of the Association as a result of ownership of Ranch Units, and all of whom, with respect to "Single Family Directors", as hereinafter defined, must be members of the Association as a result of ownership of Single Family Units or officers, partners, trustees, employees or agents of members of the Association as a result of ownership of Single Family Units, except for the first Board of Directors. Directors shall serve without compensation. One-half (1/2) of the members of the Board of Directors shall be elected by the Co-owners of Ranch Units, and shall be referred to herein as the "Ranch Directors." One-half (1/2) of the members of the Board of Directors shall be elected by the Co-owners of the Single Family Units, and shall be referred to herein as the "Single Family Directors." After the First Annual Meeting, the number of directors may be increased or decreased, from time to time, by action of the Board of Directors, provided that the initial Board of Directors shall be comprised of at least four members, and further provided that at all times the Board of Directors shall be comprised of equal numbers of Ranch Directors and Single Family Directors.

2. Election of Directors.

(a) First Board of Directors. The first Board of Directors, or its successors as selected by the Developer, shall manage the affairs of the Association until the First Annual Meeting.

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

(i) Subject to the terms of Article IX above, not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of seventy-five (75%) percent of the Units that may be created, and before conveyance of ninety (90%) percent of such Units, the First Annual Meeting shall be called and the non-developer Co-owners shall elect all directors on the Board of Directors, except that Developer shall have the right to designate at least one director as long as Developer owns and offers for sale at least ten (10%) percent of the Units in the Condominium or as long as ten (10%) percent of the Units remain that may be created.

(ii) Notwithstanding the formula provided in subsection (i), 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Condominium, if title to at least seventy-five (75%) percent of the Units that may be created has not been conveyed to non-developer Co-owners, the First Annual Meeting shall be called and the non-developer Co-owners shall have the right to elect as provided in the Condominium Documents, a number of members of the Board of Directors (both Ranch Directors and Single Family Directors) equal to the percentage of Units they hold (computed separately with respect to the Units in the Single Family Condominium Portion and the Ranch Unit Condominium Portion), and Developer has the right to elect, as provided in the Condominium Documents, a number of members of the Board (both Ranch Directors and Single Family Directors) equal to the percentage of Units which are owned by the Developer and for which all assessments are payable by Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection (i). Application of this subsection does not require a change in the size of the board as determined in the Condominium Documents, unless an increase in the size of the Board of Directors is the only reasonable way to cause the foregoing provisions to have its intended effect.

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

(iv) At the First Annual Meeting one-half of the Single Family Directors and one-half of the Ranch Directors (each rounded up if fractional) shall be elected for a term of two years and the remaining directors shall be elected for a term of one year. At such meeting, all nominees for Ranch Director positions shall stand for election as one slate, and all nominees for Single Family Director positions shall stand for election as one slate. The Co-owners who own Ranch Units shall only vote for the persons running on the Ranch Director slate, and the Co-owners who own Single Family Units shall only vote for the persons running on the Single Family Slate and the number of persons equal to one-half of the number of each of Single Family Directors and Ranch Directors (each rounded up if fractional) who receive the highest number of votes from the Single Family Co-owners, with respect to Single Family Directors, and from the Ranch Unit Co-owners, with respect to Ranch Directors shall be elected for terms of two years and the number of persons equal to the remaining directors to be elected who receive the next highest number of votes shall be elected for terms of one year. After the First Annual Meeting, the term of office (except for directors elected at the First Annual Meeting for one year terms) of each director shall be two years. The directors shall hold office until their successors have been elected and hold their first meeting.

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

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

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 necessary thereto subject always to the Condominium Documents and applicable laws.

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

(a) To manage and administer the affairs of and to maintain the Condominium and the Common Elements thereof, provided that the Ranch Unit Limited Common Elements shall be administered by the Ranch Committee, and the Single Family Limited Common Elements shall be administered by the Architectural Control Committee.

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

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

(d) To rebuild improvements after casualty.

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

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

(g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge or other lien on property owned by the Association.

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

(i) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committees any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board, provided, however, that the members of the Architectural Control Committee and the Ranch Committee shall be as set forth in Article XIII hereof.

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

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

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 authorized to vote for such removal shall be filled by vote of the majority of the remaining Ranch Directors, with respect to a vacancy in a Ranch Director position, or by vote of the majority of the remaining Single Family Directors, with respect to a vacancy in a Single Family Director position, even though the remaining directors, in either case, may constitute less than a quorum, except that the Developer shall be solely entitled to fill the vacancy of any director whom it is permitted in the first instance to designate. Each person so elected shall be a director until a successor is elected at the next annual meeting of the members of the Association. Vacancies among non-developer Co-owner elected directors which occur prior to the Transitional Control Date shall be filled only through election by non-developer Co-owners in the manner specified in Section 2(b) of this Article.

7. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Ranch Directors may be removed

with or without cause by the affirmative vote of more than fifty (50%) percent in number and in value of all of the Co-owners owning Ranch Units and a successor may then and there be elected to fill any vacancy thus created. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Single Family Directors may be removed with or without cause by the affirmative vote of more than fifty (50%) percent in number and in value of all of the Co-owners owning Single Family Units and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal quorum set forth in Article VIII, Section 5 but applicable solely to the Co-owners of the Ranch Units, if a Ranch Director is involved, or the Co-owners of the Single Family Units, if a Single Family Director is involved. Any director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting. 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.

8. First Meeting. The first meeting of a newly elected Board of Directors shall be held within 30 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.

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, facsimile or telegraph, at least 10 days prior to the date named for such meeting.

10. Special Meetings. Special meetings of the Board of Directors may be called by the President on three days' notice to each director given personally, by mail, telephone, facsimile 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.

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

12. Quorum. At all meetings of the Board of Directors, a majority of the aggregate of the Ranch Directors and Single Family Directors shall constitute a quorum for the transaction of business and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting to a subsequent time upon 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.

13. First Board of Directors. All of the actions (including, without limitation, the adoption of these Bylaws and any Rules and Regulations for the association, and any undertaking or contracts entered into with others on behalf of the Association) of the first Board of Directors of the Association named in its articles of incorporation or any successors thereto appointed before the First Annual Meeting of Co-owners shall be binding upon the Association in the same manner as though such actions had

been authorized by a Board of Directors duly elected by the Co-owners.

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

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

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

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

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

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.

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 the officer's 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.

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

ARCHITECTURAL CONTROL COMMITTEE AND RANCH COMMITTEE

1. Creation. The Association shall create an Architectural Control Committee and a Ranch Committee.

2. Architectural Control Committee. From and after the date that Developer assigns, transfers and delegates its rights under Article VI, Section 2(b) hereof, the Architectural Control Committee shall exercise all of the authority and discretion granted to Developer pursuant to Article VI, Section 2(b), and Developer shall have no further responsibilities with respect to such matters. The Architectural Control Committee shall be composed of the Single Family Directors. The primary purposes of the Architectural Control Committee are: (i) for providing for architectural control over the Single Family Units; and (ii) to be responsible for any and all activities relating to the Single Family Limited Common Elements and Single Family Condominium Portion as set forth in the Condominium Documents.

(a) The reason for providing for architectural control is to ensure the proper and harmonious development of the Single Family Units in order to maximize the aesthetic beauty of the Condominium and its blending with the surrounding area. To that end, Developer or the Architectural Control Committee, as the case may be, shall be deemed to have broad discretion in terms of determining what Structures will enhance the aesthetic beauty and desirability of the Condominium, or otherwise further or be consistent with the purpose of any restrictions. In no event shall either Developer or the Architectural Control Committee have any liability whatsoever to anyone for their approval or disapproval of plans, drawings, specifications, elevations or the Structures subject hereto, whether such alleged liability is based on negligence, tort, expressed or implied contract, fiduciary duty or otherwise. Neither Developer nor the Architectural Control Committee shall have liability to anyone including, but not limited to, any Co-owner, for approval of plans, specifications, structures or the like which are not in conformity with the provisions of the Condominium Documents, or for disapproving plans, specifications, structures or the like which may be in conformity with the provisions hereof. In no event shall any party have the right to impose liability on, or otherwise contest judicially, the Developer or the Architectural Control Committee (or alleged failure of the Developer or the Architectural Control Committee to make a decision) relative to the approval or disapproval of a structure or any aspect or other matter to which the Developer reserves the right to approve or waive under the Condominium Documents. The approval of the Developer (or the Architectural Control Committee, as the case may be) of a Structure or other matter shall not be construed as a representation or warranty that the Structure or other matter is in conformity with the ordinances or other requirements of the City or any other governmental authority. Any obligation or duty to ascertain any such nonconformities, or to advise the Owner or any other person of the same (even if known) is hereby disclaimed.

(b) The Architectural Control Committee shall also be responsible for any and all activities relating to the Single Family Limited Common Elements and Single Family Condominium Portion as set forth in the Condominium Documents. Such duties include, but are not limited to, preparing budgets for the maintenance, repair and replacement of the Single Family Limited Common Elements; making recommendations as to modifications to any of the Single Family Limited Common Elements; and otherwise ensuring that the Single Family Limited Common Elements remain in the condition required under the terms of the Condominium Documents. The Architectural Control Committee shall meet as often as may be required in order to carry out the business of the Architectural Control Committee. The members of the Architectural Control Committee shall be appointed by Developer until such time as the Single Family Directors are elected, at which time the Single Family Directors shall be the members of the Architectural Control Committee.

3. Ranch Committee. The Ranch Committee shall be responsible for any and all activities relating to the Ranch Limited Common Elements and Ranch Unit Condominium Portion as set forth in the Condominium Documents. Such duties include, but are not limited to, preparing budgets for the maintenance, repair and replacement of the Ranch Unit Limited Common Elements; making recommendations as to modifications to any of the Ranch Unit Limited Common Elements; and otherwise ensuring that the Ranch Unit Limited Common Elements remain in the condition required under the terms of the Condominium Documents. The Ranch Committee shall meet as often as may be required in order to carry out the business of the Ranch Committee. The members of the Ranch Committee shall be appointed by Developer until such time as the Ranch Directors are elected, at which time the Ranch Directors shall be the members of the Ranch Committee.

ARTICLE XIV

SEAL

The Board of Directors may adopt a seal on behalf of the Association which shall have inscribed thereon the name of the Association, the words "corporate seal" and "Michigan".

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EXHIBIT A

011204

BYLAWS

ARTICLE I

ASSOCIATION OF CO-OWNERS

Cove Creek Condominium, a residential condominium located in Wayne County, Michigan, shall be administered by an Association of Co-owners which shall be a nonprofit corporation, herein referred to as 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 in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and Section 3(8) of the Act and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Co-owner shall be entitled to membership and no other person or entity shall be entitled to membership. The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to the Co-owner's Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed and other Condominium Documents for the Condominium available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium. The Association, all Co-owners in the Condominium 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. All capitalized terms used herein not otherwise defined herein shall have the same meaning as set forth in the Master Deed to which these Bylaws are attached as an exhibit or as set forth in the Act.

ARTICLE II

ASSESSMENTS

The levying of assessments by the Association against the Units and collection of such assessments from the Co-owners in order to pay the expenses arising from the management, administration and operation of the Association shall be governed by the following provisions:

1. Taxes Assessed on Personal Property Owned or Possessed in Common. 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.

2. Receipts and Expenditures Affecting Administration. Expenditures affecting administration of the Condominium shall include all costs incurred in satisfaction of any liability arising within, caused by or connected with the Common Elements or the administration of the Condominium, Receipts affecting administration of the Condominium shall include all sums received by the Association as proceeds of, or pursuant to, a policy of insurance securing the interests of the Co-owners against liabilities or losses arising within, caused by or connected with the Common Elements or the administration of the Condominium.

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

(a) The Annual Budget and Regular Assessments. The Board of Directors of the Association shall establish two separate annual budgets in advance for each fiscal year. One budget shall relate to the Ranch Unit Condominium Portion and the other budget shall relate to the Single Family Condominium Portion. Each such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the portion of the Condominium to which such budget relates, including a reasonable allowance for contingencies and reserves. The annual budget for the Ranch Unit Condominium Portion shall be prepared by the Ranch Committee, and the annual budget for the Single Family Condominium Portion shall be prepared by the Architectural Control Committee. The Board of Directors shall adopt the budgets presented to the Board of Directors by such Committees. Upon adoption of the annual budgets by the Board of Directors, copies of the budget relating to the Ranch Unit Condominium Portion shall be delivered to each Ranch Unit Co-owner, and copies of the budget relating to the Single Family Condominium Portion shall be delivered to each Single Family Unit co-owner. The assessment relating to each Unit for said year shall be established based upon the relevant budget, although the failure to deliver a copy of such 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. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements in each portion of the Condominium that must be replaced on a periodic basis shall be established in the budget for such portion and must be funded by regular payments as set forth in Section 5 below rather than by special assessments. At a minimum, the reserve fund in each budget shall be equal to 10% of the relevant current annual budget (excluding that portion of such budget allocated to the reserve fund itself on a non-cumulative basis). Since the minimum standard required by this subparagraph may prove to be inadequate, each of the Ranch Committee and Architectural Control Committee should carefully analyze the portion of the Condominium for which it is responsible 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. Each of such Committees shall annually consider the needs of the portion of the Condominium for which it is responsible to determine if a greater amount should be set aside in reserve or if additional reserve funds should be established for any other purposes. The regular Association assessments provided in this Article II, Section 3(a) shall be levied by the Board of Directors and shall be based upon the recommendation for the amount of such assessment made by the Ranch Committee, with respect to the Ranch Units, and the Architectural Control Committee, with respect to the Single Family Units, which recommendations shall be made by such Committees in their sole discretion.

(b) Special Assessments. Special assessments relating to items other than the North General Common Elements, the South General Common Elements and the Limited Common Elements, 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 appropriate requirements of the Association. Special assessments relating to the Ranch Unit Limited Common Elements and/or the North General Common Elements may be submitted by the Ranch Committee to the Board of Directors from time to time and approved by the Ranch Unit Co-Owners as hereinafter provided. Special assessments relating to the Single Family Limited Common Elements and/or the South General Common Elements may be submitted by the Architectural Control Committee to the Board of Directors from time to time and approved by the Single Family Unit Co-Owners as hereinafter provided. Special assessments relating to items other than the foregoing shall be levied only with the prior approval of more than 60% of all Co-owners in number and in value, or, with respect to items relating to the Common Elements, shall be levied only with the prior approval of more than sixty percent (60%) of the Co-owners, in number and value, of Units in the portion of the Condominium in which such Common Element is located (i.e. a special assessment relating to a Ranch Unit Common Element or the North General Common Elements shall require the prior approval of 60% of the Ranch Unit Co-owners, and a special assessment relating to a Single Family Unit Limited Common Element or the South General Common Element shall require the prior approval of 60% of the Single Family Unit Co-

owners). The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors (but with respect to the Limited Common Elements, the North General Common Elements and the South General Common Elements, the Board of Directors shall levy any assessment submitted by the relevant Committee and approved by the requisite number of Co-owners) for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof.

4. Apportionment of Assessments. Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of management, administration and operation of each of the two portions of the Condominium shall be apportioned among and paid by the Co-owners owning Units in that portion of the Condominium in accordance with the expense allocation assigned to each Unit in Article VI of the Master Deed.

5. Payment of Assessments and Penalty for Default. Annual assessments as determined in accordance with Article II, Section 3(a) above shall be payable by Ranch Co-owners in 12 equal monthly installments, and by Single Family Co-owners in annual installments (or more frequently if recommended by the Architectural Control Committee), in each case 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 Board of Directors may also adopt uniform late charges pursuant to Section 10 of Article VI of these Bylaws. Each Co-owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments (including interest, late charges and costs of collection and enforcement of payment) levied against the Unit which may be levied while such Co-owner is the owner thereof, except a land contract purchaser from any Co-owner including the Developer shall be so personally liable and such land contract seller shall not be personally liable for all such assessments levied up to and including the date upon which, if applicable, such land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorneys' fees; second, to any interest and other charges for late payment on such installments; and third, to installments in default in order of their due dates. A Co-owner selling a Unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve, account or other asset of the Association.

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

7. Enforcement.

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

(b) Foreclosure Proceedings. Each Co-owner, and every other person who from time to time has any interest in the Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the statutory lien that secures payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the Condominium shall be deemed to have authorized and empowered the Association to sell or cause to be sold the Unit with respect to which the assessment(s) is or are delinquent to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by Michigan law. The Association, acting on behalf of all Co-owners may bid at the foreclosure sale, and acquire, hold, lease, mortgage or convey the Unit sold.

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

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

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

(iii) The notice of lien shall be recorded in the office of the register of deeds in the county in which the Condominium is situated and shall be served upon the delinquent Co-owner by first class mail postage prepaid, addressed to the last known address of the Co-owner at least 10 days in advance of the commencement of the foreclosure proceedings.

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

8. Liability of Mortgagee. Notwithstanding any other provisions of the Condominium Documents, if the mortgagee of a first mortgage of record or other purchaser of a Condominium Unit obtains title to the Condominium Unit as a result of foreclosure of the first mortgage, such person, its successors and assigns, is not liable for the assessments by the Association chargeable to the Unit which became due prior to the acquisition of title to the Unit by such person and the expiration of the period of redemption from such foreclosure. The unpaid assessments are deemed to be common expenses collectible from all of the Condominium Unit Co-owners including such persons, its successors and assigns.

9. Developer's Responsibility for Assessments. Notwithstanding any other provisions of the Condominium Documents to the contrary, Developer shall not pay regular Association assessments for Units which are owned by Developer but unoccupied, but shall only reimburse the Association for actual expenses incurred by the Association which are reasonably allocable to such Units. Developer shall in no event be liable for any assessment levied in whole or in part to purchase any Unit from Developer or to finance any litigation or other claims against Developer, any cost of investigating and preparing such litigation or claim or any similar or related costs.

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

11. 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.

12. Construction Liens. A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

ARTICLE III

JUDICIAL ACTIONS AND CLAIMS

Actions on behalf of and against the Co-owners shall be brought in the name of the Association. Subject to the express limitations on actions in these Bylaws and in the Association's Articles of Incorporation, the Association may assert, defend or settle claims on behalf of all Co-owners in connection with the Common Elements of the Condominium. As provided in the Articles of Incorporation of the Association, the commencement of any civil action (other than one to enforce these Bylaws or collect delinquent assessments) shall require the approval of a majority in number and in value of the Co-owners (provided that a civil action relating specifically to either the Ranch Unit Condominium Portion or the Single Family Condominium Portion ["Portion Specific Litigation"] shall only require the approval of a majority in number and value of the Co-owners in that portion), and shall be governed by the requirements of this Article III. The requirements of this Article III will ensure that the Co-owners are fully informed regarding the prospects and likely costs of any civil action the Association proposes to engage in, as well as the ongoing status of any civil actions actually filed by the Association. These requirements are imposed in order to reduce both the cost of litigation and the risk of improvident litigation, and in order to avoid the waste of the Association's assets in litigation where reasonable and prudent alternatives to the litigation exist. Each Co-owner shall have standing to sue to enforce the requirements of this Article III (provided that with respect to Portion Specific Litigation, only the Co-owners owning Units in portion involved in the prospective litigation shall have such standing). The following procedures and requirements apply to the Association's commencement of any civil action other than an action to enforce these Bylaws or to collect delinquent assessments:

1. Board of Directors' Recommendation to Co-owners. The Association's Board of Directors (or, in the case of Portion Specific Litigation, the Ranch Committee or Architectural Control Committee, as applicable) shall be responsible in the first instance for recommending to the Co-owners that a civil action be filed, and supervising and directing any civil actions that are filed.

2. Litigation Evaluation Meeting. Before an attorney is engaged for purposes of filing a civil action on behalf of the Association, the Board of Directors shall call a special meeting of the Co-owners

("litigation evaluation meeting") for the express purpose of evaluating the merits of the proposed civil action. The written notice to the Co-owners of the date, time and place of the litigation evaluation meeting shall be sent to all Co-owners (except that with respect to Portion Specific Litigation, only the Co-owners in the Condominium portion that will be involved in the proposed litigation need be notified and invited to the litigation evaluation meeting) not less than twenty (20) days before the date of the meeting and shall include the following information copied onto 8-1/2" x 11" paper:

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

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

(ii) that at least one member of the Board of Directors has personally made a good faith effort to negotiate a settlement with the putative defendant(s) on behalf of the Association, without success;

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

(iv) the Board of Directors' proposed attorney for the civil action is of the written opinion that litigation is the Association's most reasonable and prudent alternative.

(b) A written summary of the relevant experience of the attorney ("litigation attorney") the Board of Directors recommends be retained to represent the Association in the proposed civil action, including the following information:

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

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

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

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

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

(f) The amount to be specially assessed against each Unit in the Condominium (or, with respect to Portion Specific Litigation, each Unit in the Condominium portion that will be the subject of the litigation) to fund the estimated cost of the civil action both in total and on a per Unit basis, as required by Section 6 of this Article III.

3. Independent Expert Opinion. If the lawsuit relates to the condition of any of the Common Elements of the Condominium, the Board of Directors (or, if same is Portion Specific Litigation, then either the Ranch Committee or the Architectural Control Committee, as appropriate) shall obtain a written independent expert opinion as to reasonable and practical alternative approaches to repairing the problems with the Common Elements, which shall set forth the estimated costs and expected viability of each alternative. In obtaining the independent expert opinion required by the preceding sentence, the

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

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

5. Co-Owner Vote Required. At the litigation evaluation meeting the Co-owners shall vote on whether to authorize the Board of Directors to proceed with the proposed civil action and whether the matter should be handled by the litigation attorney. The commencement of any civil action by the Association (other than a suit to enforce these Bylaws or collect delinquent assessments) shall require the approval of a 66-2/3% in value of the Co-owners (or, with respect to Portion Specific Litigation, the approval of a 66-2/3% in value of the Co-owners in the relevant portion). Notwithstanding anything herein to the contrary, no proxy voting shall be permitted in connection with any such vote.

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

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

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

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

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

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

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

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

(a) the status of the litigation;

(b) the status of settlement efforts, if any; and

(c) the attorney's written report.

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

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

ARTICLE IV

INSURANCE

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

(a) Responsibilities of Co-owners and 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. Co-owners may obtain additional insurance upon their Units, at their own expense, in addition to the coverage carried by the Association and Co-owners of Single Family Units shall obtain fire and extended coverage and liability insurance with respect to their individual Units covering the Unit and all structures located thereon. It shall be each Co-owner's responsibility to obtain insurance coverage for personal property located within a Unit or elsewhere in the Condominium and for personal liability for occurrences within a Unit or upon Limited Common Elements

appurtenant to a Unit for which the Co-owner has maintenance responsibilities under the Master Deed and also for alternative living expense in event of fire, and the Association shall have absolutely no responsibility for obtaining such coverages. The Association and all Co-owners shall use their best efforts to obtain property and liability insurance containing appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

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

(c) Premium Expenses. All premiums on insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration. To the extent that any insurance covers the Common Elements, the Association shall arrange for all insurance companies to allocate premiums charged for such insurance between costs for coverage of the North General Common Elements, the South General Common Elements, the Ranch Unit Limited Common Areas, including the Ranches, and the Single Family Limited Common elements. The portion of the premiums allocated to the Limited Common Elements or General Common Elements shall be allocated to the budget for Condominium portion in which such Limited Common Elements or General Common Elements are located and only assessed against the Co-owners of the Units in that portion accordance with Article II hereof.

(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 Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Condominium unless all of the institutional holders of first mortgages on Units in the Condominium have given their prior written approval. Repair of the Ranch Unit Limited Common Elements and North General Common Elements shall be coordinated by the Ranch Committee, and repair of the Single Family Unit Limited Common Elements and South General Common Elements shall be coordinated by the Architectural Control Committee.

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

things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

ARTICLE V

RECONSTRUCTION OR REPAIR

1. Reconstruction or Repair Unless Unanimous Vote to the Contrary. If any part of the Condominium shall be partially or completely destroyed, it shall be reconstructed or repaired unless it is determined by a unanimous vote of all Co-owners that the Condominium shall be terminated and each institutional holder of a first mortgage lien on any Unit in the Condominium has given prior written approval of such termination.

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

3. Responsibility for Reconstruction and Repair. If the damage is to a Single Family Unit, or to a part of a Ranch Unit which is the responsibility of a Co-owner to maintain and repair, it shall be the responsibility of the Co-owner to repair such damage in accordance with Section 4 hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association; provided, that with respect to reconstruction or repair of the Common Elements, the Ranch Committee shall be responsible for the reconstruction or repair of the Ranch Unit Limited Common Elements and North General Common Elements, and the Architectural Control Committee shall be responsible for the reconstruction or repair of the Single Family Limited Common Elements and the South General Common Elements.

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

5. Association Responsibility for Reconstruction and Repair. The Association shall be responsible for the reconstruction and repair of the Common Elements (except as specifically otherwise provided herein or in the Master Deed) and any incidental damage to a Unit caused by such Common Elements or the reconstruction and repair thereof. Immediately after a casualty causing damage to property for which the Association has the responsibility of repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such

reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the repayment of the costs thereof are insufficient, assessments shall be made against all Co-owners within the portion of the Condominium where such Common Element is located for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation. Assessments pursuant to this Article V, Section 5 may be made by the Association without a vote of the Co-owners.

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

7. Eminent Domain. The following provisions shall control upon any taking by eminent domain:

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

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

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

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

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

ARTICLE VI

RESTRICTIONS

1. Uses Permitted. No Unit shall be used for other than residential purposes. No Co-owner shall carry on any commercial activities anywhere on the premises of the Condominium. Notwithstanding the foregoing, Developer may conduct any of the activities expressly described in the Master Deed or its exhibits.

2. Alterations and Modifications.

(a) Ranch Units. No Co-owner of any Ranch Unit shall make alterations in exterior appearance or make structural modifications to any Ranch Unit (including interior walls through or in which there exist easements for support or utilities) or make changes in any of the Common Elements located within the Ranch Unit Condominium Portion without the express written approval of the Ranch Committee including but not limited to, exterior painting or the erection of decks, antennas, lights, aerials (provided that satellite dishes of no greater than 18 inches in height shall be allowed), awnings, doors, shutters or other exterior attachments or modifications; nor shall any Co-owner of a Ranch Unit damage or make modifications or attachments to Common Element walls between Units which in any way impair sound conditioning qualities of the walls. The Ranch Committee may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium. Any patio, deck, privacy screen or other approved Co-owner construction outside the boundaries of the Ranch Unit shall be a Limited Common Element assigned to the Unit which it serves and shall be the maintenance responsibility of the Co-owner of the Unit to which it is appurtenant. No buildings, fences, walls, retaining walls, drives, walks or other structures or improvements shall be commenced, erected maintained, nor shall any addition to, or change or alteration to any structure be made (including in color or design), except interior alterations, nor shall any hedges, trees or substantial plantings, or landscaping modifications be made, until plans and specifications acceptable to the Ranch Committee showing the nature, kind, shape, height, materials, color scheme, location and approximate cost of such structure or improvement and the grading or landscaping plan of the area to be affected shall have been submitted to and approved in writing by the Ranch Committee, and a copy of said plans and specifications, as finally approved, delivered to the Ranch Committee. The Ranch Committee shall have the right to refuse to approve any such plans or specifications, or grading or landscaping plans which are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing upon such plans, specifications, grading or landscaping, it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to effect the same, and the degree of harmony thereof with the Condominium as a whole.

(b) Prior Approval of Proposed Structures. Except as otherwise expressly provided herein, the Developer shall have exclusive jurisdiction over the rights of approval and enforcement set forth in the Condominium Documents. A Single Family Unit Owner may only construct, install or place on a Single Family Unit those Structures that have been approved in writing by the Developer in the manner set forth herein. Developer may construct or authorize any improvements on a Site that Developer in its sole discretion elects to make without the necessity of prior consent from the Association or any other person or entity, subject only to the express limitations in the Condominium Documents. Before constructing any Residence or making any exterior improvement, change, or elevation change upon any Site, an Owner shall receive the written approval of the Developer. No application for a building permit or application for any other governmental approval or construction shall be filed until written approval of the Developer is received. The Developer shall approve in advance the licensed residential builder engaged by the Owner to construct a Residence and any other improvements in the Owner's Single Family Unit. The Developer may require that such builder or Owner furnish to the Association adequate security, in the Developer's sole discretion, to protect the Association against costs and expenses which it might incur in connection with the failure to complete construction in a timely and diligent manner in accordance with the approved plans and specifications for the Residence and other improvements. No Structure may be erected, installed or placed upon or in any Single Family Unit unless the Owner of such Site has submitted the following documentation (and any other documentation reasonably required by Developer) to the Developer (to the extent required by Developer), and the Developer has approved all of such documentation in writing and, then, the same shall only be erected, installed or placed thereon in accordance with such approved documentation (subject to immaterial modifications as may be required to be made during the course of construction as the result of field conditions discovered subsequent to the commencement of construction):

(i) Survey. A topographic survey of the Site prepared and certified by a licensed engineer or surveyor showing existing and proposed grades, the location of all trees in excess of three inches in diameter at 48 inches above ground level, and the proposed location of each Structure located or to be located upon the Site.

(ii) Architectural Plans. Construction and architectural plans prepared and certified by a licensed architect including dimensioned floor plans, typical sections and all elevations for the Structure to be constructed upon or in the Site.

(iii) Specifications. Specifications for each Structure prepared and certified by a licensed architect or engineer setting forth the type and quality of all materials and workmanship and including a detailed finish schedule for all exterior materials, products and finishes, with actual samples of all exterior materials.

(iv) Construction Schedule. A construction schedule specifying the commencement and completion dates of construction of the Structures, as well as such other dates as the Developer may specify for completion of stages of the Structures.

A Site Owner shall submit two copies of the aforedescribed documents to the Developer, and the Developer shall retain one copy of each document for its records. The Developer shall have 30 days after the receipt of all required plans and specifications to issue a written approval or denial. If the Developer fails to issue a written approval or denial of the plans and specifications within the 30 day period, then written approval will not be required and the plans and specifications submitted shall be deemed to comply with this Section.

(c) Assignment of Developer's Approval Rights. Developer's rights under this Article VI Section 2(b) may, in Developer's sole discretion, be assigned to the Architectural Review Committee or other successor to Developer. There shall be no surrender of this right prior to the issuance of certificates of occupancy of Residences in 100% of the Sites in the Condominium, except in a written instrument in recordable form executed by Developer and specifically assigning to the Architectural Review Committee or other successor(s) to Developer the rights of approval and enforcement set forth in this Section 2(b) of Article VI. From and after the date of such assignment or later expiration of Developer's exclusive powers, the Architectural Review Committee shall exercise all such powers, and Developer shall have no further responsibilities with respect to any matters of approval or enforcement set forth herein.

(d) Building Restrictions. Except as otherwise permitted herein, no Structure may be constructed, installed, or placed on a Site except (A) with respect to the Single Family Units, one detached Residence shall be permitted which shall not exceed the requirements of the City in which the Structure is located and which Residence shall include an appropriate driveway and parking areas, and (B) with respect to the Ranch Units, Ranch attached Structures, all subject further to the following restrictions:

(i) Minimum Residence Size. With respect to the Single Family Units, all Residences shall contain the minimum square footage required at the time of construction by the city or municipality in which the Site is located. In addition to the foregoing, each such Residence shall contain, at a minimum, the following "livable floor areas":

a. A one story Residence shall have a minimum livable floor area of 1,450 square feet.

b. A one and one-half story Residence shall have a minimum livable floor area of 1,750 square feet.

c. A two story Residence shall have a minimum livable floor area of 2,050 square feet.

As used herein, "livable floor area" shall be calculated by measuring from internal wall to internal wall, and shall exclude garages, patios, decks, open porches, terraces, basements, storage sheds and like areas even if attached to the Residence. Livable floor area shall include, however, enclosed porches if the roof of the porch forms an integral part of the Residence. Developer reserves the right, in its sole discretion, to increase or decrease the minimum livable floor area for all unbuilt Residences in the Condominium, subject to the prior written approval of the City.

(ii) Site Boundary Lines. In no event shall a Structure be placed, erected, installed or located on any Site nearer to the front, side or rear Site boundary line than is permitted at the time the Structure is installed by the ordinances of the City.

(iii) Completion of Construction and Landscaping. The exterior of all Residences and other Structures must be completed as soon as practical after construction commences, except where such completion is impossible or would result in great hardship to the Owner or builder due to strikes, fires, national emergency or natural calamities. All Sites shall be sodded or seeded and appropriately landscaped within 30 days after occupancy, weather permitting. With respect to the Single Family Units, if, however, occupancy of a Residence occurs after October 1st, then the Site shall be sodded or seeded and appropriately landscaped by June 1st of the following year. In the event such sodding and landscaping has not been timely installed in accordance with the foregoing, Developer shall have the right to enter upon the applicable Site, upon reasonable prior notice, and to install such sodding or perform such seeding and to install such landscaping at the cost and expense of the Co-owner of such Site. The Co-owner shall pay Developer for the cost and expense thereof within 21 days after receipt of a statement therefor together with an administrative fee to be determined by Developer but not to exceed 25% of such cost and expense. The amount owing on such statement shall accrue interest commencing upon the conclusion of such 21 day period at a per annum rate equal to five percentage points in excess of the prime rate identified in the "money rates section" of the Wall Street Journal (or a successor daily business publication of general circulation if the Wall Street Journal is no longer published) during the period such amount remains unpaid (i.e., if such prime rate is 8.5%, then the per annum rate shall be 13.5%). The amount owing, together with interest thereon, shall be secured by a lien upon the Site in favor of Developer, which lien shall be deemed to have attached and be perfected upon the installation of such sodding or seeding and landscaping without the necessity of the filing of any notice thereof, which lien shall be subordinate to any first mortgage upon the Site and which lien may be foreclosed by Developer in the manner provided for the judicial foreclosure of mortgages in Michigan. Developer may, at its option, record against the Site a notice of the aforementioned lien.

(iv) Roofs. Flat roofs are prohibited.

(v) Driveway. All driveways shall be paved with concrete or asphalt and shall be completed prior to occupancy, if weather permits.

(vi) Air Conditioners and Similar Equipment. No external air conditioning unit shall be placed in or attached to a window or wall in the front of any Residence. No external air conditioning unit shall be placed in or attached to any window or wall of any Residence without the prior written approval of the Board of Directors. No compressor or other component of a central air conditioning system (or similar system, such as a heat pump) shall be so located upon any Site so as to be visible from the street on which such Site fronts, and, to the extent reasonably possible, all such external equipment shall be located on the Site so as to minimize

the negative impact thereof on any adjoining Site, in the terms of noise and appearance. In general, such equipment shall be located only in the rear yard (not in any side yard area), within five feet (5') of the rear wall of the Residence.

(vii) Tree Protection and Preservation. Trees measuring three inches or more in diameter at 48 inches above ground level may not be removed without the written approval of the Developer. Prior to commencement of construction, each Site Owner shall submit to the Developer a plan for the preservation of trees in connection with the construction process. The Site Owner shall not commence construction unless such plan is approved by the Developer. It shall be the responsibility of each Site Owner to maintain and preserve all large trees within the Site, which responsibility includes welling trees, if necessary.

(viii) Public Utilities. All public utilities such as water mains, sanitary sewers, storm sewers, gas mains, electric and telephone local distribution lines, cable television lines, and all connections to same, either private or otherwise, shall be installed underground. However, above-ground transformers, pedestals and other above-ground electric and telephone utility installations and distribution systems and surface and off-site drainage channels and facilities, as well as street lighting stanchions, shall be permitted.

(ix) Public Utility and Drainage Easement Areas. Easements for the construction, installation and maintenance of public utilities, and for drainage facilities, are reserved as shown on the Plan. Within all of the foregoing easements, unless the necessary approvals are obtained from the appropriate municipal authority and except for the paving necessary for each Residence's driveway, no Structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of such service facilities and utilities, including underground electrical and telephone local distribution systems, or which may change, obstruct or retard the flow or direction of water in and through drainage in the easements, nor shall any change, which may obstruct or retard the flow of surface water or be detrimental to the property of others, be made by the Owner in the finished grade of any Site once established by the builder upon completion of construction of the Residence thereon. The easement area of each Site and all improvements in it shall be maintained (in a presentable condition continuously) by the Site Owner, except for those improvements for which a public authority or utility company is responsible, and the Site Owner shall be liable for damage to service facilities and utilities thereon, including damage to electric, gas, and telephone distribution lines and facilities therein. Except as may be otherwise provided herein, each Site Owner shall maintain the surface area of easements within the Owner's Site, to keep weeds out, to keep the area free of trash and debris, and to take such action as may be necessary to eliminate or minimize surface erosion.

3. Activities. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium, nor shall any unreasonably noisy activity be carried on in or on the Common Elements or within any Unit at any time. No Co-owner shall do or permit anything to be done or keep or permit to be kept in the Co-owner's Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if improved, which increased cost may be assessed to and collected from the Co-owner in the manner provided in Article II hereof.

4. Animals or Pets. Without the prior written consent of the Board of Directors, no animal or pet other than two cats or two dogs or one cat and one dog, each not to exceed 60 pounds in weight, shall be kept in the Condominium with respect to any one Unit by the Co-owner or Co-owners thereof.

Any pets kept in the Condominium shall have such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions. No savage or dangerous animal shall be kept. No birds which emit loud or obnoxious noises shall be kept. No animal may be permitted to run loose upon the Common Elements and any animal shall at all times be attended by a responsible person while on the Common Elements. Any person who causes or permits an animal to be brought or kept on the Condominium property shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the Condominium property. The term "animal or pet" as used in this Section shall not include small animals which are constantly caged such as small birds or fish. All pets must be registered with the Board of Directors of the Association.

5. Aesthetics. The Common Elements shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in the Master Deed or in duly adopted rules and regulations of the Associations. All rubbish, trash, garbage and other waste shall be regularly removed from each Unit and shall not be allowed to accumulate therein. Unless special areas are designated by the Association, trash receptacles shall not be permitted on the Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. All interior window treatments within any Unit shall be of an off-white color and shall be approved by the Association prior to installation so that all such window treatments shall effect a uniform look throughout the Condominium. The Common Elements and the porches and any decks appurtenant to any Unit shall not be used in any way for the drying, shaking, or airing of clothing or other fabrics. Automobiles may only be washed in areas approved by the Board of Directors. In general, no activity shall be carried on nor condition maintained by a Co-owner, either in a Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium.

6. Common Elements. Each driveway leading into a garage may only be used by the Co-owner entitled to use the garage. The Common Elements shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No Co-owner may leave personal property of any description (including by way of example and not limitation bicycles, vehicles, chairs and benches) unattended on or about the Common Elements. Use of all General Common Elements may be limited to such times and in such manner as the Board of Directors shall determine by duly adopted regulations.

7. Vehicles. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers, recreational vehicles or vehicles other than automobiles and/or motorcycles may be parked or stored upon the Common Elements, unless parked in an area specifically designated therefor by the Board of Directors.

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

9. Signs and Advertising. No signs or other advertising devices shall be displayed which are visible from the exterior of a Unit or on the Common Elements, including "For Sale" signs, without written permission from the Board of Directors.

10. Rules and Regulations. Reasonable regulations consistent with all laws and the Condominium Documents concerning the use of the Common Elements or the rights and responsibilities of the Co-owners and the Association with respect to the Condominium or the manner of operation of the Association and of the Condominium may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors or its successors) prior to the Transitional Control Date; provided, however, that such regulations affecting any Common Element shall only be approved by the Board of Directors if the Committee generally responsible for that Common

Element (i.e. the Ranch Committee with respect to the Ranch Unit Limited Common Elements and the North General Common Elements and the Architectural Control Committee with respect to the Single Family Limited Common Elements and the South General Common Elements) has approved the same. Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-owners or posted on appropriate Common Elements. Any such rule, regulation or amendment may be revoked at any time by the affirmative vote of a majority of the Co-owners with Units in the portion of the Condominium where the Common Element is located.

11. Association's Right of Access. The Association or its duly authorized agents shall have access to each Unit and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The association or its agent shall also have access to each Unit and any Limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit. It shall be the responsibility of each Co-owner to provide the Association means of access to the Co-owner's Unit and any Limited Common Elements appurtenant thereto during all periods of absence and in the event of the failure of such Co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to any Unit or any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of such damage. Subject to the foregoing and other provisions in the Master Deed and these Bylaws, each Co-owner shall be entitled to exclusive occupancy and control over the Co-owner's Unit and all Limited Common Elements appurtenant thereto.

12. Common Element Maintenance. No unsightly condition shall be maintained upon any deck, patio or porch and only furniture and equipment consistent with ordinary deck, patio or porch use shall be permitted to remain there during seasons when the same are reasonably in use and no furniture or equipment of any kind shall be stored on decks, patios or porches during seasons when the same are not reasonably in use. Porch and deck furniture, if any, shall be kept in good condition and repair and shall be in an off-white or hunter green color or, if made from wood, a natural or stained wood color, only.

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

14. Reserved Rights of Developer.

(a) Developer's Rights in Furtherance of Development and Sales. None of the restrictions contained in this Article VI shall apply to the commercial activities or signs or billboards of Developer with respect to unoccupied Units owned by Developer, or of the Association in furtherance of its powers and purposes. Notwithstanding anything to the contrary elsewhere herein contained, until all Units in the entire planned Condominium are sold by Developer, Developer shall have the right to maintain a sales office, a business office, a construction office, model units, storage areas and

reasonable parking incident to the foregoing and such access to, from and over the Condominium as may be reasonable to enable development and sale of the entire Condominium by the Developer and Developer shall have the right to use any model units within the Condominium in connection with the sales activities of its affiliates at other unrelated condominium, townhome or other developments owned and/or operated by Developer or such affiliates.

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

15. Leasing and Rental. Co-owners, including Developer, may rent any number of Units at any time for any term of occupancy not less than one year subject to the following:

(a) Disclosure of Lease Terms to Association. A Co-owner, including the Developer, desiring to rent or lease a Unit shall disclose that fact in writing to the Association at least 10 days before presenting a lease form to a potential lessee and, at the same time, shall supply the Association with a copy of the exact lease form for its review for compliance with the Condominium Documents. If Developer desires to rent Units before the Transitional Control Date, it shall, notify either the Advisory Committee or each Co-owner in writing.

(b) Compliance with Condominium Documents. Tenants and non-owner occupants shall comply with all of the conditions of the Condominium Documents and all leases and rental agreements shall so state.

(c) Procedures in the Event of Non-Compliance with Condominium Documents. If the Ranch Committee, with respect to the Ranch Unit Condominium Portion, or the Architectural Control Committee, with respect to the Single Family Condominium Portion, advises the Association that the tenant or non-owner occupant in the portion of the Condominium for which such Committee has responsibility 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 or non-owner occupant.

(ii) The Co-owner shall have 15 days (or such additional time as may be granted by the Association if the Co-owner is diligently proceeding to cure) after receipt of such notice to investigate and correct the alleged breach by the tenant or non-owner occupant 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 both eviction against the tenant or non-owner occupant and, simultaneously, for money damages against the Co-owner and tenant or non-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceeding. The

Association may hold both the tenant or non-owner occupant and the Co-owner liable for any damages to the Common Elements caused by the Co-owner or tenant or non-owner occupant in connection with the Unit or Condominium.

(d) Notice to Co-owner's Tenant Permitted Where Co-owner is in Arrears to the Association for Assessments. When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant or non-owner occupant occupying a Co-owner's Unit under a lease or rental agreement and the tenant, or non-owner occupant 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.

16. Assessment of Fines. The violation of any of the provisions of these Bylaws and/or of the Master Deed, including any of the rules and regulations promulgated by the Board of Directors of the Association hereunder, by any Co-owner (other than Developer), or a tenant or occupant of such Co-owner's Unit, shall be grounds for assessment by the Association of a monetary fine for such violation against such Co-owner. No fine may be assessed unless the rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the Association, notice thereof has been given to all Co-owners and such rules and regulations are applicable equally to all Co-owners (other than Developer). Thereafter, fines may be assessed only upon notice to the offending Co-owner and an opportunity for such Co-owner to appear before the Board no less than seven days from the date of the notice and offer evidence in defense of the alleged violation. Upon finding an alleged violation after an opportunity for hearing has been provided, the Board may levy a fine in such amount as it, in its discretion, deems appropriate and/or as is set forth in the rules and regulations establishing the fine procedure. The Board may find that a violation of these Bylaws and/or the Master Deed is of a continuing nature, in which case, the Board may levy a fine for each time period (e.g., 24 hours, 7 days, etc.) during which the violation continues. All fines duly assessed may be collected in the manner provided in Article II of these Bylaws as if the same were assessments adopted pursuant to Article II above.

ARTICLE VII

MORTGAGES

1. Notice to Association. Any Co-owner who mortgages the Co-owner's Unit shall notify the Association of the name and address of the mortgagee and the Association shall maintain such information in a book entitled "Mortgages of Units". The Association may, at the written request of a mortgagee of any such Unit, report any unpaid assessments due from the Co-owner of such Unit. The Association shall give to the holder of any first mortgage covering any Unit in the Condominium 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.

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

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

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

2. Eligibility to Vote. No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until the Co-owner has presented evidence of ownership of a Unit in the Condominium to the Association. Except as provided in Article XI, Section 2 of these Bylaws, no Co-owner, other than the Developer, shall be entitled to vote prior to the date of the First Annual Meeting of members held in accordance with Section 2 of Article IX. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article VIII or by a proxy given by such individual representative (except with respect to a vote taken pursuant to Article III, Section 5 of these Bylaws, for which proxy voting shall not be permitted).

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. At any meeting the filing of such written notice as a prerequisite to voting may be waived by the chairman of the meeting.

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

5. Quorum. The presence in person or by proxy of more than the aggregate of: (i) one-half (1/2) in value of the Co-owners owning Ranch Units qualified to vote; and (ii) one-half (1/2) in value of the Co-owners owning Single Family Units shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting such person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

6. 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. Notwithstanding the foregoing, proxy voting shall not be permitted with respect to votes taken pursuant to Article III, Section 5 of these Bylaws. Cumulative voting shall not be permitted.

7. Majority. Unless otherwise required by law or by the Condominium Documents, any action which could be authorized at a meeting of the members shall be authorized by an affirmative vote

of more than fifty (50%) percent in value. The foregoing statement and any other provision of the Master Deed, these Bylaws requiring the approval of a majority (or other stated percentage) of the members shall be construed to mean, unless otherwise specifically stated, majority (or other stated percentage) in value of the votes cast by those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the Co-owners duly called and held.

ARTICLE IX

MEETINGS

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 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.

2. First Annual Meeting. The First Annual Meeting of members of the Association may be convened only by the Developer. The First Annual Meeting may be called at any time in the Developer's discretion after the first conveyance of legal or equitable title of a Unit in the Condominium to a non-developer Co-owner. As provided in Article XI, Section 2 hereof, the First Annual Meeting shall be held on or before 120 days after the conveyance of legal or equitable title to non-developer Co-owners of seventy-five (75%) in number of the Units that may be created in the Condominium or 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Condominium, whichever first occurs. The Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting of members and no such meeting shall be construed as the First Annual Meeting of members. The date, time and place of such meeting shall be set by the Board of Directors, and at least 10 days' written notice thereof shall be given to each Co-owner.

3. Annual Meetings. Annual meetings of members of the Association shall be held on the third Tuesday of March each succeeding year (commencing the third Tuesday of March of the calendar year following the year in which the First Annual Meeting is held) at such time and place as shall be determined by the Board of Directors. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

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

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 he 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 by Article VIII, Section 3 of these Bylaws to be filed with the Association shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

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 10 days

from the time the original meeting was called and notice of the meeting shall be provided as set forth in Section 5 of this Article IX.

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) determination of whether quorum is present; (c) proof of notice of meeting or waiver of notice; (d) reading of minutes of preceding meeting; (e) reports of officers; (f) reports of committees; (g) appointment of inspectors of election (at annual meetings or special meetings held for the purpose of electing Directors or officers); (h) election of Directors (at annual meeting or special meetings held for such purpose); (i) unfinished business; and (j) new business. Meetings of members shall be chaired by the most senior officer of the Association present at such meeting. For purposes of this Section, the order of seniority of officers shall be President, Vice President, Secretary and Treasurer.

8. Action Without Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of Directors or the commencement of litigation in accordance with Article III of these Bylaws) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in Section 5 of this Article IX for the giving of notice of meetings of members. Such solicitations shall specify: (a) the number of responses needed to meet the 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 votes or total percentage of approvals which equals or exceeds the number of votes or percentage of approvals which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

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

ARTICLE X

ADVISORY COMMITTEE

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

ARTICLE XI

BOARD OF DIRECTORS

1. Number and Qualification of Directors. The Board of Directors shall consist of at least four members, all of whom, with respect to "Ranch Directors", as hereinafter defined, must be members of the Association as a result of ownership of Ranch Units or officers, partners, trustees, employees or agents of members of the Association as a result of ownership of Ranch Units, and all of whom, with respect to "Single Family Directors", as hereinafter defined, must be members of the Association as a result of ownership of Single Family Units or officers, partners, trustees, employees or agents of members of the Association as a result of ownership of Single Family Units, except for the first Board of Directors. Directors shall serve without compensation. One-half (1/2) of the members of the Board of Directors shall be elected by the Co-owners of Ranch Units, and shall be referred to herein as the "Ranch Directors." One-half (1/2) of the members of the Board of Directors shall be elected by the Co-owners of the Single Family Units, and shall be referred to herein as the "Single Family Directors." After the First Annual Meeting, the number of directors may be increased or decreased, from time to time, by action of the Board of Directors, provided that the initial Board of Directors shall be comprised of at least four members, and further provided that at all times the Board of Directors shall be comprised of equal numbers of Ranch Directors and Single Family Directors.

2. Election of Directors.

(a) First Board of Directors. The first Board of Directors, or its successors as selected by the Developer, shall manage the affairs of the Association until the First Annual Meeting.

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

(i) Subject to the terms of Article IX above, not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of seventy-five (75%) percent of the Units that may be created, and before conveyance of ninety (90%) percent of such Units, the First Annual Meeting shall be called and the non-developer Co-owners shall elect all directors on the Board of Directors, except that Developer shall have the right to designate at least one director as long as Developer owns and offers for sale at least ten (10%) percent of the Units in the Condominium or as long as ten (10%) percent of the Units remain that may be created.

(ii) Notwithstanding the formula provided in subsection (i), 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Condominium, if title to at least seventy-five (75%) percent of the Units that may be created has not been conveyed to non-developer Co-owners, the First Annual Meeting shall be called and the non-developer Co-owners shall have the right to elect as provided in the Condominium Documents, a number of members of the Board of Directors (both Ranch Directors and Single Family Directors) equal to the percentage of Units they hold (computed separately with respect to the Units in the Single Family Condominium Portion and the Ranch Unit Condominium Portion), and Developer has the right to elect, as provided in the Condominium Documents, a number of members of the Board (both Ranch Directors and Single Family Directors) equal to the percentage of Units which are owned by the Developer and for which all assessments are payable by Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection (i). Application of this subsection does not require a change in the size of the board as determined in the Condominium Documents, unless an increase in the size of the Board of Directors is the only reasonable way to cause the foregoing provisions to have its intended effect.

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

(iv) At the First Annual Meeting one-half of the Single Family Directors and one-half of the Ranch Directors (each rounded up if fractional) shall be elected for a term of two years and the remaining directors shall be elected for a term of one year. At such meeting, all nominees for Ranch Director positions shall stand for election as one slate, and all nominees for Single Family Director positions shall stand for election as one slate. The Co-owners who own Ranch Units shall only vote for the persons running on the Ranch Director slate, and the Co-owners who own Single Family Units shall only vote for the persons running on the Single Family Slate and the number of persons equal to one-half of the number of each of Single Family Directors and Ranch Directors (each rounded up if fractional) who receive the highest number of votes from the Single Family Co-owners, with respect to Single Family Directors, and from the Ranch Unit Co-owners, with respect to Ranch Directors shall be elected for terms of two years and the number of persons equal to the remaining directors to be elected who receive the next highest number of votes shall be elected for terms of one year. After the First Annual Meeting, the term of office (except for directors elected at the First Annual Meeting for one year terms) of each director shall be two years. The directors shall hold office until their successors have been elected and hold their first meeting.

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

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

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 necessary thereto subject always to the Condominium Documents and applicable laws.

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

(a) To manage and administer the affairs of and to maintain the Condominium and the Common Elements thereof, provided that the Ranch Unit Limited Common Elements shall be administered by the Ranch Committee, and the Single Family Limited Common Elements shall be administered by the Architectural Control Committee.

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

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

(d) To rebuild improvements after casualty.

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

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

(g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge or other lien on property owned by the Association.

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

(i) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committees any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board, provided, however, that the members of the Architectural Control Committee and the Ranch Committee shall be as set forth in Article XIII hereof.

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

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

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 authorized to vote for such removal shall be filled by vote of the majority of the remaining Ranch Directors, with respect to a vacancy in a Ranch Director position, or by vote of the majority of the remaining Single Family Directors, with respect to a vacancy in a Single Family Director position, even though the remaining directors, in either case, may constitute less than a quorum, except that the Developer shall be solely entitled to fill the vacancy of any director whom it is permitted in the first instance to designate. Each person so elected shall be a director until a successor is elected at the next annual meeting of the members of the Association. Vacancies among non-developer Co-owner elected directors which occur prior to the Transitional Control Date shall be filled only through election by non-developer Co-owners in the manner specified in Section 2(b) of this Article.

7. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Ranch Directors may be removed

with or without cause by the affirmative vote of more than fifty (50%) percent in number and in value of all of the Co-owners owning Ranch Units and a successor may then and there be elected to fill any vacancy thus created. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Single Family Directors may be removed with or without cause by the affirmative vote of more than fifty (50%) percent in number and in value of all of the Co-owners owning Single Family Units and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal quorum set forth in Article VIII, Section 5 but applicable solely to the Co-owners of the Ranch Units, if a Ranch Director is involved, or the Co-owners of the Single Family Units, if a Single Family Director is involved. Any director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting. 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.

8. First Meeting. The first meeting of a newly elected Board of Directors shall be held within 30 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.

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, facsimile or telegraph, at least 10 days prior to the date named for such meeting.

10. Special Meetings. Special meetings of the Board of Directors may be called by the President on three days' notice to each director given personally, by mail, telephone, facsimile 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.

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

12. Quorum. At all meetings of the Board of Directors, a majority of the aggregate of the Ranch Directors and Single Family Directors shall constitute a quorum for the transaction of business and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting to a subsequent time upon 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.

13. First Board of Directors. All of the actions (including, without limitation, the adoption of these Bylaws and any Rules and Regulations for the association, and any undertaking or contracts entered into with others on behalf of the Association) of the first Board of Directors of the Association named in its articles of incorporation or any successors thereto appointed before the First Annual Meeting of Co-owners shall be binding upon the Association in the same manner as though such actions had

been authorized by a Board of Directors duly elected by the Co-owners.

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

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

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

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

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

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.

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 the officer's 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.

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

ARCHITECTURAL CONTROL COMMITTEE AND RANCH COMMITTEE

1. Creation. The Association shall create an Architectural Control Committee and a Ranch Committee.

2. Architectural Control Committee. From and after the date that Developer assigns, transfers and delegates its rights under Article VI, Section 2(b) hereof, the Architectural Control Committee shall exercise all of the authority and discretion granted to Developer pursuant to Article VI, Section 2(b), and Developer shall have no further responsibilities with respect to such matters. The Architectural Control Committee shall be composed of the Single Family Directors. The primary purposes of the Architectural Control Committee are: (i) for providing for architectural control over the Single Family Units; and (ii) to be responsible for any and all activities relating to the Single Family Limited Common Elements and Single Family Condominium Portion as set forth in the Condominium Documents.

(a) The reason for providing for architectural control is to ensure the proper and harmonious development of the Single Family Units in order to maximize the aesthetic beauty of the Condominium and its blending with the surrounding area. To that end, Developer or the Architectural Control Committee, as the case may be, shall be deemed to have broad discretion in terms of determining what Structures will enhance the aesthetic beauty and desirability of the Condominium, or otherwise further or be consistent with the purpose of any restrictions. In no event shall either Developer or the Architectural Control Committee have any liability whatsoever to anyone for their approval or disapproval of plans, drawings, specifications, elevations or the Structures subject hereto, whether such alleged liability is based on negligence, tort, expressed or implied contract, fiduciary duty or otherwise. Neither Developer nor the Architectural Control Committee shall have liability to anyone including, but not limited to, any Co-owner, for approval of plans, specifications, structures or the like which are not in conformity with the provisions of the Condominium Documents, or for disapproving plans, specifications, structures or the like which may be in conformity with the provisions hereof. In no event shall any party have the right to impose liability on, or otherwise contest judicially, the Developer or the Architectural Control Committee (or alleged failure of the Developer or the Architectural Control Committee to make a decision) relative to the approval or disapproval of a structure or any aspect or other matter to which the Developer reserves the right to approve or waive under the Condominium Documents. The approval of the Developer (or the Architectural Control Committee, as the case may be) of a Structure or other matter shall not be construed as a representation or warranty that the Structure or other matter is in conformity with the ordinances or other requirements of the City or any other governmental authority. Any obligation or duty to ascertain any such nonconformities, or to advise the Owner or any other person of the same (even if known) is hereby disclaimed.

(b) The Architectural Control Committee shall also be responsible for any and all activities relating to the Single Family Limited Common Elements and Single Family Condominium Portion as set forth in the Condominium Documents. Such duties include, but are not limited to, preparing budgets for the maintenance, repair and replacement of the Single Family Limited Common Elements; making recommendations as to modifications to any of the Single Family Limited Common Elements; and otherwise ensuring that the Single Family Limited Common Elements remain in the condition required under the terms of the Condominium Documents. The Architectural Control Committee shall meet as often as may be required in order to carry out the business of the Architectural Control Committee. The members of the Architectural Control Committee shall be appointed by Developer until such time as the Single Family Directors are elected, at which time the Single Family Directors shall be the members of the Architectural Control Committee.

3. Ranch Committee. The Ranch Committee shall be responsible for any and all activities relating to the Ranch Limited Common Elements and Ranch Unit Condominium Portion as set forth in the Condominium Documents. Such duties include, but are not limited to, preparing budgets for the maintenance, repair and replacement of the Ranch Unit Limited Common Elements; making recommendations as to modifications to any of the Ranch Unit Limited Common Elements; and otherwise ensuring that the Ranch Unit Limited Common Elements remain in the condition required under the terms of the Condominium Documents. The Ranch Committee shall meet as often as may be required in order to carry out the business of the Ranch Committee. The members of the Ranch Committee shall be appointed by Developer until such time as the Ranch Directors are elected, at which time the Ranch Directors shall be the members of the Ranch Committee.

ARTICLE XIV

SEAL

The Board of Directors may adopt a seal on behalf of the Association which shall have inscribed thereon the name of the Association, the words "corporate seal" and "Michigan".

OAK_A\566563.6

Li-39851 Pa-75

ATTENTION: COUNTY REGISTER OF DEEDS

THE CONDOMINIUM SUBDIVISION PL[illegible] MUST BE ASSIGNED IN CONSECUTIVE SEQUENCE. WHEN A [illegible] HAS BEEN ASSIGNED TO THE PROJECT, IT MUST BE PROPERL[illegible] IN THE TITLE ON THIS SHEET AND IN THE SURVEYOR'S CER[illegible] ON SHEET 2 AND 3.

WAYNE COUNTY CONDOMINIUM
SUBDIVISION PLAN No. 755

EXHIBIT B OF MASTER DEED OF

COVE CREEK CONDOMINIUM

CITY OF TAYLOR, WAYNE COUNTY, MICHIGAN

SHEET INDEX

LEGAL DESCRIPTION

LAND IN THE CITY OF TAYLOR, WAYNE COUNTY, MICHIGAN, MORE PARTICULARLY DESCRIBED AS:

THAT PART OF THE NORTHEAST 1/4 OF SECTION 19, T.3S, R.10E., CITY OF TAYLOR, WAYNE COUNTY, MICHIGAN, BEING DESCRIBED AS: BEGINNING AT A POINT S.00°04'20"E., 1319.88 FEET ALONG THE EAST LINE OF SECTION 19, THE CENTERLINE OF BEECH DALY ROAD (120 FEET WIDE), AND S.87°11'32"W., 60.07 FEET FROM THE NORTHEAST CORNER OF SECTION 19 TO THE WEST RIGHT-OF-WAY LINE OF BEECH DALY ROAD; PROCEEDING THENCE S.87°11'32"W., 596.94 FEET; THENCE N.00°02'00"E., 1258.21 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF GODDARD ROAD; THENCE N.87°02'40"E., 594.70 FEET ALONG SAID SOUTH LINE TO THE WEST RIGHT-OF-WAY LINE OF BEECH DALY ROAD; THENCE S.00°04'20"E., 1259.63 FEET ALONG SAID RIGHT-OF-WAY LINE TO THE POINT OF BEGINNING. CONTAINING 17.20 ACRES MORE OR LESS.

TAX IDENTIFICATION No. 60-049-99-0001-000

DEVELOPER

BEECH-GODDARD, L.L.C., A MICHIGAN
LIMITED LIABILITY COMPANY
31300 ORCHARD LAKE ROAD, SUITE 200
FARMINGTON HILLS, MI. 48334

SURVEYOR

JARRETT MILLS SCHRON and ASSOCIATES, INC.
33608 PALMER ROAD
WESTLAND, MICHIGAN 48186

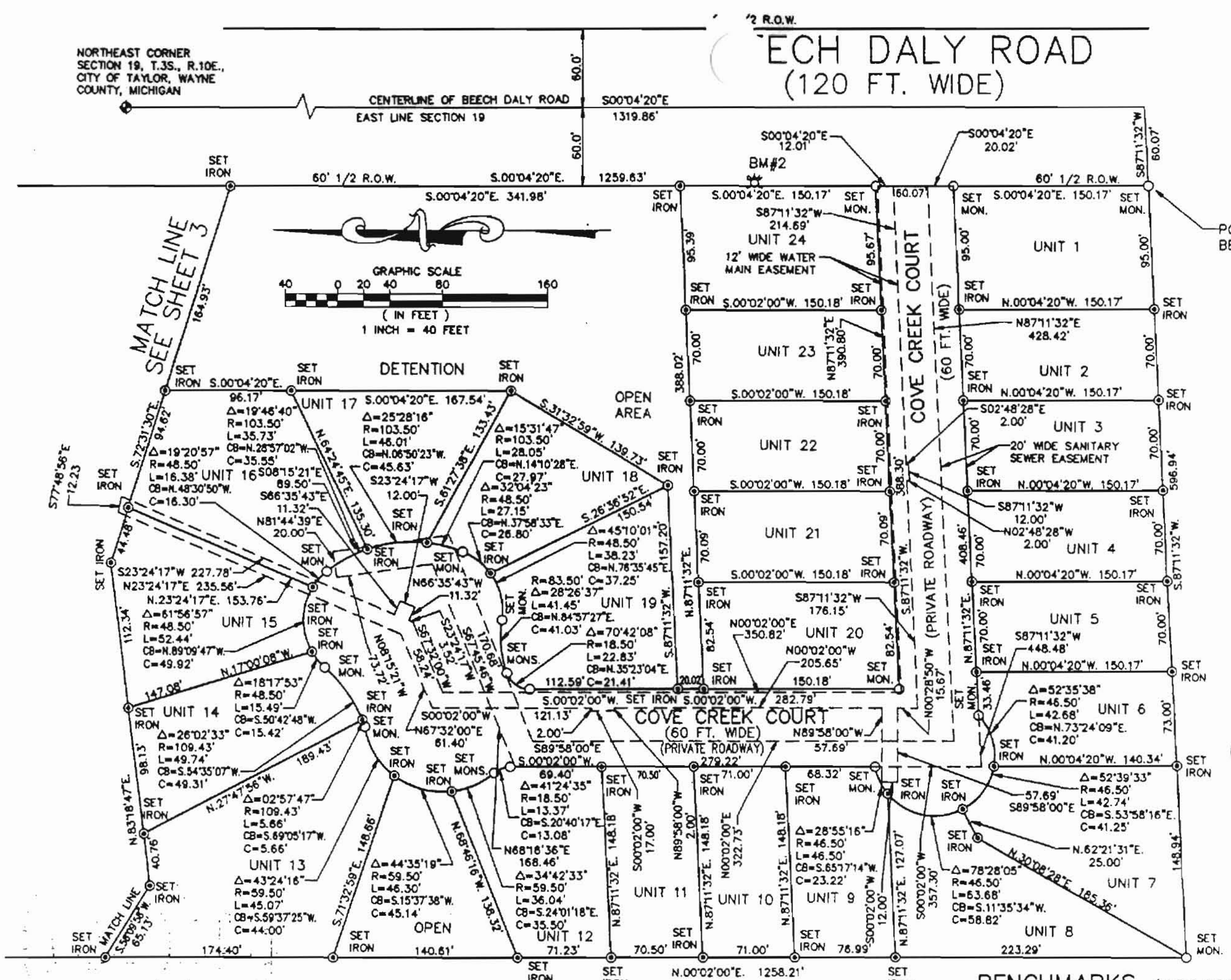
William D Mills
Aug 14, 2003

STATE OF MICHIGAN
WILLIAM D. MILLS
PROFESSIONAL SURVEYOR
21577
LICENSED PROFESSIONAL SURVEYOR

EXAMINED AND APPROVED
DATE 04-Feb 2004
BY RL A/C A/4
DANIEL P. LANE
PLAT ENGINEER

UNITS 1-44 CONVERTIBLE AREA
PROPOSED DATED AUGUST 14, 2003
TWO UNITS MUST BE BUILT

Li-39851 Pa-76



THE SYMBOL ○ SET MON. INDICATES A CONCRETE MONUMENT SET (CONSISTING OF A 1/2" DIA. STEEL ROD, 3' LONG ENCASED IN A 4" DIAMETER CONCRETE CYLINDER)

THE SYMBOL ◉ SET IRON INDICATES A SET IRON (1/2" DIAMETER, 18" LONG)

SURVEYOR'S CERTIFICATE

SOURCE OF BEARINGS AS SHOWN ARE BASED UPON THE BEARINGS OF THE AIRPORT GARDENS SUBDIVISION, AS RECORDED IN LIBER 67 PAGE 76, OF PLATS, WAYNE COUNTY RECORDS.

BENCHMARKS (U.S.C.&G.S. DATUM)

BM#1	ARROW ON HYDRANT LOCATED AT NORTHEAST CORNER OF SITE	626.86
BM#2	ARROW ON HYDRANT LOCATED 1000' SOUTH OF GODDARD RD, WEST OF BEECH DALY	626.38

NOTE:

AREAS OF FLOODPLAIN WITHIN THE 100 YEAR FLOOD EXIST ON THIS SITE BASED UPON THE F.I.R.M.-F.E.M.A. MAP PANEL #260728-0004-A, PANEL 4 OF 4, DATED OCTOBER 17, 1986 AT THE LOCATION OF THE BRIGHTON DRAIN. THE STATE OF MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY HAS DETERMINED THAT DUE TO THE FACT THAT THERE IS LESS THAN TWO SQUARE MILES OF DRAINAGE AREA THAT THE FLOODPLAIN DOES NOT FALL UNDER THE STATE'S FLOODPLAIN REGULATORY AUTHORITY FOUND IN PART 31, WATER RESOURCES PROTECTION, OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT, 1994, PA 451, AS AMENDED.

SURVEYOR'S CERTIFICATE

I, WILLIAM D. MILLS, REGISTERED LAND SURVEYOR OF THE STATE OF MICHIGAN, HEREBY CERTIFY THAT THE SUBDIVISION PLAN KNOWN AS WAYNE COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 755 AS SHOWN ON THE ACCOMPANYING DRAWINGS, REPRESENTS A SURVEY ON THE GROUND MADE UNDER MY DIRECTION, THAT THERE ARE NO EXISTING ENCROACHMENTS UPON THE LANDS AND PROPERTY HEREIN DESCRIBED, THAT THE REQUIRED MONUMENTS AND IRON MARKERS HAVE BEEN LOCATED IN THE GROUND AS REQUIRED BY RULES PROMULGATED UNDER SECTION 142 OF ACT 59 OF THE PUBLIC ACTS OF 1978, THAT THE ACCURACY OF THIS SURVEY IS WITHIN THE LIMITS REQUIRED BY THE RULES PROMULGATED UNDER SECTION 142 OF ACT 59 OF THE PUBLIC ACTS OF 1978, THAT THE BEARINGS, AS SHOWN, ARE NOTED ON SURVEY PLAN AS REQUIRED BY THE RULES PROMULGATED UNDER SECTION 142 OF ACT 59 OF THE PUBLIC ACTS OF 1978.

William D. Mills Aug 14, 2003
DATE

WILLIAM D. MILLS
REGISTERED LAND SURVEYOR No. 21577
JARRETT MILLS SCHRON and ASSOCIATES, INC.
33608 PALMER ROAD
WESTLAND, MICHIGAN 48186

STATE OF MICHIGAN
WILLIAM D. MILLS
PROFESSIONAL SURVEYOR
21577
LICENSED PROFESSIONAL SURVEYOR

UNITS 1-44 CONVERTIBLE AREA

PROPOSED DATED AUGUST 14, 2003

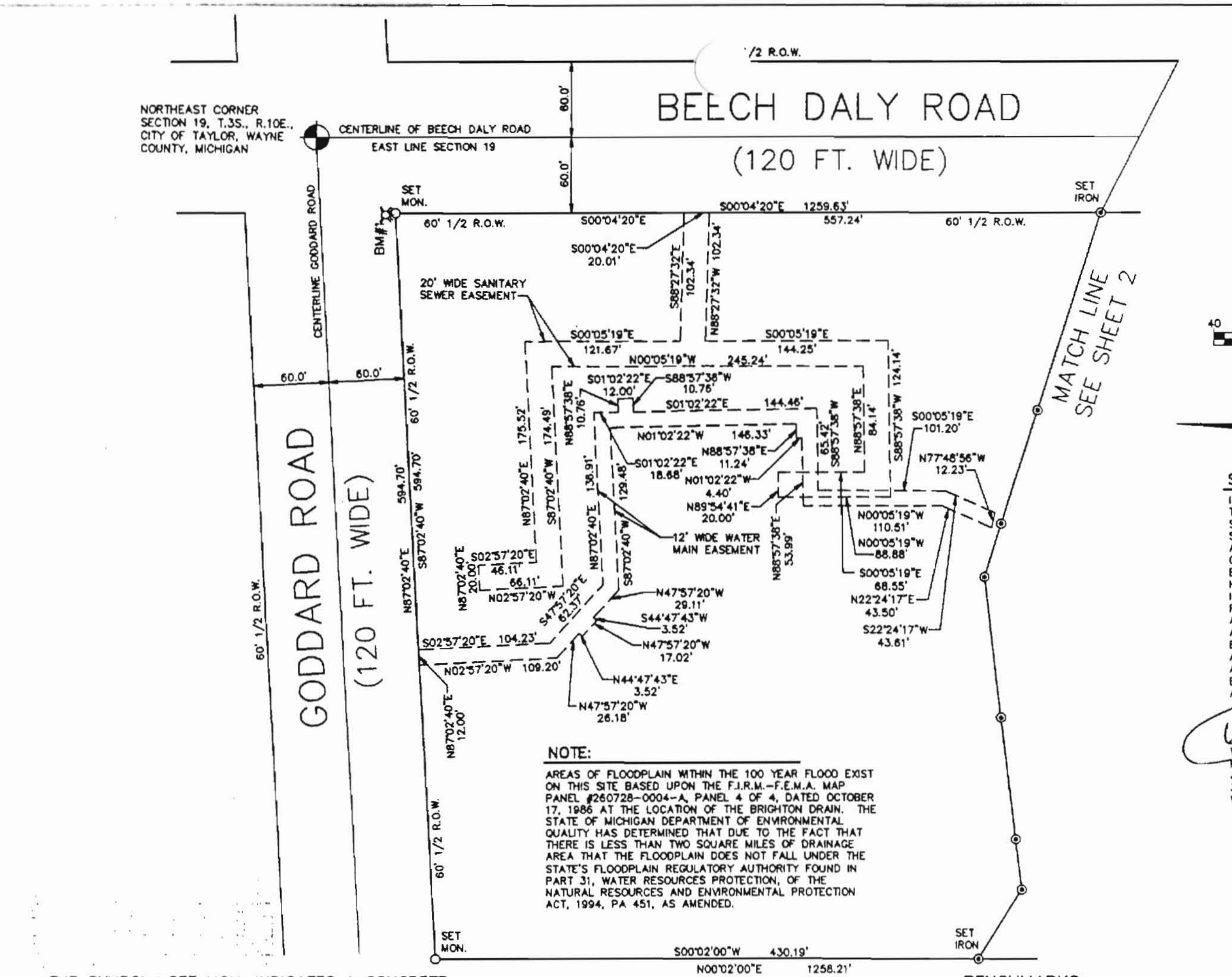
JMS Jarrett-Mills-Schron and Associates, Inc.

SOUTH SURVEY PLAN

COVE CREEK CONDOMINIUM
TAYLOR, MICHIGAN

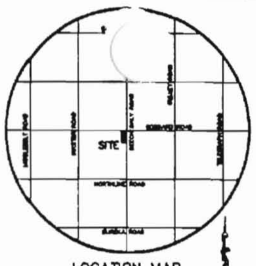
SHEET No.	JOB No.	DRAWING No.	DATE
2	03086	A-3086	08-14-03

Li-39851 Pa-77



NOTE:

AREAS OF FLOODPLAIN WITHIN THE 100 YEAR FLOOD EXIST ON THIS SITE BASED UPON THE F.I.R.M.-F.E.M.A. MAP PANEL #260728-0004-A, PANEL 4 OF 4, DATED OCTOBER 17, 1986 AT THE LOCATION OF THE BRIGHTON DRAIN. THE STATE OF MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY HAS DETERMINED THAT DUE TO THE FACT THAT THERE IS LESS THAN TWO SQUARE MILES OF DRAINAGE AREA THAT THE FLOODPLAIN DOES NOT FALL UNDER THE STATE'S FLOODPLAIN REGULATORY AUTHORITY FOUND IN PART 31, WATER RESOURCES PROTECTION, OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT, 1994, PA 451, AS AMENDED.



LOCATION MAP
NOT TO SCALE

GRAPHIC SCALE
40 0 20 40 80 160
(IN FEET)
1 INCH = 40 FEET

SURVEYOR'S CERTIFICATE

I, WILLIAM D. MILLS, REGISTERED LAND SURVEYOR OF THE STATE OF MICHIGAN, HEREBY CERTIFY THAT THE SUBDIVISION PLAN KNOWN AS WAYNE COUNTY CONDOMINIUM SUBDIVISION PLAN NO. ____ AS SHOWN ON THE ACCOMPANYING DRAWINGS, REPRESENTS A SURVEY ON THE GROUND MADE UNDER MY DIRECTION, THAT THERE ARE NO EXISTING ENCROACHMENTS UPON THE LANDS AND PROPERTY HEREIN DESCRIBED, THAT THE REQUIRED MONUMENTS AND IRON MARKERS HAVE BEEN LOCATED IN THE GROUND AS REQUIRED BY RULES PROMULGATED UNDER SECTION 142 OF ACT 59 OF THE PUBLIC ACTS OF 1978, THAT THE ACCURACY OF THIS SURVEY IS WITHIN THE LIMITS REQUIRED BY THE RULES PROMULGATED UNDER SECTION 142 OF ACT 59 OF THE PUBLIC ACTS OF 1978, THAT THE BEARINGS, AS SHOWN, ARE NOTED ON SURVEY PLAN AS REQUIRED BY THE RULES PROMULGATED UNDER SECTION 142 OF ACT 59 OF THE PUBLIC ACTS OF 1978.

William D. Mills Aug 14, 2003

WILLIAM D. MILLS — DATE
REGISTERED LAND SURVEYOR No. 21577
JARRETT MILLS SCHRON and ASSOCIATES, INC.
33608 PALMER ROAD
WESTLAND, MICHIGAN 48186

STATE OF MICHIGAN — WILLIAM D. MILLS — PROFESSIONAL SURVEYOR 21577 — LICENSED PROFESSIONAL SURVEYOR

THE SYMBOL ○ SET MON. INDICATES A CONCRETE MONUMENT SET (CONSISTING OF A 1/2" DIA. STEEL ROD, 3' LONG ENCASED IN A 4" DIAMETER CONCRETE CYLINDER)

THE SYMBOL ⊛ SET IRON INDICATES A SET IRON (1/2" DIAMETER, 18" LONG)

SURVEYOR'S CERTIFICATE

SOURCE OF BEARINGS AS SHOWN ARE BASED UPON THE BEARINGS OF THE AIRPORT GARDENS SUBDIVISION, AS RECORDED IN LIBER 67 PAGE 76, OF PLATS, WAYNE COUNTY RECORDS.

BENCHMARKS (U.S.C.&G.S. DATUM)

BM#1	ARROW ON HYDRANT LOCATED AT NORTHEAST CORNER OF SITE	626.86
BM#2	ARROW ON HYDRANT LOCATED 1000' SOUTH OF GODDARD RD. WEST OF BEECH DALY	626.38

UNITS 1-44 CONVERTIBLE AREA

PROPOSED DATED AUGUST 14, 2003

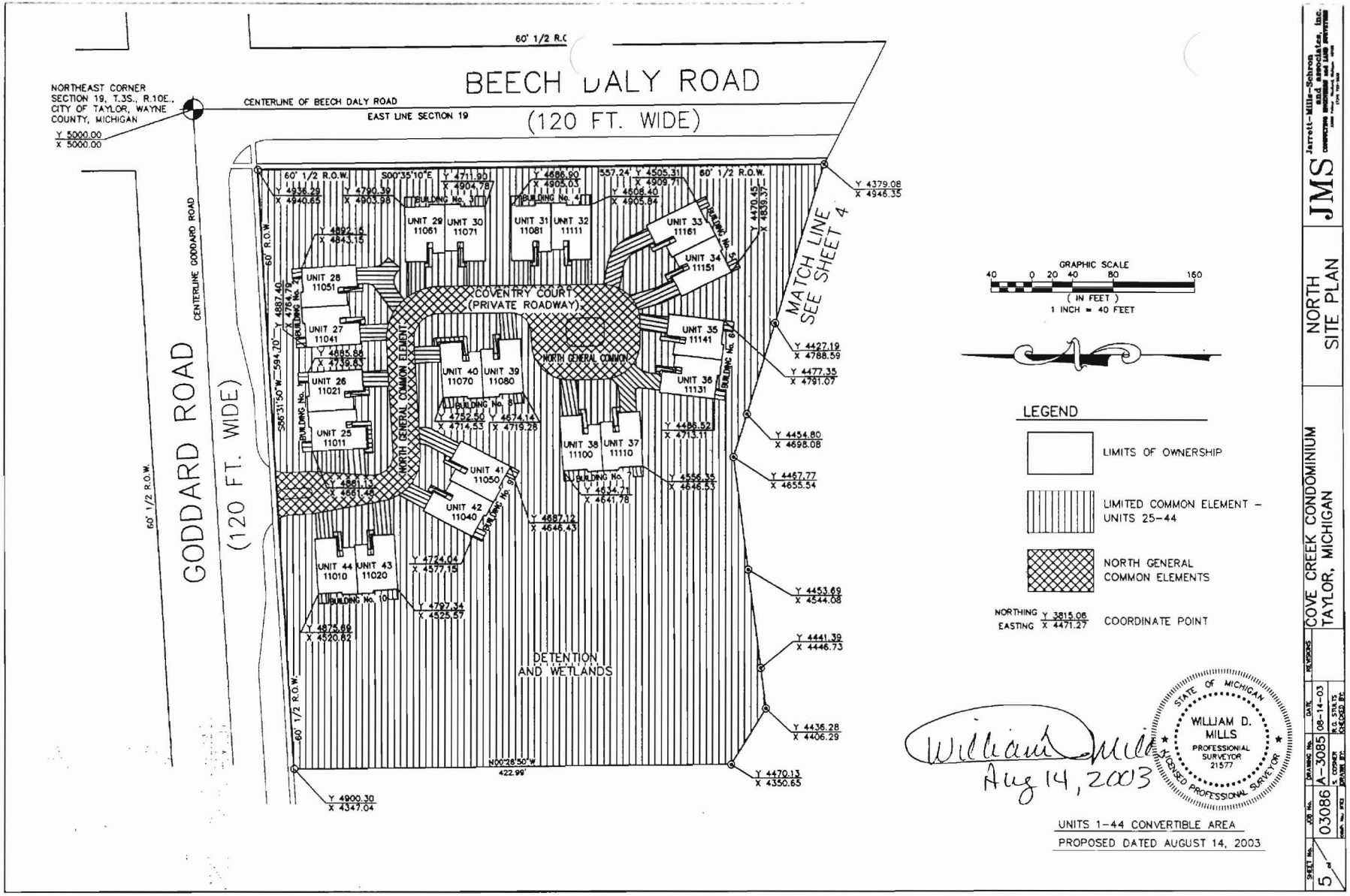
JMS Jarrett-Mills-Schron and associates, inc.

NORTH SURVEY PLAN

COVE CREEK CONDOMINIUM
TAYLOR, MICHIGAN

SHEET No.	JOB No.	DRAWING No.	DATE	REVISIONS
3	03086	A-3087	08-14-03	

Li-39851 Pg-78



Jarrett-Mills-Schnos and Associates, Inc.
CONSULTING ENGINEERS and LAND SURVEYORS
JMS

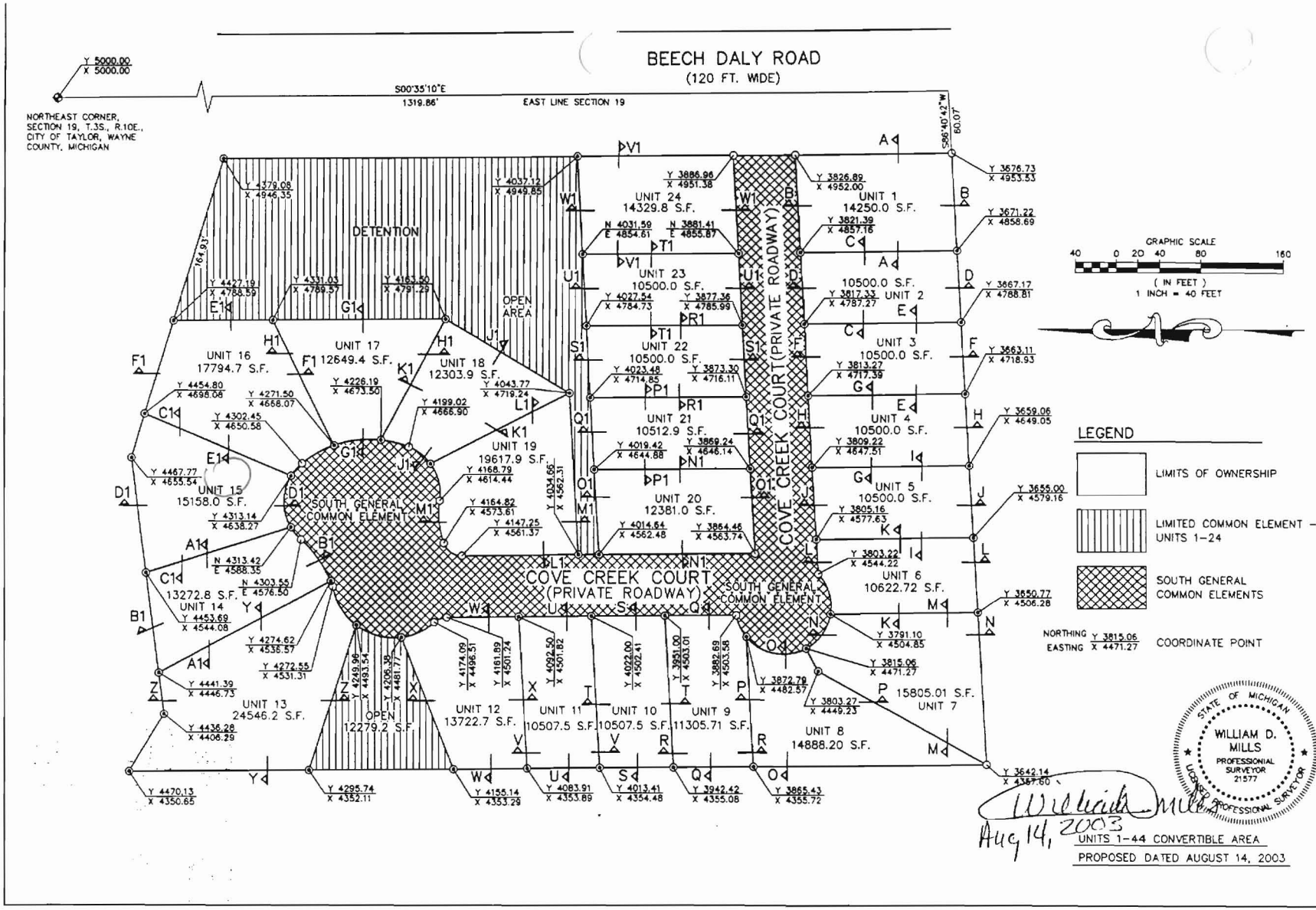
NORTH SITE PLAN

COVE CREEK CONDOMINIUM
TAYLOR, MICHIGAN

SHEET No.	JOB No.	DRAWING No.	DATE	REVISIONS
5 of	03086	A-3085	08-14-03	

R.G. STALTS
CHECKED BY:
K. OSMER
DRAWN BY:

Li-39851 Pa-79



JMS Jarrett-Mills-Schron and associates, Inc.

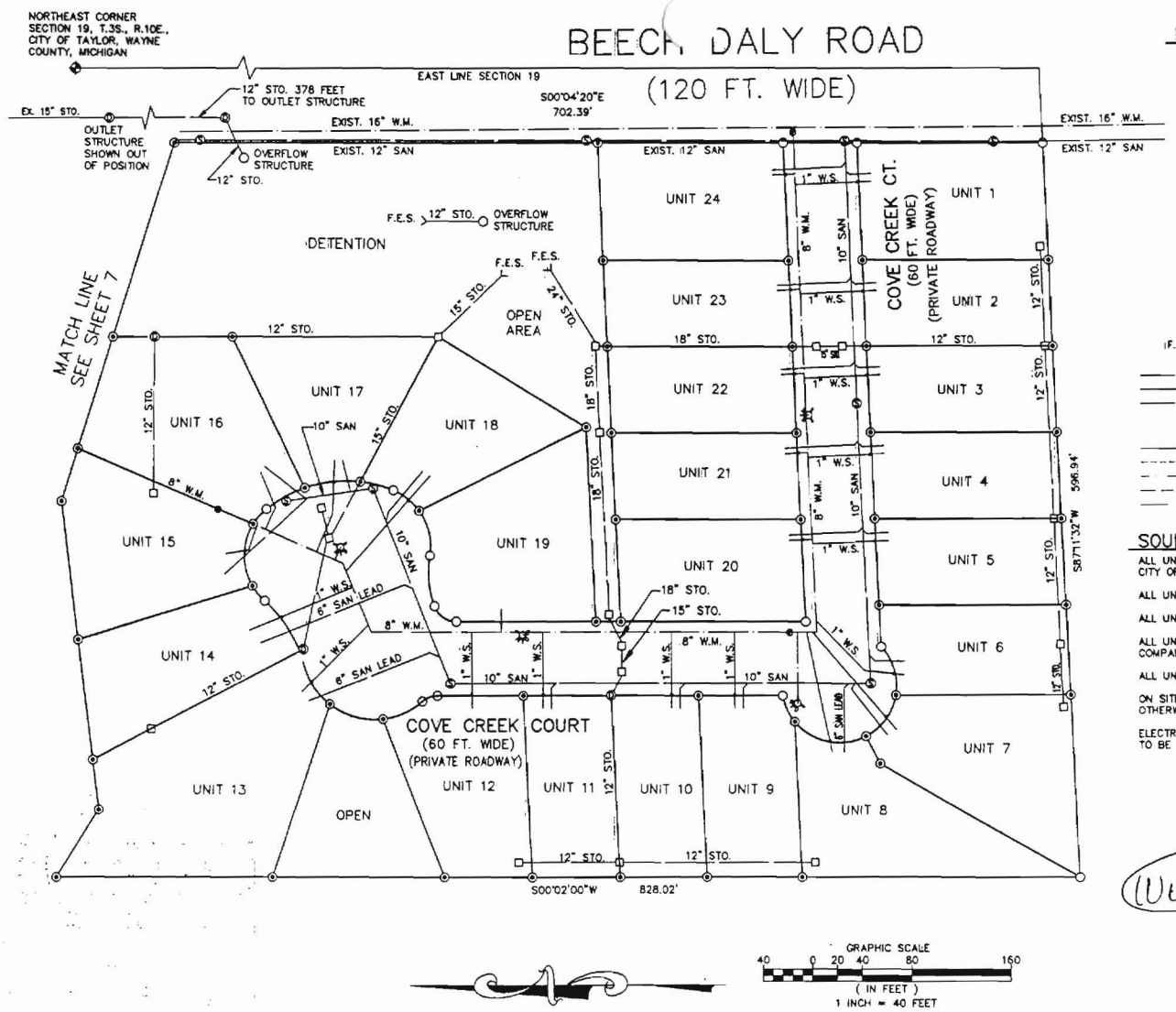
SOUTH SITE PLAN

COVE CREEK CONDOMINIUM
TAYLOR, MICHIGAN

SHEET No.	JOB No.	DRAWING No.	DATE	REVISIONS
4 of	03086	A-3084	08-14-03	

DRAWN BY: K. CORNER
CHECKED BY:
P.O. STN TS
CHECKED BY:

Li-39851 Pa-80



LEGEND

STO.	STORM SEWER
W.M.	WATERMAIN
W.S.	WATER SERVICE
SAN	SANITARY SEWER
G.	GAS SERVICE
(TYP.)	TYPICAL
FT.	FEET
WD.	WIDE
CMP	CORRUGATED METAL PIPE
EXIST.	EXISTING
	DETROIT EDISON LINES
	SBC AMERITECH TELEPHONE LINES
	MICH. CON. ENERGY GAS LINES
	MEDIA ONE CABLE TELEVISION LINES
	HYDRANT
	GATE VALVE IN WELL
	STORM MANHOLE
	CATCH BASIN
	STORM OVERFLOW STRUCTURE
F.E.S.	FLARED END SECTION
	SANITARY MANHOLE
	STORM SEWER
	SANITARY SEWER
	WATERMAIN
	ELECTRIC TRANSFORMER
	GAS METER
	SANITARY LEAD
	STORM LEAD (SUMP PUMP LINE)
	ELECTRIC LEAD
	GAS LEAD
	UNDERGROUND UTILITIES

SOURCE OF UTILITY INFORMATION

ALL UNITS ARE SERVICED WITH SANITARY SEWER AND WATER BY THE CITY OF TAYLOR.

ALL UNITS ARE SERVICED WITH GAS BY MICH. CON. GAS COMPANY.

ALL UNITS ARE SERVICED WITH TELEPHONE BY SBC AMERITECH.

ALL UNITS ARE SERVICED WITH ELECTRICITY BY DETROIT EDISON COMPANY.

ALL UNITS ARE SERVICED WITH CABLE TELEVISION BY COMCAST.

ON SITE UTILITIES SHOWN HEREON ARE PROPOSED UNLESS SHOWN OTHERWISE.

ELECTRIC, TELEPHONE AND CABLE TELEVISION UTILITIES AND METERS TO BE SHOWN ON AS BUILT DRAWINGS.

STATE OF MICHIGAN
WILLIAM D. MILLS
PROFESSIONAL SURVEYOR
21577
LICENSED PROFESSIONAL SURVEYOR

William D. Mills
Aug 14, 2003

UNITS 1-44 CONVERTIBLE AREA
PROPOSED DATED AUGUST 14, 2003

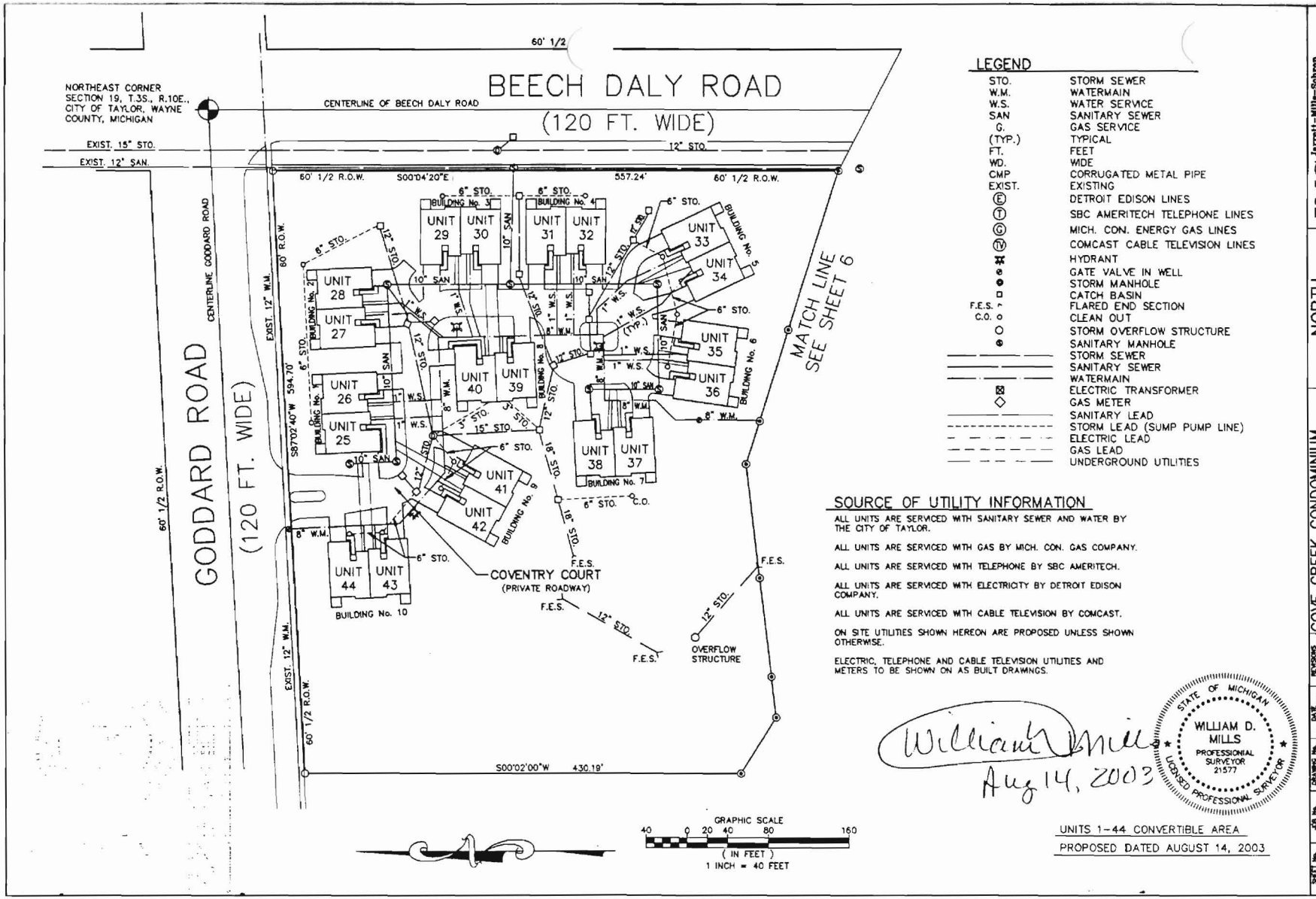
Jarrett-Mills-Schron and Associates, Inc.
CONSULTING ENGINEERS AND SURVEYORS
JMS

SOUTH
UTILITY PLAN

COVE CREEK CONDOMINIUM
TAYLOR, MICHIGAN

REVISIONS	
DATE	08-14-03
DRAWING NO.	A-3088
JOB NO.	03086
SHEET NO.	6

W.O. STARTS ON HOLD BY:
S. CORNER ON HOLD BY:
SURF. INV. UNKN



LEGEND

STO.	STORM SEWER
W.M.	WATERMAIN
W.S.	WATER SERVICE
SAN	SANITARY SEWER
G.	GAS SERVICE
(TYP.)	TYPICAL
FT.	FEET
WD.	WIDE
CMP	CORRUGATED METAL PIPE
EXIST.	EXISTING
Ⓔ	DETROIT EDISON LINES
Ⓣ	SBC AMERITECH TELEPHONE LINES
Ⓒ	MICH. CON. ENERGY GAS LINES
Ⓥ	COMCAST CABLE TELEVISION LINES
	HYDRANT
	GATE VALVE IN WELL
	STORM MANHOLE
	CATCH BASIN
F.E.S.	FLARED END SECTION
C.O.	CLEAN OUT
	STORM OVERFLOW STRUCTURE
	SANITARY MANHOLE
	STORM SEWER
	SANITARY SEWER
	WATERMAIN
	ELECTRIC TRANSFORMER
	GAS METER
	SANITARY LEAD
	STORM LEAD (SUMP PUMP LINE)
	ELECTRIC LEAD
	GAS LEAD
	UNDERGROUND UTILITIES

SOURCE OF UTILITY INFORMATION

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ELECTRIC, TELEPHONE AND CABLE TELEVISION UTILITIES AND METERS TO BE SHOWN ON AS BUILT DRAWINGS.

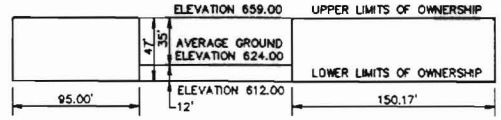
William D. Mills
Aug 14, 2003

STATE OF MICHIGAN
WILLIAM D. MILLS
PROFESSIONAL SURVEYOR
21577
LICENSED PROFESSIONAL SURVEYOR

UNITS 1-44 CONVERTIBLE AREA
PROPOSED DATED AUGUST 14, 2003

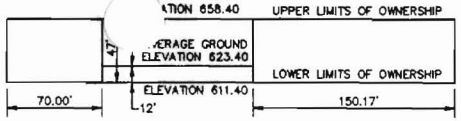
Jarrett-Mills-Sobran
JMS
NORTH
UTILITY PLAN
COVE CREEK CONDOMINIUM
TAYLOR, MICHIGAN

Sheet No.	Job No.	Drawing No.	Date	Rev. Date
7	03086	A-3089	08-14-03	



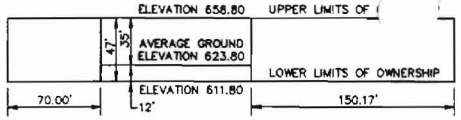
SECTION A–A SECTION B–B

UNIT 1 CROSS SECTION
669,750 CUBIC FEET
14,250 SQUARE FEET



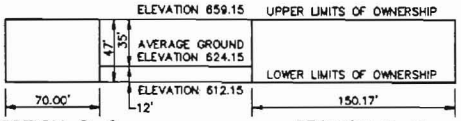
SECTION C–C SECTION D–D

UNIT 2 CROSS SECTION
493,500 CUBIC FEET
10,500 SQUARE FEET



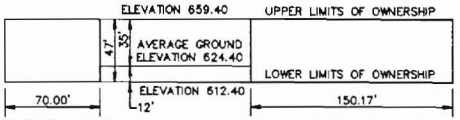
SECTION E–E SECTION F–F

UNIT 3 CROSS SECTION
493,500 CUBIC FEET
10,500 SQUARE FEET



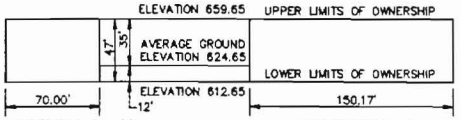
SECTION G–G SECTION H–H

UNIT 4 CROSS SECTION
493,500 CUBIC FEET
10,500 SQUARE FEET



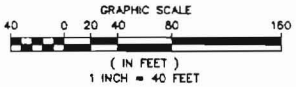
SECTION I–I SECTION J–J

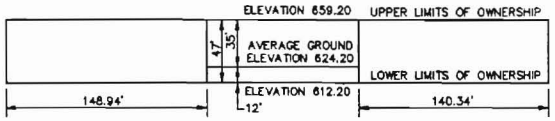
UNIT 5 CROSS SECTION
493,500 CUBIC FEET
10,500 SQUARE FEET



SECTION K–K SECTION L–L

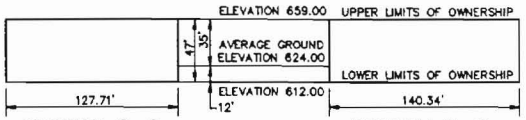
UNIT 6 CROSS SECTION
499,281 CUBIC FEET
10,623 SQUARE FEET





SECTION M–M SECTION N–N

UNIT 7 CROSS SECTION
742,835 CUBIC FEET
15,805 SQUARE FEET



SECTION O–O SECTION P–P

UNIT 8 CROSS SECTION
699,736 CUBIC FEET
14,888 SQUARE FEET

LIMITS OF OWNERSHIP

LIMITED COMMON ELEMENT – UNITS 1–24

STATE OF MICHIGAN
WILLIAM D. MILLS
PROFESSIONAL SURVEYOR 21577
LICENSED PROFESSIONAL SURVEYOR

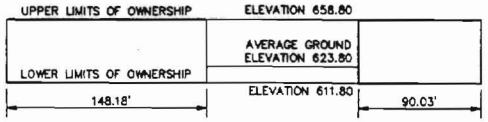
Aug 14, 2003

UNITS 1–44 CONVERTIBLE AREA
PROPOSED DATED AUGUST 14, 2003

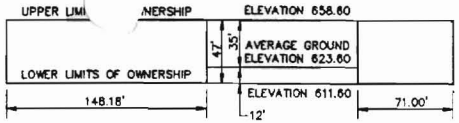
Jarrett-Mills-Schron and associates, inc.
JMS
LONGITUDINAL CROSS SECTION UNITS 1–8
COVE CREEK CONDOMINIUM
TAYLOR, MICHIGAN

REVISIONS	DATE	DRAWING No.	JOB No.	SHEET No.
	08-14-03	A-3090	03086	8

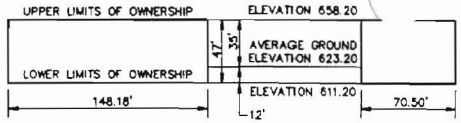
R.S. STALTS
S. COOPER



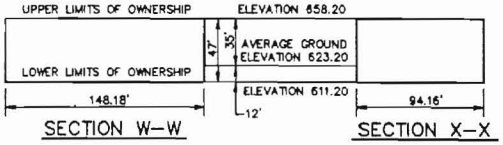
UNIT 9 CROSS SECTION
531,382 CUBIC FEET
11,306 SQUARE FEET



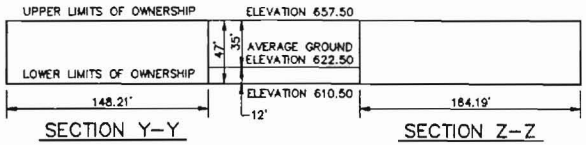
UNIT 10 CROSS SECTION
493,876 CUBIC FEET
10,508 SQUARE FEET



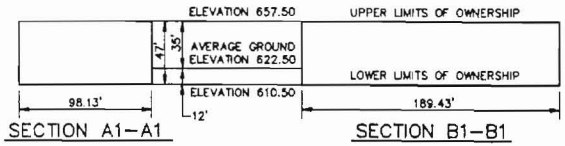
UNIT 11 CROSS SECTION
493,876 CUBIC FEET
10,508 SQUARE FEET



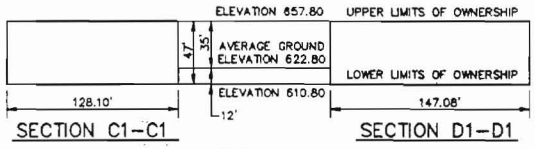
UNIT 12 CROSS SECTION
644,981 CUBIC FEET
13,723 SQUARE FEET



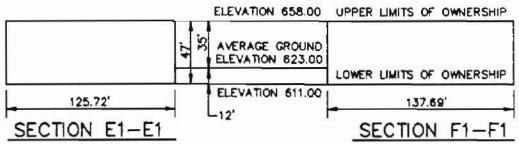
UNIT 13 CROSS SECTION
1,153,662 CUBIC FEET
24,546 SQUARE FEET



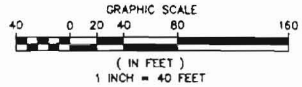
UNIT 14 CROSS SECTION
623,831 CUBIC FEET
13,273 SQUARE FEET



UNIT 15 CROSS SECTION
712,426 CUBIC FEET
15,158 SQUARE FEET



UNIT 16 CROSS SECTION
836,365 CUBIC FEET
17,795 SQUARE FEET



LIMITS OF OWNERSHIP

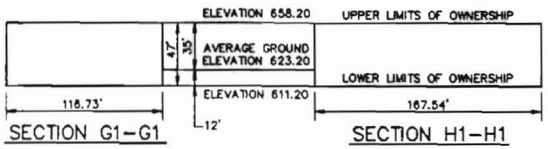
LIMITED COMMON ELEVATION – UNITS 1–24

William D. Mills
Aug 14, 2003

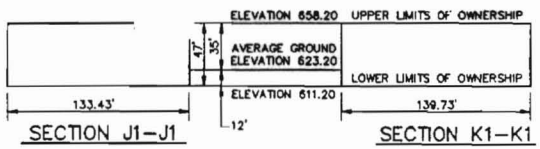
STATE OF MICHIGAN
WILLIAM D. MILLS
PROFESSIONAL SURVEYOR
21577
LICENSED PROFESSIONAL SURVEYOR

UNITS 1–44 CONVERTIBLE AREA
PROPOSED DATED AUGUST 14, 2003

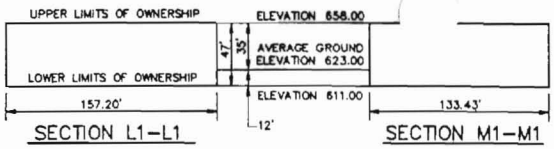
Jarrett-Mills-Schroen
JMS
LONGITUDINAL CROSS SECTION UNITS 9–16
COVE CREEK CONDOMINIUM
TAYLOR, MICHIGAN
REVISIONS
DATE 08-14-03
DRAWING No. A-3091
JOB No. 03086
SHEET No. 9



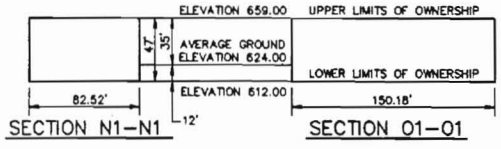
UNIT 17 CROSS SECTION
594,503 CUBIC FEET
12,649 SQUARE FEET



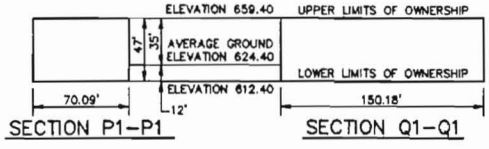
UNIT 18 CROSS SECTION
578,288 CUBIC FEET
12,304 SQUARE FEET



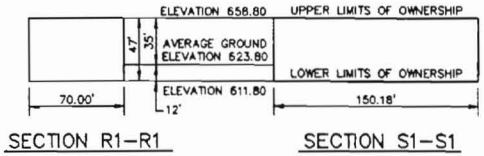
UNIT 19 CROSS SECTION
922,046 CUBIC FEET
19,618 SQUARE FEET



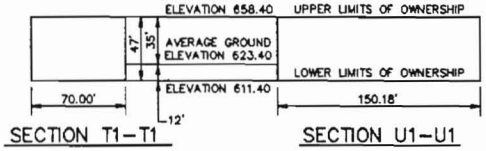
UNIT 20 CROSS SECTION
581,907 CUBIC FEET
12,381 SQUARE FEET



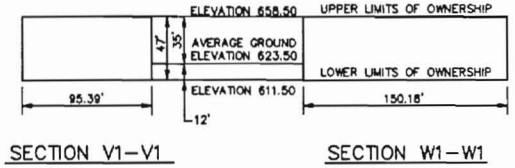
UNIT 21 CROSS SECTION
494,111 CUBIC FEET
10,513 SQUARE FEET



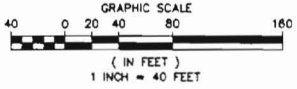
UNIT 22 CROSS SECTION
493,500 CUBIC FEET
10,500 SQUARE FEET



UNIT 23 CROSS SECTION
493,500 CUBIC FEET
10,500 SQUARE FEET



UNIT 24 CROSS SECTION
673,510 CUBIC FEET
14,330 SQUARE FEET



LIMITS OF OWNERSHIP

LIMITED COMMON ELEVATION – UNITS 1–24

STATE OF MICHIGAN
WILLIAM D. MILLS
PROFESSIONAL SURVEYOR
21577
LICENSED PROFESSIONAL SURVEYOR

Aug 14, 2003

UNITS 1–44 CONVERTIBLE AREA
PROPOSED DATED AUGUST 14, 2003

Jarrett-Mills-Schroen and associates, Inc.
JMS

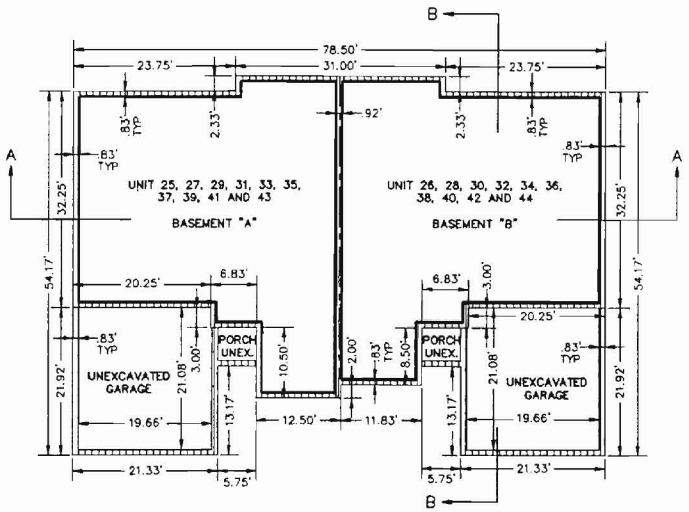
COVE CREEK CONDOMINIUM
TAYLOR, MICHIGAN

LONGITUDINAL CROSS SECTION UNITS 17–24

JOB No.	DRAWING No.	DATE	REVISIONS
03086	A-3092	08-14-03	

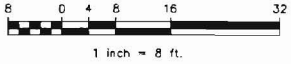
SHEET No. 10

Li-39851 Pa-85



BASEMENT "A"
1487 S.F.

BASEMENT "B"
1470 S.F.



NOTE:

ALL FLOORS, CEILINGS AND WALLS ARE AT RIGHT ANGLES TO EACH OTHER, UNLESS OTHERWISE NOTED.

LEGEND

LIMITS OF OWNERSHIP

LIMITED COMMON ELEMENT – UNITS 25–44

William Mills
Aug 14, 2003

STATE OF MICHIGAN
WILLIAM D. MILLS
PROFESSIONAL SURVEYOR
21577
LICENSED PROFESSIONAL SURVEYOR

UNITS 1–44 CONVERTIBLE AREA
PROPOSED DATED AUGUST 14, 2003

Jarrett-Mills-Schrom and Associates, Inc.
CONSULTING ENGINEERS and LAND SURVEYORS
JMS

COVE CREEK CONDOMINIUM
TAYLOR, MICHIGAN

BUILDING BASEMENT FLOOR UNITS 25–44

REVISIONS

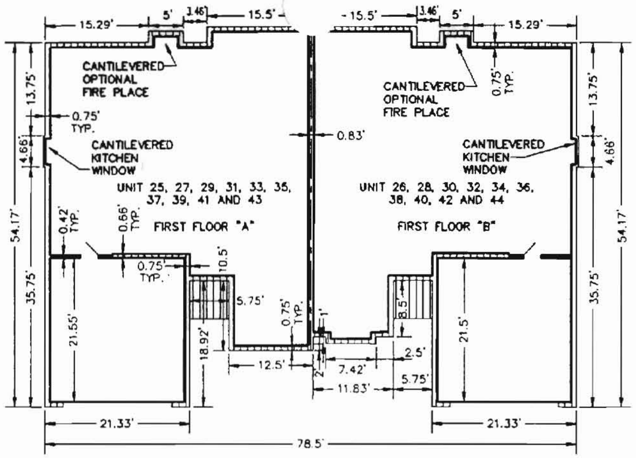
DATE 08-14-03

DRAWING No. A-3093

JOB No. 03086

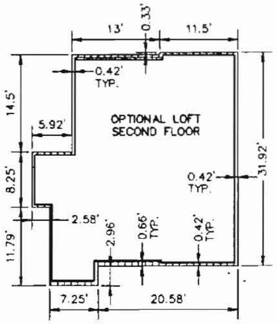
SHEET No. 11

Li-39851 Pa-86

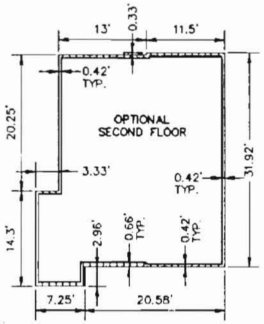


FIRST FLOOR "A"
1487 S.F.

FIRST FLOOR "B"
1470 S.F.



OPTIONAL LOFT
SECOND FLOOR
438 S.F.



OPTIONAL SECOND FLOOR
300 S.F.

8 0 4 8 16 32
1 inch = 8 ft.

NOTE:

ALL FLOORS, CEILINGS AND WALLS ARE AT RIGHT ANGLES TO EACH OTHER, UNLESS OTHERWISE NOTED.

LEGEND

LIMITS OF OWNERSHIP

LIMITED COMMON ELEMENT – UNITS 25–44

STATE OF MICHIGAN
WILLIAM D. MILLS
PROFESSIONAL SURVEYOR
21577
LICENSED PROFESSIONAL SURVEYOR

William D. Mills
Aug 14, 2003

UNITS 1–44 CONVERTIBLE AREA

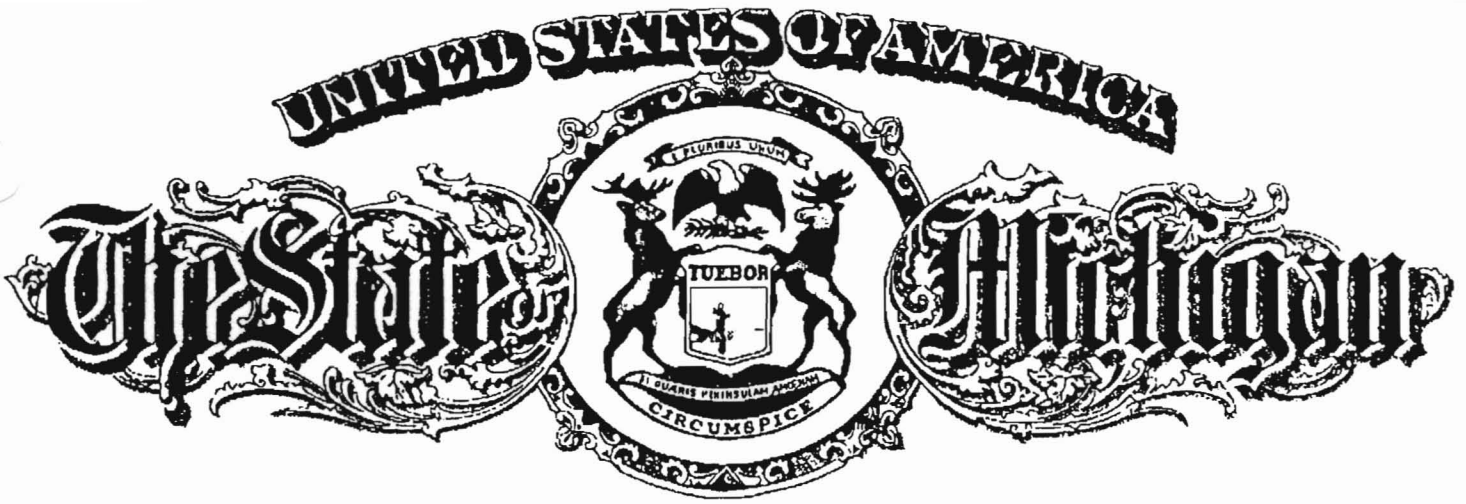
PROPOSED DATED AUGUST 14, 2003

JMS Jarrett-Mills-Schron and associates, inc.

BUILDING FIRST AND SECOND FLOOR UNITS 25–44

COVE CREEK CONDOMINIUM
TAYLOR, MICHIGAN

SHEET No.	JOB No.	DRAWING No.	DATE	REVISIONS
12	03086	A-3094	08-14-03	



Michigan Department of Consumer and Industry Services

Lansing, Michigan

This is to Certify That

COVE CREEK CONDOMINIUM HOMEOWNERS' ASSOCIATION

was validly incorporated on April 22, 2004, as a Michigan nonprofit corporation, and said corporation validly in existence under the laws of this state.

This certificate is issued pursuant to the provisions of 1982 PA 162, as amended, to attest to the fact that the corporation is in good standing in Michigan as of this date and is duly authorized to conduct affairs in Michigan and for no other purpose.

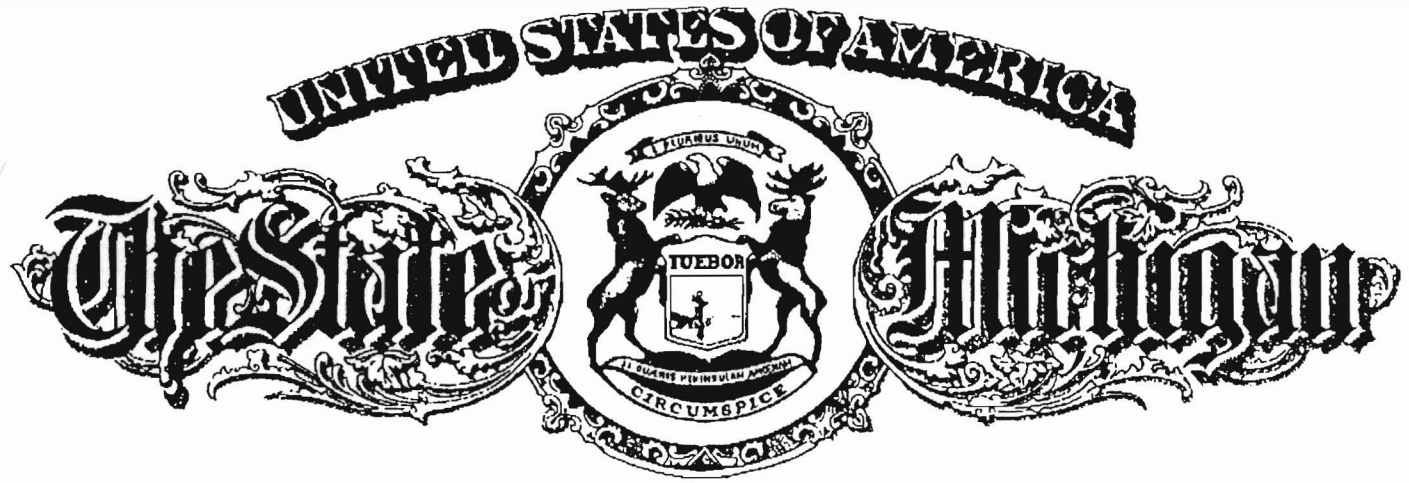
This certificate is in due form, made by me as the proper officer, and is entitled to have full faith and credit given it in every court and office within the United States.

In testimony whereof, I have hereunto set my hand, in the City of Lansing, this 23rd day of April, 2004.

Andrew L. Metcalf Jr., *Director*

Bureau of Commercial Services

GOLD SEAL APPEARS ONLY ON ORIGINAL



Michigan Department of Consumer and Industry Services

Lansing, Michigan

This is to Certify that the annexed copy has been compared by me with the record on file in this Department and that the same is a true copy thereof.

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

In testimony whereof, I have hereunto set my hand, in the City of Lansing, this 23rd day of April, 2004

Andrew L. Metty Jr., *Director*

Bureau of Commercial Services

GOLD SEAL APPEARS ONLY ON ORIGINAL

RECEIVED

APR 22 2004

MI DEPT. OF LABOR & ECONOMIC GROWTH
BUREAU OF COMMERCIAL SERVICES

788-458

ARTICLES OF INCORPORATION

MICHIGAN NON-PROFIT CORPORATION

FILED

APR 22 2004

Administrator
BUREAU OF COMMERCIAL SERVICES

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

ARTICLE I

The name of the corporation is Cove Creek Condominium Homeowners' Association.

ARTICLE II

The purposes for which the corporation is organized are:

(a) To manage and administer the affairs of and to maintain Cove Creek Condominium, a residential condominium, according to the Master Deed recorded in Liber 39851, Page 1, Wayne County Records, being Wayne County Condominium Subdivision Plan No. 755, located in the City of Taylor, Wayne County, Michigan (hereinafter called "Condominium");

(b) To levy and collect assessments against and from the co-owner members of the corporation and to use the proceeds thereof for the purposes of the corporation;

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

(d) To rebuild improvements after casualty;

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

(f) To make and enforce reasonable regulations concerning the use and enjoyment of the Condominium;

(g) To own, maintain and improve, and to buy, or operate, manage, sell, convey, assign, mortgage, or lease (as landlord or tenant) any real and personal property, (including Condominium units, easements, rights-of-way and licenses) on behalf of the corporation, for the purpose of providing benefit to the members of the corporation and in furtherance of any of the purposes of the corporation;

(h) To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; to secure the same by mortgage, pledge or other lien;

GOLD SEAL APPEARS ONLY ON ORIGINAL

(i) To enforce the provisions of the Master Deed and Bylaws of the Condominium and of these Articles of Incorporation and such rules and regulations of the corporation as may hereafter be adopted;

(j) To sue in all courts and participate in actions and proceedings judicial, administrative, arbitrative or otherwise, subject to the express limitations on suits, actions and proceedings as set forth in Article IX of these Articles;

(k) To do anything required of or permitted to it as administrator of the Condominium by the Condominium Master Deed or Bylaws or by the Michigan Condominium Act; and

(l) To make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of the Condominium and to the accomplishment of any of the purposes thereof.

ARTICLE III

The corporation is organized upon a nonstock, membership basis.

The assets of the corporation are:

Real Property: None
Personal Property: None

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

Assessment of members owning units in the Condominium.

ARTICLE IV

The address of the registered office is:

31300 Orchard Lake Road, Suite 200
Farmington Hills, MI 48334

The mailing address of the registered office is the same as above.

The name of the first resident agent at the registered office is: Roger Sherr

ARTICLE IV

The name and business address of the incorporator is:

Janis K. Kujan
32270 Telegraph Road, Suite 225
Bingham Farms, MI 48025-2457

ARTICLE VI

The term of the corporate existence is perpetual.

ARTICLE VII

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

(a) Each co-owner (including the Developer named in the Condominium Master Deed) of a unit in the Condominium shall be a member of the corporation, and no other person or entity shall be entitled to membership.

(b) Membership in the corporation shall be established by the acquisition of fee simple title to a unit in the Condominium and by recording with the Register of Deeds in the County where the Condominium is located a deed or other interest establishing a change of record title to such unit and the furnishing of evidence of same satisfactory to the corporation (except that the Developer of the Condominium shall become a member immediately upon establishment of the Condominium), the new co-owner thereby becoming a member of the corporation, and the membership of the prior co-owner thereby being terminated. Land contract vendees of units shall be members if the land contract instrument expressly conveys the vendor's interest as a member of the corporation, in which event the vendor's membership shall terminate as to the unit sold.

(c) The share of a member in the funds and assets of the corporation cannot be assigned, pledged, encumbered or transferred in any manner except as an appurtenance to the member's unit in the Condominium.

(d) Voting by members shall be in accordance with the provisions of the Bylaws of this corporation.

ARTICLE VIII

A volunteer director (as defined in Section 110 of Act 162, Public Acts of 1982, as amended) of the corporation shall not be personally liable to the corporation or its members for monetary damages for breach of the director's fiduciary duty arising under any applicable law. However, this Article shall not eliminate or limit the liability of a director for any of the following:

(a) A breach of the director's duty of loyalty to the corporation or its members.

(b) Acts or omission not in good faith or that involve intentional misconduct, a knowing violation of law, or failure to follow the Bylaws of the corporation or these Articles.

(c) A violation of Section 551(l) of Act 162, Public Acts of 1982, as amended.

(d) A transaction from which the director derived an improper personal benefit.

(e) An act or omission occurring before the date this document is filed.

(f) An act or omission that is grossly negligent.

Any repeal or modification of this Article shall not adversely affect any right or protection of any director of the corporation existing at the time of, or for or with respect to, any acts or omissions occurring before such repeal or modification.

ARTICLE IX

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

(a) The Corporation's Board of Directors (or, in the case of Portion Specific Litigation, the Ranch Committee or Architectural Control Committee, as applicable [as the terms are defined in the Bylaws of the Corporation]) shall be responsible in the first instance for recommending to the members that a civil action be filed, and supervising and directing any civil actions that are filed.

(b) Before an attorney is engaged for purposes of filing a civil action on behalf of the Corporation, the Board of Directors shall call a special meeting of the members ("litigation evaluation meeting") for the express purpose of evaluating the merits of the proposed civil action. The written notice to the members of the date, time and place of the litigation evaluation meeting shall be sent to all members (except that with respect to Portion Specific Litigation, only the members in the Condominium portion that will be involved in the proposed litigation need be notified and invited to the litigation evaluation meeting) not less than twenty (20) days before the date of the meeting and shall include the following information copied onto 8-1/2" x 11" paper:

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

(a) it is in the best interests of the corporation to file a lawsuit;

(b) that at least one member of the Board of Directors has personally made a good faith effort to negotiate a settlement with the putative defendant(s) on behalf of the corporation, without success;

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

(d) the Board of Director's proposed attorney for the civil action is of the written opinion that litigation is the corporation's most reasonable and prudent alternative.

(2) A written summary of the relevant experience of the attorney ("litigation attorney") the Board of Directors recommends be retained to represent the corporation in the proposed civil action, including the following information:

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

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

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

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

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

(f) The amount to be specially assessed against each unit in the Condominium (or with respect to Portion Specific Litigation, each unit in the Condominium portion that will be the subject of the litigation) to fund the estimated cost of the civil action both in total and on a per unit basis, as required by subparagraph (6) of this Article IX.

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

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

(e) At the litigation evaluation meeting the members shall vote on whether to authorize the Board of Directors to proceed with the proposed civil action and whether the matter should be handled by the litigation attorney. The commencement of any civil action by the Corporation (other than a suit to enforce the Bylaws or collect delinquent assessments) shall

require the approval of a 66-2/3% in value of the members (or, with respect to Portion Specific Litigation, the approval of a 66-2/3% in value of the members in the relevant portion). Notwithstanding anything herein to the contrary, no proxy voting shall be permitted in connection with any such vote.

(f) All legal fees incurred in pursuit of any civil action that is subject to this Article IX shall be paid by special assessment of the members, or, with respect to Portion Specific Litigation, by special assessment of the members in the portion of the Condominium that is the subject of such litigation (in either event, "litigation special assessment"). The litigation special assessment shall be approved at the litigation evaluation meeting (or at any subsequent duly called and noticed meeting) by a majority in number and in value of all members (or all members in the portion of the Condominium affected with respect to Portion Specific Litigation) in the amount of the estimated total cost of the civil action. If the litigation attorney proposed by the Board of Directors is not retained, the litigation special assessment shall be in an amount equal to the estimated total cost of the civil action, as estimated by the attorney actually retained by the Corporation. The litigation special assessment shall be apportioned to the members in accordance with their respective expense allocation as set forth in Article VI of the Master Deed and shall be collected from the members on a monthly basis. The total amount of the litigation special assessment shall be collected monthly over a period not to exceed twenty-four (24) months.

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

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

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

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

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

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

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

(1) the status of the litigation;

(2) the status of settlement efforts, if any; and

(3) the attorney's written report.

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

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

ARTICLE X

These Articles of Incorporation may only be amended by the consent of seventy-five percent (75%) of all members.

I, the incorporator, sign my name this 22nd day of April, 2004.

Janis K. Kujan

Janis K. Kujan

OAK_A\579350.2

DISCLOSURE STATEMENT
(Single Family Condominium Portion)

Cove Creek Condominium
Taylor, Michigan

Developed By:

Beech-Goddard, L.L.C.
31300 Orchard Lake Road
Suite 200
Farmington Hills, Michigan 48334

Effective Date: February 14, 2004

Cove Creek Condominium is a residential condominium project comprised of 44 condominium units.

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

PRIOR TO PURCHASING A CONDOMINIUM UNIT, PURCHASERS SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISORS.

DISCLOSURE STATEMENT

COVE CREEK CONDOMINIUM

I. Introduction.

Condominium development in Michigan is governed largely by the Michigan Condominium Act, being Act 59 of the Michigan Public Acts of 1978, as amended.

This Disclosure Statement, together with copies of the legal documents required for the creation and operation of the condominium, are furnished to each purchaser pursuant to the requirement of the Michigan Condominium Act that the Developer of a condominium disclose to prospective purchasers the characteristics of the condominium units which are offered for sale. This Disclosure Statement, along with the documents contained in the Purchaser Information Booklet, are the only authorized description of Cove Creek. The Developer's officers, employees and agents (including but not limited to sales representatives) are not permitted to vary the terms contained therein.

II. The Condominium Concept.

A condominium is a method of subdividing and describing real property. A condominium unit has the same legal attributes as any other form of real property under Michigan law and may be sold, mortgaged or leased, subject only to such restrictions as are contained in the condominium documents or as otherwise may be applicable to the property.

Each co-owner receives a deed to the individual condominium unit purchased. Each co-owner owns, in addition to the unit purchased, as undivided interest in the condominium's general common facilities ("General Common Elements") and certain of the limited common facilities ("Limited Common Elements"). Title to the common elements is included as part of, and is inseparable from, title to the individual condominium units. Each owner's proportionate share of the general common elements and limited common elements, to the extend applicable, is determined by the percentage of value assigned to the owner's unit in the Master Deed. The Master Deed, which is described in Section IV of this Disclosure Statement, must be examined carefully to determine each co-owner's rights and obligations with respect to common elements.

All portions of the condominium not included within the units constitute the common elements. Limited Common Elements are those common elements set aside for use by less than all unit owners. General Common Elements are all common elements other than limited common elements.

The proximity of the units in the condominium and each co-owner's right, in common with all other co-owners, to use the general common elements, dictates that certain restrictions and obligations be imposed on each co-owner for the mutual benefit of all co-owners. The restrictions and obligations are set forth in the Master Deed and in the Bylaws which are attached as Exhibit A to the Master Deed. All owners and unit occupants must be familiar with and abide by such restrictions and obligations.

The management and administration of the condominium is the responsibility of the Cove Creek Condominium Homeowners' Association, a Michigan nonprofit corporation, of which all co-owners are members ("Association"). The nature and duties of the Association are set forth in the Condominium Bylaws attached as Exhibit A to the Master Deed and are summarized in Section VI of this Disclosure Statement.

Except for the year in which a unit is first established as part of the condominium, real property taxes and assessments are levied individually against each unit in the condominium. The separate taxes and assessments cover the unit and its proportionate share of the common elements. No taxes are levied independently against the common elements.

The foregoing is necessarily generalized to some degree. Accordingly, each purchaser is urged to review carefully all of the documents contained in the Purchaser Information Booklet for the condominium as well as any other documents that have been delivered to the purchaser in connection with this development. Any purchaser having questions pertaining to the legal aspects of the condominium is advised to consult the purchaser's own lawyer or other professional advisor.

III. Description of the Condominium.

A. Size, Scope and Physical Characteristics of the Condominium. The condominium has been established as a 44 unit residential condominium, located in Taylor, Michigan. There are two distinct parts of Cove Creek Condominium. Units 1-24 are site condominiums (the "Single Family Condominium Portion"), and the individual co-owners of Units 1-24 have the right to construct residential dwellings on such Units. Units 25-44 are attached ranch unit condominium dwellings contained in 10 buildings (the "Ranch Unit Condominium Portion"). The Master Deed describes certain limited common elements which are reserved for use by the co-owners of the Single Family Condominium Portion, and certain limited common elements which are reserved for use by the co-owners of the Ranch Unit Condominium Portion. Furthermore, certain limited common elements in the Ranch Unit Condominium Portion, such as porches and decks, are reserved for the use of specific co-owners within the Ranch Unit Condominium Portion. Parking for each unit in the Single Family Condominium Portion will be provided by the co-owner of each unit in the Single Family Condominium Portion constructing drive areas on their individual unit. Parking for each unit in the Ranch Unit

Condominium Portion will be provided by drive areas. Street parking will also be allowed.

B. Improvements Labeled "Must be Built" or "Need Not be Built". The Condominium Act requires that proposed structures and improvements be labeled in the Condominium Subdivision Plan as either "must be built" or "need not be built." The Condominium Plan specifies that two of the units "must be built," and all of the rest are deemed "need not be built" improvements. The Developer has arranged financing for the construction of the improvements within the Condominium through its own equity and a construction loan from Comerica Bank.

C. Recreational Facilities. There are no recreational areas or facilities in the condominium.

D. Private Roads. The roads and drives in the condominium are private. The roads and drives in the condominium have been designated in the Master Deed as either part of the North General Common Elements or South General Common Elements. Roads and drives in this condominium will be maintained (including, without limitation, snow removal) by committees formed under the Bylaws for the Association, not the City of Taylor or any other governmental agency. Although the Association has the responsibility for maintenance and other services described in this section as relates to roads and drives, the Ranch Committee directs the same as relates to the roads and drives within the North General Common Elements, and the Architectural Control Committee directs the same as relates to the roads and drives within the South General Common Elements. Replacement, repair and resurfacing will be necessary from time to time as circumstances dictate. It is impossible to estimate with any degree of accuracy future road repair or replacement costs. It is each such Committee's respective responsibility to inspect and to perform preventive maintenance of condominium roads and drives on a regular basis in order to maximize the life of such roads and drives and to minimize repair and replacement costs.

E. Utilities. The condominium is served by public water and sanitary sewers, as well as natural gas, electric, cable television and telephone service. All utilities will be separately metered for payment by the individual unit owners.

F. Reserved Rights of Developer.

(1) Modification of the Condominium. Developer has reserved the right, to modify the size, location and configuration of any Unit that it owns in the condominium, and to make corresponding changes to the Common Elements. Any such modification (or modifications) shall occur, if at all, within six years of the date of recording the Master Deed.

(2) Convertible Areas. In order to facilitate the development and sale

of the condominium, Developer has reserved the right, at any time on or before six years after recordation of the original Master Deed, to modify, expand, move or delete units and to add to or modify limited and/or general common elements within the convertible areas described in the Master Deed and identified as such on the Condominium Subdivision Plan.

(3) Improvements and Landscape. The structure, exterior color or appearance of any dwelling in the Ranch Unit Condominium Portion may not be changed by a co-owner of any unit within the Ranch Unit Condominium Portion. The structure, exterior color, and appearance of any dwelling within the Single Family Condominium Portion shall not be changed without the approval of the Architectural Control Committee of the Association.

(4) Conduct of Commercial Activities. Until Developer has sold all units in the condominium, Developer has reserved the right to maintain on the condominium premises a sales office, advertising display signs, a business office, construction office, storage areas, reasonable parking incident to the use of such areas, and such access to, from and over the condominium premises as may be reasonable to enable development and sale of the entire condominium. Developer has reserved the right, for itself and its affiliates, to use some of the units in the condominium as model units in connection with its (and their) marketing and sales efforts with respect to the condominium and other development projects.

(5) Right to Amend. Developer has reserved the right to amend the Master Deed and the exhibits thereto without approval from co-owners and mortgagees for certain purposes specified in the Master Deed. Those purposes include, but are not limited to, converting the convertible areas, correcting errors and for any other purpose so long as the amendment would not materially alter or change the rights of a co-owner or mortgagee. Further, certain provisions of the Master Deed cannot be amended without Developer approval.

(6) Easements, Restrictions and Agreements.

(a) For Use of Utilities. Developer has reserved easements to utilize, tap, tie into, extend and enlarge all utility mains in the condominium in connection with the exercise of its rights with respect to the development of any land adjacent to the condominium now or hereafter owned by Developer and/or its affiliates.

(b) For Use of Roads. Developer has reserved easements and rights of use over any roads and walkways in the condominium for the purpose of ingress and egress to or from all or any portion of any land adjacent to the condominium now or hereafter owned by the Developer and/or its affiliates, regardless of how such land ultimately may be used.

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

IV. Legal Documentation.

A. General. The condominium was established pursuant to the Master Deed recorded in the Wayne County Records, and contained in the Purchaser Information Booklet for the condominium. The Master Deed includes the Bylaws as Exhibit A and the Condominium Subdivision Plan as Exhibit B.

B. Master Deed. The Master Deed contains the definitions of certain terms used in connection with the condominium, the percentage of value assigned to each unit in the condominium, a general description of the units and common elements included in the condominium and a statement regarding the relative responsibilities for maintaining the common elements. Article VII of the Master Deed covers easements, Article VIII reserves in favor of Developer the right to amend the condominium documents for various purposes including, but not limited to, expanding the condominium, making changes therein, providing for the correction of errors and complying with the requirements of certain lending institutions. Article IX sets forth Developer's right to the convert certain areas of the condominium.

C. Bylaws. The Bylaws contain provisions relating to the operation, management and fiscal affairs of the condominium and, in particular, set forth the provisions relating to the assessment of Association members for the purpose of paying the costs of operation of the condominium. Article VI of the Bylaws contains certain restrictions upon the ownership, occupancy and use of the condominium. Article VI also contains provisions permitting the adoption of rules and regulations governing the common elements.

D. Condominium Subdivision Plan. The Condominium Subdivision Plan is a three-dimensional survey depicting the physical location and boundaries of each of the units and all of the common elements in the condominium.

V. Experience of Certain Companies.

A. Developer's Background and Experience. The Developer, Beech-Goddard, L.L.C., a Michigan limited liability company, is licensed as a residential builder, was formed for the specific purpose of developing the condominium, and has not previously developed any property. The managers of Developer have substantial real estate development experience, having developed, through affiliates, over 11 residential housing sites and units since 1993. There are no pending judicial or

administrative proceedings involving the condominium or Developer.

B. Management Agent. At present, the Developer has been engaged to act as management agent for the condominium.

VI. Operation of the Condominium.

A. The Condominium Association. The responsibility for management and maintenance of the condominium is vested in the Association. As each individual purchaser acquires title to a condominium unit, the purchaser will also become a member of the Association. The Articles of Incorporation of the Association are in the Purchaser Information Booklet, and along with the Bylaws, control procedural operations of the Association. The Association is governed by its Board of Directors whose initial members are designees of the Developer. Until a successor Board of Directors is elected by the members, the Association will be controlled by the Directors named by Developer. Developer's rights of representation on the Association's Board of Directors are set forth in Article XI of the Bylaws. The Bylaws contemplate that the Board of Directors will be advised and directed by two committees- the Ranch Unit Committee, which provides advice and direction with respect to the Ranch Unit Condominium Portion, and the Architectural Control Committee, which provides advice and direction with respect to the Single Family Condominium Portion. The members of the Ranch Unit Committee are those members of the Board of Directors elected by the co-owners of units within the Ranch Unit Condominium Portion, and the members of the Single Family Unit Committee are those members of the Board of Directors elected by the co-owners of the Single Family Condominium Portion.

B. Percentages of Value. The percentage of value of each unit in the condominium is equal. The percentage of value assigned to each unit determines, among other things, the value of each co-owner's vote and the co-owner's proportionate share of regular and special Association assessments and of the proceeds of administration of the condominium, provided, however, that with respect to expenses pertaining to the Ranch Unit Limited Common Elements and the North General Common Elements, only the units in the Ranch Unit Condominium Portion share in such expenses, on an equal basis, and with respect to expenses pertaining to the Single Family Limited Common Elements and the South General Common Elements, only the units in the Single Family Condominium Portion share in such expenses, on an equal basis.

C. Project Finances.

(1) Budget. Article II of the Bylaws requires the Board of Directors to adopt two annual budgets for the operation of the condominium - one for expenses relating to the Ranch Unit Condominium Portion, and one for expenses relating to the Single Family Unit Condominium Portion. The Association's only source of revenue to

fund its budget is by the assessment of its members. The initial budgets for the condominium were formulated by Developer and is intended to provide for the normal and reasonably predictable expenses of administration of the condominium, if developed with 44 units, and includes a reserve for replacement of major structural and other components of the condominium. To the extent that estimates prove inaccurate during actual operations and to the extent that the goods and services necessary to service the condominium change in cost in the future, the budget and the expenses of the Association also will require revision. The initial budget of the Association relating to the Single Family Condominium Portion have been included as Appendix A to this Disclosure Statement. Developer makes no representation or warranty that the budgets attached as Appendix A accurately reflects the assessments that will be charged by the Association.

(2) Assessments. Except as set forth below with respect to Developer, each co-owner of a unit included in the condominium must pay for the expenses of general administration of the Association in proportion to the expense allocations set forth in Article VI, Section 2 of the Master Deed. The Board of Directors may also levy special assessments in accordance with the provisions of Article II, Section 3(b) of the Bylaws. As set forth in Article II, Section 9 of the Bylaws, Developer does not pay Association assessments for the units it owns until they are occupied but does reimburse the Association for certain expenses it may incur for such units. In addition, Article VI, Section 16 of the Bylaws provides that the violation of any provisions of the Bylaws and/or the Master Deed, including any of the rules and regulations promulgated by the Board of Directors of the Association, by any co-owner (other than Developer), or tenant or occupant of such co-owner's Unit, shall be grounds for assessment by the Association of a monetary fine for such violation against such co-owner.

(3) Foreclosure of Lien. The Association has a lien on each unit to secure payment of Association assessments. The Bylaws provide that the Association may foreclose its lien in the same fashion that mortgages may be foreclosed by action or by advertisement under Michigan law.

(4) Possible Additional Liability. It is possible for co-owners to become obligated to pay a percentage share of assessment delinquencies incurred by other co-owners. This can happen if a delinquent co-owner defaults on a first mortgage and if the mortgagee forecloses. The delinquent assessments then become a common expense which is reallocated to all the co-owners, including the first mortgagee, in accordance with the percentages of value in the Master Deed. The Michigan Condominium Act (Section 58) provides:

> If the mortgagee of a first mortgagee of record or other purchaser of a condominium unit obtains title to the condominium unit as a result of foreclosure of the first mortgage, such person, its successors and assigns. is not liable for the assessments by the [Association]

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

D. Insurance.

(1) Title Insurance. The Construction and Sales Agreement provides that Developer shall furnish each purchaser a commitment for an owner's title insurance policy at or prior to closing, and that the policy itself shall be ordered at closing. The cost of the owner's commitment and policy will be paid by the Developer.

(2) Other Insurance. The condominium documents require that the Association carry fire and extended coverage, vandalism and malicious mischief and liability insurance and workers' compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the common elements of the condominium. The insurance policies may have deductible clauses and, to the extent thereof, losses will be borne by the Association. The Board of Directors is responsible for obtaining insurance coverage for the Association. Each co-owner's pro rata share of the annual Association insurance premiums is included in the monthly assessment. The Association insurance policies are available for inspection during normal working hours. A copy of the Certificate of Insurance with respect to the condominium will be furnished to each co-owner upon request. The insurance coverage carried by the Association will not cover the interior of any individual unit, improvements installed by co-owners or any personal property of any co-owner.

Each co-owner is responsible for obtaining coverage with respect to the co-owner's unit and to the extent indicated in Article IV of the Bylaws. The Association should periodically review all insurance coverage to be assured of its continued adequacy and each co-owner should do the same with respect to the co-owner's personal insurance.

E. Restrictions on Ownership Occupancy and Use. Article VI of the Bylaws contains comprehensive restrictions on the use of the condominium units and the common elements. It is impossible to paraphrase these restrictions without risking the omission of some portion that may be of significance to a purchaser. Consequently, each purchaser should examine the restrictions with care to be sure that they do not infringe upon an important intended use. The following is a list of certain of the most significant restrictions:

(1) Units are to be used only for residential purposes.

(2) No animal, other than two cats or two dogs or one cat or one dog, each not to exceed 60 pounds in weight, shall be kept without the prior written consent

of the Board of Directors. No savage or dangerous animals shall be kept. No loud or obnoxious birds shall be kept.

(3) There are substantial limitations upon physical changes which may be made to the units and common elements in the condominium and upon the uses to which the common elements and units may be put.

(4) Reasonable regulations may be adopted by the Board of Directors of the Association concerning the use of common elements, without vote of the co-owners.

(5) Subject to the requirements set forth in Section 15 of Article VI, a co-owner (including Developer) may rent units owned by the co-owner at any time for any term of occupancy not less than one year. A co-owner must disclose the co-owner's intention to lease a unit and provide a copy of the exact lease form to the Association at least 10 days before presenting a lease to a potential lessee. Developer reserves the right to lease units and hereby notifies all Co-owners that it may do so if market conditions so require.

None of the restrictions apply to the commercial activities or signs of the Developer.

F. Association Litigation. The Articles of Incorporation of the Association and Article III of the Bylaws establish procedures that govern all Association litigation other than actions to enforce the Bylaws or collect delinquent assessments. As with the restrictions on ownership, occupancy and use, it is impossible to paraphrase these procedures without risking the omission of some portion that may be of significance to a purchaser.

VII. Rights and Obligations Between Developer and Co-owners.

A. Before Closing. The respective obligations of the Developer and the purchaser of a unit in the condominium prior to closing are set forth in the Construction and Sales Agreement and the accompanying Escrow Agreement. Those documents contain, among other provisions, the provisions relating to the disposition of earnest money deposits advanced by the purchaser prior to closing and the anticipated closing adjustments and should be closely examined by all purchasers. The Escrow Agreement provides that all initial deposits made under Reservation and Purchase Agreements are to be placed in escrow. The Escrow Agreement provides for the release of an escrow deposit to any purchaser who withdraws from a Construction and Sales Agreement in accordance with the Construction and Sales Agreement. Such a withdrawal is permitted by each Construction and Sales Agreement if it takes place within nine business days after the purchaser has received all of the condominium documents or if the condominium documents are changed in a way that materially reduces the purchaser's rights. The Escrow Agreement also provides that a deposit will

be released to Developer if the purchaser defaults in any obligation under the Construction and Sales Agreement after the Construction and Sales Agreement has become binding upon the purchaser. The Escrow Agreement provides, pursuant to Section 103b of the Michigan Condominium Act, that the escrow agent shall maintain sufficient funds or other security to complete improvements labeled as "must be built" on the Condominium Subdivision Plan until such improvements are substantially complete. All but 2 units depicted on the Condominium Subdivision Plan have been labeled as "need not be built." Therefore, deposits will be released to the Developer when both the purchaser's withdrawal right has lapsed and two units in the Condominium have been built. Each purchaser of a unit will receive a copy of the Escrow Agreement.

B. At Closing. Each purchaser will receive by warranty deed fee simple title to the purchaser's unit subject to the condominium documents and easements and restrictions of record and the lien of taxes and assessments not yet due and payable. Then current taxes and assessments are prorated in accordance with the "due date" basis of proration. Taxes and assessments applicable to the Condominium property for the year in which the Condominium is created will be allocated to each unit in the Condominium on a percentage basis in accord with each unit co-owner's expense allocations set forth in the Master Deed. At closing, each Purchaser is obligated to pay certain association assessments and reserves, including the applicable assessment for the month following closing, a prorated portion of the monthly assessment for the number of days remaining in the month in which closing occurs (if closing occurs on a day other than the last day of a month), and if requested, a working capital reserve equal to 10% of the then current annual assessment applicable to the unit being purchased and an insurance reserve.

C. After Closing.

(1) General. Subsequent to the purchase of the unit, the legal relationship between the Developer and the co-owner are governed by the Master Deed, except to the extent that any provisions of the Construction and Sales Agreement are intended to survive the closing.

(2) Warranty. Express warranties are not provided unless specifically stated in the Construction and Sales Agreement. A copy of the Developer's limited one-year warranty is provided to each purchaser along with and as a part of the Construction and Sales Agreement. The warranty excludes concrete cracks or any other defect or problem arising from normal settlement or shifting or normal expansion or contraction of materials. Prior to closing, the purchaser and Developer will conduct a walk-through orientation of the Unit. In the event any defects in material or workmanship exist which are covered by the warranty, a written list of such defects must be made and presented to Developer prior to closing. Developer shall not be required to correct such defects prior to closing but shall do so as promptly as possible

after the closing at Developer's own expense. After the closing, Developer's obligation to correct defects in the unit shall be strictly limited to those defects which are covered by the warranty. The warranty on purchaser's unit shall extend for a period of one year after closing. Written notice of any defect in the unit or in the common elements must be given to Developer within the applicable one-year period in order to be covered by the warranty. Developer's obligations under the warranty are limited to repair or replacement if deemed necessary by the Developer. As to items not of Developer's manufacture, such as any air conditioner, water heater, refrigerator, range, dishwasher or other appliances, Developer will assign to purchaser the manufacturer's warranty, without recourse. Developer makes no warranty on such items. DEVELOPER'S LIMITED ONE-YEAR WARRANTY IS THE ONLY WARRANTY APPLICABLE. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING UNDER STATE LAW OR THE MAGNUSON-MOSS WARRANTY ACT, INCLUDING BUT NOT LIMITED TO ALL IMPLIED WARRANTIES OF FITNESS, MERCHANTABILITY OR HABITABILITY, ARE DISCLAIMED AND EXCLUDED.

(3) Limitation of Developer's Liability. The Construction and Sales Agreement strictly limits Developer's liability to the obligations provided in Developer's limited one-year warranty.

VIII. Purpose of Disclosure Statement.

This Disclosure Statement paraphrases various provisions of the Construction and Sales Agreement, Escrow Agreement, Master Deed and other documents required by law. It is not a complete statement of all the provisions of those documents which may be important to purchasers. In an attempt to be more readable, this Disclosure Statement omits most legal phrases, definitions and detailed provisions of the other documents. Certain of the terms used herein are defined in the Michigan Condominium Act, as amended. This Disclosure Statement is not a substitute for the legal documents which it draws information from and the rights of purchasers and other parties will be controlled by the other legal documents and not by this Disclosure Statement.

The Michigan Department of Commerce publishes The Condominium Buyers Handbook which the Developer has delivered to you. The Developer assumes no obligation, liability, or responsibility as to the statements contained therein or omitted from The Condominium Buyers Handbook.

APPENDIX A
TO
COVE CREEK CONDOMINIUM
DISCLOSURE STATEMENT

ESTIMATED ANNUAL BUDGET AND MONTHLY ASSESSMENTS
(SINGLE FAMILY CONDOMINIUM PORTION)

OAK_A.583757.1

Cove Creek Condominium Association
Annual Budget

April 21, 2004

	Single Family
ADMINISTRATION	
OFFICE EXPENSES	$50
Office Supplies, printing, postage, stationary envelopes, financial statements, mailing of notices, etc.	
MANAGEMENT FEE (optional)	$0
Paid to Management Company for accounting services, attendance of meeting and other administrative services.	
ACCOUNTING	$50
Fees to perform accounting services for the year.	
OPERATIONS	
ELECTRICAL	$150
Exterior common area lighting and irrigation system	
WATER	$1,500
Estimate charge for common area irrigation	
MAINTENANCE AND REPAIRS	
SPRINKLER SYSTEM	$125
Winterization of system and misc. repairs.	
SNOW REMOVAL	$1,225
Seasonal contract *excluding* salting.	
LANDSCAPE	$1,700
Lawn cutting, fertilization, Tree prunining, replacement of trees, shrubs, mulch, annuals, etc.	
STORM SEWER SYSTEM	$50
Cleaning of sediment basin & storm sewers and misc. repairs as necessary	
SUPPLIES	$50
Light bulbs, etc.	
TAXES, INSURANCE & RESERVE	
TAXES, LICENSES & PERMITS	$50
Corporate income taxes, filing of Michigan Annual Report	
PROPERTY AND LIABILITY INSURANCE	$500
Estimated inclusive one million liability limit.	
RESERVES	$545
For use in replacement of roofs, gutters, exterior garage fixtures, windows, doors, mailboxes, roadway and drive repairs and replacement.	
Based on 10% of annual budget	
TOTAL BUDGET	**$5,995**
HOUSEHOLD APPORTIONMENT **ANNUAL**	**$250**

COVE CREEK CONDOMINIUM

TAX INFORMATION LETTER

BEECH-GODDARD, L.L.C., a Michigan limited liability company ("Developer"), wishes to make all Co-owners aware of the situation regarding real estate taxes, both on the closing of the Condominium Unit at COVE CREEK CONDOMINIUM, as well as what Developer expects will occur regarding future real estate taxes for all of the Units.

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

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

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

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

THE CONDOMINIUM UNIT PURCHASED.

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

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

1. A statement that the City of Taylor Assessor had not separately assessed each Unit;

2. A photocopy of the then-to-be-paid tax bill;

3. A calculation made by the Association showing (in a manner similar to tax pro-rations used on the Purchaser's Closing Statement) the proportionate share of that tax bill to be paid by such Co-Owner.

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

Dated: _____

_____
Purchaser

_____
Purchaser

UNIT NO.:
ADDRESS:

COVE CREEK CONDOMINIUM
(Single Family)

PURCHASE AND BUILDING AGREEMENT

THIS PURCHASE AGREEMENT (the "Agreement") states the Agreement of the parties entered into on , 2004 between BEECH-GODDARD, L.L.C., a Michigan limited liability company (the "Developer") and (the "Purchaser").

BACKGROUND STATEMENT

A. The Developer is developing a condominium project in the City of Taylor, Wayne County, Michigan, known as Cove Creek Condominium (sometimes referred to as the "Condominium"), established in accordance with the Master Deed and all amendments thereto, (collectively the "Master Deed").

B. The Developer has established Cove Creek Condominium Association (the "Association"), a Michigan non-profit corporation, to manage, maintain, operate and regulate the common elements of the Condominium. Each purchaser of a unit in the Condominium will become a member of the Association.

C. Purchaser wishes to Purchase a unit in the Condominium and to subscribe for participation in the Association, and to retain Developer as builder, to construct a single family residence (the "Residence") upon such work.

D. Purchaser and Developer acknowledge that the Master Deed for the Condominium has been recorded and this Purchase Agreement is being entered into and will be binding in accordance with the Michigan Condominium Act.

AGREEMENT

1. AGREEMENT TO PURCHASE AND SUBSCRIPTION FOR MEMBERSHIP

In consideration of the down payment referred to below, the Purchaser reserves the right to participate in the Association and agrees to purchase:

A. Unit number of Cove Creek Condominium, Condominium No. 755, a condominium, commonly known as "Cove Creek", in the City of Taylor, Wayne County, Michigan, together with rights in the common elements as described in the Master Deed recorded in Liber 39851, Pages 1-86 and subject to the terms, provisions, declarations, covenants and restrictions contained in the Master Deed and subject to covenants, easements, restrictions and limitations of record (referred to as the "Unit"); and

B. The Residence.

2. DESCRIPTION OF UNIT AND RESIDENCE

A. The Unit shall be a single family unit as described in the Master Deed, which single family unit consists of the area within the boundary of the Unit, but not improvements located therein, including but not limited to the Residence. If construction is not substantially complete on the date of this Agreement, construction shall be substantially in accordance with the standard plans and specifications for the Unit on file with the Developer, which Purchaser has examined and approved. If the Unit is substantially complete on the date of this Agreement, then the Purchaser acknowledges that Purchaser has examined the Unit.

B. The Residence to be constructed upon the Unit shall be substantively similar to the Carlisle model located at the Project (the "Model") with the changes and extras, if any, set forth in Exhibit "A" attached hereto and incorporated herein. Purchaser agrees and understands that, among other items, the inside dimensions of the rooms and partitions, the location of light switches, heat registers, utility lines and/or utility meters may vary from that shown in the Model, but the outside dimensions of the Residence shall be substantively similar to the Model. Purchaser understands and agrees that many features in the Model such as furniture, decorative mirrors, upgraded carpeting, wallpaper, draperies, special painting, special lighting, landscaping, and other interior and designer features are not included in the Residence to be constructed by Developer for Purchaser unless specifically set forth in Exhibit "A" or otherwise agreed upon in writing by Developer. No upgraded items, additional items, or modifications will be included in the Residence unless specified on Exhibit "A" or acquired by Purchaser pursuant to an Agreement to Purchase Additional Items or Modifications. No drapes, window treatments, or wallpaper is included in the Residence. If necessitated by governmental regulation, material shortage or unavailability, or other conditions beyond the Developer's control, the Developer, in its discretion, may make such changes and comparable substitutions for materials and equipment called for in the plans and specifications as are reasonable and in accordance with applicable building codes.

3. PURCHASE PRICE

The purchase price shall be _____ ($_____) Dollars.

The purchase price shall be payable as follows:

(a)	Funds Transferred from Preliminary Reservation Escrow Account	$ _____
(b)	Funds delivered upon signing this Agreement	$ _____
(c)	Balance due at closing	$ _____
	Purchaser's total payment	$ _____

All payments received by Developer under the Preliminary Reservation Agreement shall be held in an escrow account by Lawyers Title Insurance Corporation, a copy of which is attached to this Agreement and incorporated in this Agreement by this reference. The address of Lawyers Title Insurance Corporation is 8359 Office Park Drive, Grand Blanc, MI 48439.

Unless the Purchaser waives the right of withdrawal, the Purchaser may withdraw from this Agreement without cause and without penalty before conveyance of title to the Unit and within nine (9) business days after receiving the documents described in paragraph 6, including the day on which such documents are received if that day is a business day. After the expiration of the withdrawal period, the Developer shall retain sufficient funds in escrow or provide sufficient security as described in Section 103b of the Michigan Condominium Act to assure completion of those uncompleted structures or improvements shown on the Condominium Subdivision Plan, Exhibit B to the Master Deed labeled as must be built.

Purchaser agrees that, in addition to the purchase price described above, he will pay his proportionate share of any assessment by the Association for maintenance, repair, replacement and other expenses of administration as described in the Condominium Bylaws.

4. MORTGAGE CONTINGENCY

If Purchaser intends to finance a portion of the purchase price using the proceeds of a mortgage loan, he shall apply for the mortgage loan within ten (10) business days from the date hereof and use his best efforts to obtain the mortgage loan. Purchaser shall provide the Developer with written evidence that he has made the application for the loan within the ten (10) business day period. This Agreement shall become null and void if Purchaser shall fail to obtain a binding mortgage loan commitment for the mortgage loan referred to above within forty-five (45) days after the date of this agreement. Purchaser shall deliver a copy of the mortgage loan commitment to the Developer immediately after receiving the commitment from the lender. The Developer may, in its sole discretion, extend this period by written notice to the Purchaser. If this Agreement shall become null and void because Purchaser has failed to deliver a copy of the mortgage loan commitment to

Developer within that time period as it may be extended, Developer shall refund all payments made by Purchaser. Any costs of applying for or obtaining the mortgage loan shall be borne by Purchaser.

5. ASSOCIATION

The Association has been established as a Michigan non-profit corporation for the purpose of operating and maintaining the common elements of the Condominium. Each Co-owner shall be a member of the Association and will be subject to the Bylaws and regulations of the Association. Each Co-owner will be entitled to one (1) vote for each Unit owned by such Co-owner the value of which shall be set forth in the Master Deed, as amended from time to time. The Purchaser subscribes to and agrees to abide by the terms, provisions, declarations, covenants and restrictions contained in the Master Deed, Condominium Bylaws, and Condominium Subdivision Plan of Cove Creek Condominium and the Articles of Incorporation, Bylaws and Rules and Regulations, if any, of the Association, copies of each of which will be furnished to Purchaser upon execution of this agreement.

6. EFFECT OF AGREEMENT

This Agreement shall become a binding Agreement nine (9) business days after the Purchaser has received the following documents:

(a) the recorded Master Deed and any amendments thereto;

(b) a Condominium Buyer's Handbook; and

(c) a Disclosure Statement.

The Purchaser may knowingly and voluntarily waive the right to withdraw from this Agreement after he has been provided with all of the documents described above and this Agreement will then become binding immediately.

7. CLOSING AND CONVEYANCE OF TITLE

In consideration of the deposit made by Purchaser and the other terms and conditions of this Agreement and provided that Developer constructs Purchaser's Unit and the Residence and obtains a temporary or permanent Certificate of Occupancy for the Residence, Developer agrees to convey to Purchaser good and marketable title to the Unit and Residence subject to covenants, easements and restrictions of record, all pertinent governmental regulations and the instruments mentioned in paragraph 5 above. Purchaser agrees to consummate the purchase of the Unit and Residence from the Developer within ten (10) days after the Developer has delivered to the Purchaser the documents referred to in paragraph 6 above; or within twenty (20) days after the Purchaser's mortgage loan application has been approved; or within ten (10) days after completion of the construction of the Residence (a temporary or permanent Certificate of Occupancy for the Residence shall constitute completion of the construction of the Residence); or within ten (10) days after Developer has notified Purchaser in writing that it is prepared to tender title and possession to him, whichever shall occur

last. It is specifically agreed that the closing of the transaction shall, under no circumstances, be delayed, due to any uncompleted outside work.

It is understood that the Purchaser will, at the time title is conveyed to him, pay all mortgage loan costs and closing costs that are customarily paid by purchasers of comparable real estate in this jurisdiction. Real estate taxes and assessments, Association assessments and insurance premiums will be adjusted to the date of closing. Taxes will be prorated on a due-date basis. In addition to the Developer's credit for tax proration at the time of closing and if the real property tax bills relative to the condominium property have not yet been split into separate tax bills for each Unit by the local assessor, the Developer may require the Purchaser to pay into an escrow account to be maintained by the Association an amount equal to the Purchaser's estimated percentage of value share of real estate taxes with respect to the condominium project which will next fall due. An amount equal to two (2) months' estimated assessment shall be paid in advance by the Purchaser to the Developer on behalf of the Association at the time of closing as a nonrefundable working capital deposit. The Purchaser shall also, if required by the Developer, make a proportionate contribution to the Association's insurance reserve at the time of closing.

It is further understood that Purchaser shall reimburse Developer at closing for the cost of State and County Real Estate Transfer Tax.

A commitment for a title insurance policy issued by Lawyers Title Insurance Corporation will be furnished to Purchaser by Developer at or prior to closing. Within a reasonable time after closing, Developer, at its expense, will furnish Purchaser with an owner's title insurance policy issued by Lawyers Title Insurance Company in a face amount equal to the purchase price of the Unit and Residence.

8. CANCELLATION RIGHTS OF PURCHASER

If Purchaser notifies Developer in writing at any time prior to the time this Agreement becomes a binding purchase agreement as specified in paragraph 6 above, that Purchaser wishes to withdraw from this Agreement for any reason, the amounts previously paid by him under this Agreement will be refunded to him within three (3) business days in full satisfaction and termination of any rights of Purchaser and all rights and liabilities of the Purchaser and the Developer of any sort under this Agreement shall terminate after the payments are refunded. The name and address of the escrow agent is Lawyers Title Insurance Corporation, whose address is 8359 Office Park Drive, Grand Blanc, Michigan 48439.

Developer may, at its option and in its sole discretion, release the obligations of Purchaser under this Agreement after it becomes binding if Purchaser shall secure another purchaser who is satisfactory to Developer. This Agreement is not otherwise assignable.

9. DEVELOPER'S OBLIGATION TO TENDER CONVEYANCE

In accordance with the requirements of Section 88 of the Act, Developer shall tender conveyance of the Unit and Residence to Purchaser within one (1) year from the date hereof, or failing such tender, this Agreement shall be terminable by Purchaser by written notice to Developer for a period

of ten (10) days after such failure. Within the ten (10) days, Purchaser may demand and receive a return of all amounts paid hereunder in full termination of the rights and obligations of both Developer and Purchaser. If Purchaser declines to make such demand, then this Agreement shall be extended for a further period of six (6) months to enable performance by Developer and Purchaser hereunder.

10. CANCELLATION RIGHTS OF DEVELOPER

(a) It is understood that Purchaser's credit is subject to approval by Developer and by any proposed mortgagee. If either Developer or such mortgagee determines that Purchaser does not meet the credit requirements for participation in the Condominium and/or acquisition of the Unit and Residence, then Developer shall return to Purchaser all of the sums paid by Purchaser and this Agreement shall be deemed null and void and all of the Purchaser's and Developer's rights shall cease and terminate and neither party shall have any further liability under this Agreement.

(b) Developer shall have the right to terminate this Agreement if at any time prior to closing Developer determines in its sole and absolute discretion that it cannot construct the Unit and Residence to the satisfaction of Purchaser. In such event, Developer shall send written notice to Purchaser of Developer's decision to terminate this Agreement. The Agreement shall terminate automatically three (3) business days after the notice is sent to Purchaser. On or before the end of the three (3) business day period, Developer shall refund to purchaser all deposit payments made by Purchaser. Purchaser shall have no further rights whatsoever with respect to the Unit or Residence under this Agreement upon receipt and depositing of refunded payments.

11. DEFAULT

If Purchaser shall default in any of the payments or obligations called for in this Agreement and such default shall continue for ten (10) days after written notice sent by Developer to Purchaser, then at the option of Developer, all rights of Purchaser under this Agreement shall terminate. If Purchaser's rights are terminated subsequent to this Agreement becoming a binding purchase agreement pursuant to paragraph 6, any amount paid toward the purchase price shall be retained by Developer as liquidated damages. If Purchaser's rights terminate prior to the time this Agreement becomes a binding purchase agreement pursuant to paragraph 6 hereof, all sums paid by Purchaser shall be refunded to him and neither party shall be obligated further.

12. ARBITRATION

(a) At the exclusive option of the Purchaser, any claim which might be the subject of a civil action against the Developer which involves an amount less than Two Thousand Five Hundred ($2,500.00) Dollars, and arises out of or relates to this Purchase Agreement or the Unit or Residence or project to which this Agreement relates, shall be settled by binding arbitration conducted by the American Arbitration Association. The arbitration shall be conducted in accordance with applicable law and the currently applicable rules of the American Arbitration Association. Judgment upon the award rendered by arbitration may be entered in a circuit court of appropriate jurisdiction.

(b) Notwithstanding the foregoing, any controversy or claim arising out of or relating to this Agreement (or the alleged breach thereof), the Unit or the Condominium or the Residence which cannot be resolved short of litigation, may, upon written notice via U.S. certified mail from either party to the other not later than the date which is 10 business days after receipt by the defendant in any such controversy or claim of a copy of a complaint filed in an appropriate court within the State of Michigan seeking adjudication of such controversy or claim, be settled through arbitration administered by the American Arbitration Association and judgment on any award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. In addition, to the extent Purchaser shall file a complaint with the Michigan Department of Consumer and Industry Services or any other State of Michigan or local governmental agency relating to the construction of the Unit or Residence, Developer shall have the right, upon written notice thereof delivered to Purchaser via U.S. certified mail not less than thirty (30) days before the commencement of any State or other governmental agency proceedings on such complaint, to submit the allegations made in such complaint to arbitration, as an alternative dispute resolution procedure as is permitted under applicable Michigan law, such arbitration to be administered by the American Arbitration Association (the arbitrator or arbitrators thereunder to be deemed for purposes of State law to be "a neutral third party") at a location to be mutually agreed upon. In all events, such arbitration shall be completed on or before 90 days after the filing of such complaint. All arbitrations to be conducted hereunder shall be conducted under the American Arbitration Association Construction Industry Arbitration Rules. This Section shall survive Closing.

13. WARRANTY

The only warranty made by the Developer with respect to the Unit and Residence is contained in the separate Limited Warranty delivered to the Purchaser simultaneously with the execution of this Purchase Agreement. The Purchaser by executing this Agreement acknowledges receipt of a copy of the Limited warranty which is the sole warranty, express or implied, given by Developer. DEVELOPER MAKES NO WARRANTY, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR HABITABILITY, OTHER THAN THE REFERENCED LIMITED WARRANTY HOME WARRANTY AGREEMENT. DEVELOPER MAKES NO GUARANTY OR WARRANTY WITH REGARD TO TREES, BUSHES, OR ANY TYPE OF VEGETATION. DEVELOPER MAKES NO WARRANTY OR REPRESENTATION RELATING TO ENVIRONMENTAL ISSUES AFFECTING THE UNIT AND/OR RESIDENCE.

14. ORAL REPRESENTATION NOT TO BE RELIED UPON

This Agreement shall supersede any and all understandings and agreements and constitutes the entire agreement between the parties and no oral representations or statements shall be considered a part of this Agreement. Purchaser agrees that he is purchasing the Unit and common elements and the Residence without relying upon any warranties or representations as to the size, dimensions or other physical characteristics of the Unit or the common elements or the Residence.

15. NOTICES

All written notices required or permitted under this Agreement and all notices of change of address shall be deemed sufficient if personally delivered or sent by ordinary first class mail or by registered or certified mail, postage prepaid, and return receipt requested, addressed to the recipient party at the address shown below such party's signature to this Agreement. For purposes of calculating time periods under the provisions of this Agreement, notice shall be deemed effective upon mailing or personal delivery, whichever is applicable.

16. USAGE OF TERMS

The pronouns and relative words used in this Agreement are written in the masculine and singular only. If more than one person joins in the execution of this Agreement as Developer or Purchaser or if the Developer or Purchaser is feminine or a corporation, the pronouns and relative words shall be read as if written in the plural, feminine or neuter, respectively.

17. CONSTRUCTION SCHEDULE

Purchaser understands and agrees that Developer is in the business of constructing and selling many houses of various designs and formats in numerous locations, and understands that normal scheduling of work by Developer and its subcontractors and material men can result in widely varying construction times for houses. PURCHASER FURTHER ACKNOWLEDGES THAT ANY PREDICTION OR REPRESENTATION OF AN ANTICIPATED DATE FOR COMPLETION OF CONSTRUCTION MUST NECESSARILY BE AN ESTIMATE ONLY, AND DEVELOPER SHALL NOT BE RESPONSIBLE FOR NOR BOUND BY ANY SUCH PREDICTION OR REPRESENTATION. DEVELOPER SHALL NOT BE LIABLE OR RESPONSIBLE FOR ANY DELAY IN CONSTRUCTION DUE TO FIRE OR OTHER CASUALTY, LABOR DISPUTES, STRIKES, ACTS OF WAR, ACTS OF TERROR, COURT PROCESSES OR OTHER GOVERNMENTAL AUTHORITY, WEATHER CONDITIONS, ACTS OF GOD, NON-AVAILABILITY OF MATERIALS AND/OR LABOR, OR OTHER CIRCUMSTANCES BEYOND DEVELOPER'S CONTROL, AND PURCHASER PROMISES, COVENANTS AND AGREES NOT TO HOLD DEVELOPER LIABLE OR RESPONSIBLE FOR ANY LOSS, DAMAGE OR ANY HARDSHIP RESULTING FROM OR ATTRIBUTABLE TO ANY SUCH DELAY.

18. ADDITIONAL ITEMS

Purchaser understands and agrees that any extras or additional items shall be subject to the Developer's approval and shall be confirmed in writing signed by both parties at an agreed upon price which shall be paid for either in advance of closing or, if included in Purchaser's mortgage, at closing in addition to the purchase price stipulated in this Purchase Agreement. Developer's liability for the omission of any such extras or additional items or any subsequent modifications shall be limited to the amount charged Purchaser for the item or items omitted. Any changes or alterations which may result in additional extra costs from standard plans or specifications, which may be required by any public body or inspection, shall be paid by the Purchaser.

19. MATERIALS

It is the intention of the Developer to finish this house substantially in accordance with its plans and materials as set forth in its specifications, if available, through the Developer's regular sources at standard prices or by use of any substitute materials acceptable to the municipality. Developer reserves the right to make any structural or material changes deemed necessary. Purchaser agrees to make color or other selections within seven (7) days of request by Developer. Developer may, at his discretion, complete colors and other selections if Purchaser fails to comply and same shall be binding on the Purchaser.

20. VARIATION IN COLOR OR GRAIN

The Purchaser understands and agrees that because of the various types of wood, stone and other items and materials used in the house and the difference in the characteristics, coloring, grain and texture of the materials being used, and the way that the various woods absorb staining, the Developer shall not be responsible for the matching of grain and coloring of any material. Developer shall also not be held responsible or liable for variation in shade or color of paint or manufactured items.

AMONG THE ITEMS FOR WHICH DEVELOPER SHALL NOT BE RESPONSIBLE FOR AFTER CLOSING, AND WHICH ARE EXCLUDED FROM THE LIMITED WARRANTY AND FROM INSURANCE COVERAGE, ARE THE FOLLOWING; NORMAL WEAR AND TEAR AND NORMAL DETERIORATION; DEFECTS WHICH ARE A RESULT OF CHARACTERISTICS COMMON TO THE MATERIAL; LOSS OR DAMAGE CAUSED BY THE ELEMENTS OR CAUSED BY THE SETTLING OF SOIL, OR CAUSED BY TREES; MINOR CRACKS IN THE CONCRETE OR ANY DAMAGE; AND ANY ITEMS OR WORK NOT PURCHASED FROM DEVELOPER. THE ONE YEAR DRYWALL WARRANTY AGAINST CRACKS AND NAIL POPS DOES NOT INCLUDE ANY REPAINTING OR REDECORATING. DEVELOPER DOES NOT WARRANTY TREES OR LANDSCAPING. ANY AND ALL CONSEQUENTIAL DAMAGES ARE EXCLUDED.

21. MOLD

DEVELOPER WILL NOT BE RESPONSIBLE FOR ANY DAMAGES CAUSED BY MOLD OR BY ANY OTHER FUNGAL AGENT AND/OR EXPOSURE TO MOLD AND ANY OTHER FUNGAL AGENT, TO THE PURCHASER OR OTHER RESIDENTS OF THE RESIDENCE, YOUR INVITEES, OR ANY OTHER THIRD PARTIES. MOREOVER, MOLD REMEDIATION IS NOT COVERED BY THE LIMITED WARRANTY PROVIDED. DEVELOPER WILL NOT BE RESPONSIBLE FOR ANY DAMAGE CAUSED BY MOLD GROWTH OR MOLD PRESENCE. DAMAGE AS SET FORTH HEREIN INCLUDES, BUT IS NOT LIMITED TO, PROPERTY DAMAGE, PERSONAL INJURY, LOSS OF INCOME, EMOTIONAL DESTRESS, DEATH, LOSS OF THE USE OF THE HOME, LOSS OF VALUE OF THE HOME, ADVERSE HEALTH EFFECTS, OR ANY OTHER EFFECTS. THE PURCHASER HEREBY EXPRESSLY WAIVES ANY IMPLIED WARRANTY OF HABITABILITY IN REGARDS TO CLAIMS OCCASIONED BY MOLD OR MOLD SPORES IN THE HOME.

22. WORK PERFORMED BY OTHERS

Purchaser understands and agrees that no work shall be performed on this home by anyone other than Developer without the express written permission of the Developer. In the event that said permission is given, Developer shall not be responsible for or liable for any loss or damage to the work performed or effected by anyone other than Developer. Purchaser agrees to be responsible for the timely performance of any work contracted for by him and shall not allow said work to interfere with or delay the construction or completion of this home. Purchaser shall indemnify, defend and hold Developer harmless from and against any loss, cost or expense incurred by Developer as a result of any work undertaken by Purchaser or its outside contractors.

23. LIGHT FIXTURES

If the customer selects fixtures other than standard, Developer will be responsible only for damages and for the cost of the standard ones. Stolen fixtures are solely the Purchaser's responsibility.

24. LINOLEUM FLOOR COVERING

Bad seams in plywood underlayment or nails or staples, that may appear affecting the wearing quality of the floor covering will be repaired and only the defective areas will be removed and replaced without being responsible for miss match of color shade. Repairs to defect or damage in hardwood flooring shall consist of replacing only those boards which are damaged or defective. Top nailing any replacement boards is the appropriate method for installing replacement boards.

25. INSULATION

Insulation in attics over living areas shall be six inch (R-30) fiberglass and three and one half inch (R-13) fiberglass in exterior walls of living areas.

26. UNIT IMPROVEMENTS

The purchase of the Unit and Residence does not include any landscaping or irrigation system. It is understood and agreed that Developer's responsibility shall be limited to finished grading with earth on site. Developer shall have the right to perform grading upon the Unit after closing until such time as Purchaser has completed its landscaping.

27. ACCESS

Purchaser shall be entitled to possession of the premises upon completion of the construction of the Residence and payment of all monies due the Developer. Purchaser should not enter the Residence during construction. If Purchaser does insist upon entering during construction he does so at his own risk and subject to the indemnity set forth in paragraph 22 above.

28. THE CONDOMINIUM BUYERS' HANDBOOK

Purchaser acknowledges receiving a copy of The Condominium Buyers' Handbook, published by the Michigan Department of Consumer and Industry Services prior to signing this Agreement.

29. BINDING EFFECT

The promises contained in this Agreement shall bind heirs, personal representatives, administrators, executors, assigns and successors of the respective Parties.

To evidence their intention to be bound by the terms and conditions of this Agreement, the parties above executed the Agreement on the date indicated below their respective signatures.

PURCHASER

_____

_____

Date: _____

ADDRESS:

( )

BEECH-GODDARD, L.L.C.
a Michigan limited liability company

By: **SHERR DEVELOPMENT CORPORATION,**
a Michigan Corporation, Member

By: _____
Roger M. Sherr

Its: Vice President

Date: _____

31300 Orchard Lake Road
Suite 200
Farmington Hills, MI 48334
(248) 626-9099

ESCROW AGREEMENT

THIS AGREEMENT is entered into this _____ day of _____, 2004 between BEECH-GODDARD, L.L.C., a Michigan Limited Liability Company by Sherr Development Corporation, a Michigan Corporation, its Member ("Developer"), and LAWYERS TITLE INSURANCE CORPORATION ("Escrow Agent").

RECITALS:

WHEREAS, Developer is establishing a Condominium development known as COVE CREEK which has been established as a Condominium Project under the Michigan Condominium Act (Act No. 59, Public Acts of 1978, as amended, hereinafter the Act); and,

WHEREAS, Developer is selling Units in COVE CREEK and is entering into Building and Purchase Agreements with Purchasers for such Units in substantially the form attached hereto, and each Building and Purchase Agreement requires that all deposits made under such Agreements be held by Escrow Agent under an Escrow Agreement, and,

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

NOW, THEREFORE, it is agreed as follows:

1. Developer shall, after receipt, promptly transmit to Escrow Agent all sums deposited with it under a Purchase Agreement together with a fully executed copy of such Agreement.

2. The sums paid to Escrow Agent under the terms of any Building and Purchase Agreement shall be held and released to Developer or Purchaser only upon the conditions hereinafter set forth:

   A. Except as provided in Paragraph 2F hereof, amounts required to be retained in escrow in connection with the purchase of a unit shall be released to the Developer pursuant to Paragraph 4 only upon all of the following:

      (i) Issuance of a certificate of occupancy for the Unit, if required by local ordinance.

      (ii) Conveyance of legal or equitable title to the Unit to the Purchaser.

      (iii) Receipt by the Escrow Agent of a certificate signed by a licensed professional engineer or architect either confirming that those portions of the phase of the Project in which the Condominium Unit is located and which on the Condominium Subdivision Plan are labeled "must be built"

are substantially complete, or determining the amount necessary for substantial completion thereof.

(iv) Receipt by the Escrow Agent of a certificate signed by a licensed professional engineer or architect either confirming that recreational or other facilities which on the Condominium Subdivision Plan are labeled "must be built", whether located within or outside of the phase of the Project in which the Condominium Unit is located, and which are intended for common use, are substantially complete, or determining the amount necessary for substantial completion thereof.

B. In the event that the Purchaser under a Building and Purchase Agreement shall default in making any payments required by said agreement or in fulfilling any other obligations thereunder, for a period of 10 days after written notice by Developer to Purchaser, Escrow Agent shall release sums held pursuant to said Agreement to Developer in accordance with the terms of said Agreement.

C. In the event that a Purchaser fails to obtain a mortgage as provided in the Builder and Purchase Agreement, Escrow Agent shall release all sums held by it pursuant to said Agreement to Purchaser.

D. Escrow Agent shall be under no obligation to earn interest upon the escrowed sums held pursuant to this Agreement. In the event that interest is requested to be earned upon such sums, however, such interest shall be separately accounted for by Escrow Agent and shall be held in escrow and paid to Developer upon termination of this Escrow Agreement, provided, however, that if this Agreement terminates pursuant to Paragraph 2C hereof, then such interest, if any, shall be paid to Purchaser.

E. In the event that a Purchaser duly withdraws from a Building and Purchase Agreement prior to the time that said Agreement becomes binding under Section _____ of the General Provisions thereof, then Escrow Agent shall release to Purchaser all of Purchaser's deposits held thereunder.

F. If Developer requests that all of the escrowed funds held hereunder or any part thereof be delivered to it prior to the time it otherwise becomes entitled to receive the same, Escrow Agent may release all such sums to Developer if Developer has placed with Escrow Agent an irrevocable letter of credit drawn in favor of Escrow Agent in form and substance satisfactory to Escrow Agent and securing full repayment of said sums, or has placed with Escrow Agent such other substitute security as may be permitted by law and approved by Escrow Agent.

3. A. Substantial completion and the estimated cost for substantial completion of the items described in Paragraphs 2A(iii) and 2A(iv) and in Paragraph 4 shall be determined by a licensed professional engineer or architect, as provided in Paragraph 3B, subject to the following:

(i) Items referred to in Paragraph 2A(iii) shall be substantially complete only after all utility mains and leads, all major structural components of buildings, all building exteriors and all sidewalks, driveways, landscaping and access roads, to the extent such items are designated on the Condominium Subdivision plan as "must be built", are substantially complete in accordance with the pertinent plans therefor.

(ii) If the estimated cost of substantial completion of any of the items referred to in paragraphs 2A(iii) and 2A(iv) cannot be determined by a licensed professional engineer or architect due to the absence of plans, specifications, or other details that are sufficiently complete to enable such a determination to be made, such cost shall be the minimum expenditure specified in the recorded Master Deed or amendment for completion thereof. To the extent that any item referred to in Paragraphs 2A(iii) and 2A(iv) is specifically depicted on the Condominium subdivision Plan, an estimate of the cost of substantial completion prepared by a licensed professional engineer or architect shall be required in place of the minimum expenditure specified in the recorded Master Deed or amendment.

B. A structure, element, facility or other improvement shall be deemed to be substantially complete when it can be reasonable employed for its intended use and, for purposes of certification under this section, shall not be required to be constructed, installed, or furnished precisely in accordance with the specifications for the Project. A certificate of substantial completion shall not be deemed to be a certification as to the quality of the items to which it relates.

4. Upon receipt of a certificate issued pursuant to Paragraphs 2A(iii) and 2A(iv) determining the amounts necessary for substantial completion, the Escrow Agent may release to the Developer all funds in escrow in excess of the amounts determined by the issuer of such certificate to be necessary for substantial completion. In addition, upon receipt by the Escrow Agent of a certificate signed by a licensed professional engineer or architect confirming substantial completion in accordance with the pertinent plans of an item for which funds have been deposited in escrow, the Escrow Agent shall release to the Developer the amount of such funds specified by the issuer of the certificate as being attributable to such substantially completed item. However, if the amounts remaining in escrow after such partial release would be insufficient in the opinion of the issuer of such certificate for substantial completion of any remaining incomplete items for which funds have been deposited in escrow, only the amount in escrow in excess of such estimated cost to substantially complete shall be released by the Escrow Agent to the Developer. Notwithstanding a release of escrowed funds that is authorized or required by this section, an Escrow Agent may refuse to release funds from an escrow account if the Escrow Agent, in its judgment, has sufficient cause to

believe the certificate confirming substantial completion or determining the amount necessary for substantial completion is fraudulent or without factual basis.

5. Not earlier than 9 months after closing the sale of the first Unit in a phase of a Condominium Project for which escrowed funds have been retained under Paragraph 2A(iii) or for which security has been provided under Paragraph 2F, an Escrow Agent, upon the request of the Association or any interested Co-owner, shall notify the Developer of the amount of funds deposited under Paragraph 2A(iii) or security provided under Paragraph 2F for such purpose that remains, and of the date determined under this subsection upon which those funds can be released. In the case of a recreational facility or other facility intended for general common use, not earlier than 9 months after the date on which the facility was promised in the Condominium Documents to be completed by the Developer, an escrow agent, upon the request of the Association or any interested Co-owner, shall notify the Developer of the amount of funds deposited under Paragraph 2A(iv) or security provided under Paragraph 2F for such purpose that remains, and of the date determined under this Paragraph upon which those funds can be released. Three months after receipt of a request pertaining to funds described in Paragraph 2A(iii) or 2A(iv), funds that have not yet been released to the Developer may be released by the Escrow Agent for the purpose of completing incomplete improvements for which the funds were originally retained, or for a purpose specified in a written agreement between the Association and the Developer entered into after the Transitional Control Date. The agreement may specify that issues relating to the use of the funds be submitted to arbitration. The Escrow Agent may release funds in the manner provided in such an agreement or may initiate an interpleader action and deposit retained funds with a court of competent jurisdiction. In any interpleader action, the circuit court shall be empowered, in its discretion, to appoint a receiver to administer the application of the funds. Any notice or request provided for in this Paragraph shall be in writing.

6. The Escrow Agent in the performance of its duties under this Paragraph shall be deemed an independent party not acting as the agent of the Developer, any Purchaser, Co-owner, or other interested party. So long as the Escrow Agent relies upon any certificate, cost estimate, or determination made by a licensed professional engineer or architect, as described in the Act, the Escrow Agent shall have no liability whatever to the Developer or to any Purchaser, Co-owner, or other interested party for any error in such certificate, cost estimate, or determination, or for any act or omission by the Escrow Agent in reliance thereon. The Escrow Agent shall be relieved of all liability upon release, in accordance with this Paragraph, of all amounts deposited with it pursuant to the Act.

7. Escrow Agent may require reasonable proof of occurrence of any of the events, actions, or conditions stated herein before releasing any sums held by it pursuant to any Building and Purchase Agreement to a Purchaser thereunder, or to the Developer.

8. Upon making delivery of the funds deposited with Escrow Agent pursuant to any of the aforementioned Purchase Agreements and performance of the obligations and services stated therein and herein, Escrow Agent shall be released from any further liability under any such Agreement, it being expressly understood that liability is limited by the terms and provisions set forth in such Agreement and in this Agreement, and that by acceptance of this Agreement, Escrow Agent is acting in the capacity of a depository and is not as such, responsible or liable for the sufficiency, correctness, genuineness or validity of the instruments submitted to it, or the marketability of title to any Unit reserved or sold under any other Agreement. It is not responsible for the failure of any bank used by it as an escrow depository for funds received by it under this escrow.

9. Developer hereby agrees to indemnity and hold harmless Escrow Agent for any loss or damage sustained by Escrow Agent, including, but not limited to, attorney fees resulting from any litigation arising from the performance of Escrow Agent's obligations and services, provided such litigation is not a result of Escrow Agent's wrongful act or negligence.

10. All Notices required or permitted hereunder and all notices of change of address shall be deemed sufficient if personally delivered or sent by registered mail, postage pre-paid and return receipt requested, addressed to the recipient party at the address shown below such party's signature to this Agreement or upon any of the other said Agreements. For purposes of calculating time periods under the provisions of this Agreement, notice shall be deemed effective upon mailing or personal delivery, whichever is applicable.

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

By: Carrie M. Merrick
Escrow Agent

By: _____
Developer

RESERVATION ESCROW AGREEMENT

WHEREAS, Lawyers Title Insurance Corporation ("Escrow Agent") has expressed a willingness to act as Escrow Agent under Preliminary Reservation Agreements entered into between BEECH-GODDARD, L.L.C., a Michigan Limited Liability Company as developer of COVE CREEK CONDOMINIUM,a proposed Condominium Project, and various persons ("Depositors") who make deposits under said Preliminary Reservation Agreements; and

WHEREAS, all of said Preliminary Reservation Agreements require that cash deposits made thereunder be held by an Escrow Agent pursuant to the terms of the Reservation Escrow Agreement;

IT IS AGREED AS FOLLOWS:

1. Each Depositor shall pay to Escrow Agent simultaneously with the execution of a Preliminary Reservation Agreement, the sum specified therein which sum shall be retained in escrow by Escrow Agent until further notice from Developer or Depositor or both.

2. In the event that Developer or Depositor notifies Escrow Agent at any time to refund the reservation deposits held under a Preliminary Reservation Agreement to Depositor, then Escrow Agent shall forthwith pay said sums to Depositor and the Preliminary Reservation Agreement shall then terminate and all liability of Escrow Agent hereunder and thereunder shall thereby be discharged.

3. In the event that Developer and Depositor notify Escrow Agent to apply the deposit held under a Preliminary Reservation Agreement toward sums payable to Escrow Agent under any other Building and Purchase Agreement or Escrow Agreement which may hereafter come into existence to which Developer, Depositor and Escrow Agent are also parties, then Escrow Agent shall so apply said deposit and this Agreement shall thereupon terminate and Escrow Agent shall be discharged of all further liability hereunder.

4. If Developer requests that all of the escrowed funds held hereunder or any part thereof be delivered to it prior to the time it otherwise becomes entitled to receive the same, Escrow Agent may release all such sums to Developer if Developer has placed with Escrow Agent an irrevocable letter of credit drawn in favor of Escrow Agent in form and substance satisfactory to Escrow Agent and securing full repayment of said sums, or has placed with Escrow Agent such other substitute security as may be permitted by law and approved by Escrow Agent.

   Notwithstanding any other provision herein to the contrary Escrow Agent shall be under no obligation to release funds deposited hereunder to any party until it can satisfactorily ascertain that the funds deposited have been paid, settled and fully collected as such terms are defined under the provisions of MCL440.4100, et seq.

5. Upon making delivery of the funds deposited with Escrow Agent pursuant to any Preliminary Reservation Agreement and performance of the obligations and services stated therein and herein, Escrow Agent shall be released from any further liability thereunder and hereunder, it being expressly understood that liability is limited by the terms and provisions set forth in such Agreements and in this Agreement, and that by acceptance of this Agreement, Escrow Agent is acting in the capacity of a depository and is not, as such, responsible or liable for the sufficiency, correctness, genuineness or validity of the instruments submitted to it. Escrow Agent is not responsible for the failure of any bank used by it as an escrow depository for funds received by it under this Agreement.

6. Except in instances of gross negligence or willful misconduct, Escrow Agent's liability hereunder shall in all events be limited to return, to the party or parties entitled thereto, of the funds retained in escrow (or which were replaced by security) less any expenses which Escrow Agent may incur in the administration of such funds or otherwise hereunder, including, without limitation, attorney fees and litigation expenses paid in connection with the defense, negotiation or analysis of claims against it by reason of litigation, any interpleader action or arbitration proceeding, or otherwise, arising out of the administration of such escrowed funds, all of which costs Escrow Agent shall be entitled without notice to deduct from amounts on deposit hereunder.

7. All written notices required or permitted hereunder and all notices of change of address shall be deemed sufficient if personally delivered or sent by ordinary first-class mail, registered, or certified mail, postage prepaid and return receipt requested, addressed to the recipient party at the address shown below such party's signature to this Agreement or to a Preliminary Reservation Agreement.

By: _____
Sherr Development Corporation, a Michigan Corporation, its Member
By:
Its:

Lawyers Title Insurance Corporation, Escrow Agent

By: Connie M. Minock
Connie M. Minock
Its: SE Michigan Operations Manager

Dated: MARCH 15, 2004

COPIES: MAIN OFFICE SALES PURCHASER

BUILDING NO.: _____
UNIT NO: _____
ADDRESS: _____

COVE CREEK

LIMITED WARRANTY

1) **NAME AND ADDRESS OF WARRANTOR.** The name of the Warrantor (i.e., the entity making this Limited Warranty) is Beech-Goddard, L.L.C., a Michigan limited liability company, whose address is 31300 Orchard Lake Road, Suite 200, Farmington Hills, MI. 48334.

2) **TERM.** The term of the various coverages of this Limited Warranty begins on the date on which your Unit and home (collectively the "Residence") are deeded to you. That date is referred to in this Limited Warranty as the "Closing."

3) **COVERAGE.** Beech-Goddard, L.L.C., as Warrantor, warrants that for a period of one (1) year after Closing the roofs, floors, ceilings, walls, foundation and other structural components of the Residence which are not covered by other portions of this Limited Warranty will be free of defects in material or workmanship.

4) **MANUFACTURERS' WARRANTIES.** Beech-Goddard, L.L.C. assigns and passes through to you the manufacturers' warranties on all appliances and equipment located in the Residence. The following are examples of such appliances and equipment, although not every Residence includes all of these items and some may include appliances or equipment not in this list: refrigerator, range, dishwasher, garbage disposal, ventilating fan and air-conditioner.

5) **EXCLUSIONS FROM COVERAGE.** Beech-Goddard, L.L.C. does not assume responsibility for any of the following (either with respect to your Residence or to the common elements in the project), all of which are excluded from the coverage of this Limited Warranty:

   a) Defects in appliances and pieces of equipment which are covered by manufacturers' warranties. Beech-Goddard, L.L.C. assigned these manufacturers' warranties to you, and you should follow the procedures in these warranties if defects appear in these items;
   b) Damage due to ordinary wear and tear, abusive use, or lack of proper maintenance of your Residence;
   c) Defects which are the result of characteristics common to the material used, such as (but not limited to) warping and deflection of woods; fading, chalking and checking of paint due to sunlight; cracks due to drying and curing of concrete, stucco, plaster, bricks and masonry; drying, shrinking and cracking of caulking and weather-stripping; cracks in tile or cement and heaving of tile or cement; settlement of your Residence or the earth around or under the Residence;
   d) The one-year warranty against cracks and nail pops does not include any painting or redecorating;
   e) Damage to or destruction of any tree, shrub or plant growth which is native to the site and which remains after completion of construction of the development, regardless of the Warrantor's care to protect any tree, shrub or plant growth in either its original or relocated site;
   f) Defects in items installed or work done by you or by anyone else except Beech-Goddard, L.L.C. or (if requested by Beech-Goddard Development, L.L.C.) our subcontractors;
   g) Loss or injury due to the elements including damage caused by mold or any type of fungal growth;
   h) Conditions resulting from condensation on, or expansion or contraction of materials;
   i) Damage to the Residence caused by mold or any other fungal agent and/or exposure to mold and any other fungal agent, to the homebuyer or other residents of the home including, but not limited to invitees or other third parties. Moreover, mold remediation is not covered by the Limited Homeowner Warranty;

j) CONSEQUENTIAL OR INCIDENTAL DAMAGES. SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATION OR EXCLUSION MAY NOT APPLY TO YOU.

6) **NO OTHER WARRANTIES.** THIS LIMITED WARRANTY IS THE ONLY EXPRESS WARRANTY BEECH-GODDARD, L.L.C. MAKES. IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND HABITABILITY, ARE LIMITED TO THE WARRANTY PERIODS SET FORTH ABOVE. THE PURCHASER HEREBY EXPRESSLY WAIVES ANY IMPLIED WARRANTY OF HABITABILITY IN REGARDS TO CLAIMS OCCASIONED BY MOLD OR MOLD SPORES IN THE HOME. SOME STATES DO NOT ALLOW LIMITATIONS ON HOW LONG AN IMPLIED WARRANTY LASTS, SO THE ABOVE LIMITATION MAY NOT APPLY TO YOU. THIS WARRANTY GIVES YOU SPECIFIC LEGAL RIGHTS, AND YOU MAY ALSO HAVE OTHER RIGHTS WHICH VARY FROM STATE TO STATE. YOU MAY WISH TO CONSULT AN ATTORNEY WITH RESPECT TO SUCH OTHER RIGHTS.

7) **CLAIMS PROCEDURE.** If a defect appears which you think is covered by this Limited Warranty, you must write a letter describing it to Beech-Goddard, L.L.C. at the address appearing in paragraph 1 of this Limited Warranty. Beech-Goddard, L.L.C. will not assume responsibility for responding to any written letter delivered to it more than 14 days after the expiration of the one-year warranty period, even if the defects that are claimed in the letter may have arisen within the one-year warranty period. You must tell Beech-Goddard, L.L.C. in your letter what times during the day you will be home, so that Beech-Goddard, L.L.C. can schedule service calls appropriately. If delay will cause extra damage, telephone Beech-Goddard, L.L.C. ONLY EMERGENCY REPORTS WILL BE TAKEN BY PHONE and such reports must be confirmed in writing within three (3) days thereafter.

8) **REPAIRS.** Upon receipt of your written report of a defect, we will inspect your Residence. If a defective item is covered by this Limited Warranty, Beech-Goddard, L.L.C. will repair or replace it at no charge to you within 60 days after inspection (longer if weather conditions, labor problems or material shortages cause delays). The work will be done by Beech-Goddard, L.L.C. or subcontractors chosen by it. The choice between repair or replacement is Beech-Goddard, L.L.C.'s.

9) **NOT TRANSFERABLE.** This Limited Warranty is extended to you only if you are the first purchaser of your Residence. When the first purchaser sells the Residence or moves out of it, this Limited Warranty automatically terminates.

Date:_____, 2004.

PURCHASER

_____

_____

Date: _____

ADDRESS:

( )

BEECH-GODDARD, L.L.C.
a Michigan Limited Liability Company

By: **SHERR DEVELOPMENT CORPORATION**, *a Michigan Corporation, Member*

By: _____
Roger M. Sherr

Its: Vice President

Date: _____

31300 Orchard Lake Road
Suite 200
Farmington Hills, MI 48334
(248) 626-9099

MOLD DISCLOSURE/DISCLAIMER AGREEMENT

What Every Homeowner Should Know About Mold

Mold. Lately, mold has been in the news. Mold is a type of fungus that occurs naturally in the environment. It spreads by means of microscopic spores, and is found everywhere life can be supported. Even the most thorough maintenance of your home will not eliminate the presence of mold spores. If the growing conditions are right, mold can grow in your home. Most persons are familiar with mold growth on old bread or cheese, and mold that may grow on the bathroom tile. Of course, when you see the presence of mold on food or on your bathroom tile, the appropriate action is to discard the food and remove the mold from your bathroom tile. The same action is necessary for mold seen in other areas of your home.

In order to grow, mold requires a food source. This might be supplied by common items found in your home, such as fabric, carpet or even wallpaper, or by ordinary construction materials, such as drywall, wood and insulation, to name a few. Mold growth requires moisture. Moisture is the only mold growth factor that can be controlled in a residential setting. **BY MINIMIZING MOISTURE, MOLD GROWTH CAN BE REDUCED OR ELIMINATED.**

Moisture in a residential home can have many causes. Spills, leaks, overflows, condensation, and high humidity are common sources of moisture in any residence. **GOOD HOUSEKEEPING AND MAINTENANCE PRACTICES ARE ESSENTIAL IN THE EFFORT TO PREVENT OR ELIMINATE MOLD.** If moisture is allowed to remain on the growth medium, mold can develop within 24 to 48 hours.

What you can do. As homeowner you can take positive steps to reduce or eliminate occurrence of mold growth in your home. These steps include the following:

1. Before bringing items into your home, check for signs of mold. Potted plants (roots and soil), furnishings, or stored clothing and bedding material, as well as many other household goods, could already contain mold growth. Pets are also likely to contribute to mold growth in a residential setting.

2. Regular vacuuming and cleaning of your home will help reduce mold levels. Mild bleach solutions and most tile cleaners are effective in eliminating or preventing mold growth in the kitchen and bathroom areas.

3. Keep the humidity in your home low. Ventilate kitchens and bathrooms. As may be applicable, open the windows, use exhaust

fans, or run the air conditioning to remove excess moisture in the air and to facilitate evaporation of water from wet surfaces.

4. Promptly clean up spills, condensation and other sources of moisture. Thoroughly dry any wet surfaces or material. Do not let water collect or stand in your home.

5. Inspect for leaks in your home on a regular basis. Look for discoloration or wet spots. Inspect condensation pans in mechanical systems (refrigerators and air conditioners) for mold growth. Take notice of musty odors, and any visible signs of mold.

Mold Disclaimer and Waiver.

WHETHER OR NOT YOU AS A HOMEOWNER EXPERIENCE MOLD GROWTH IN YOUR HOME DEPENDS LARGELY ON HOW YOU MANAGE AND MAINTAIN YOUR HOUSEHOLD. WE, BEECH-GODDARD, L.L.C., THE HOMEBUILDER, WILL NOT BE RESPONSIBLE FOR ANY DAMAGES CAUSED BY MOLD OR ANY OTHER FUNGAL AGENT AND/OR EXPOSURE TO MOLD OR ANY OTHER FUNGAL AGENT, TO YOU THE HOMEOWNER OR ANY OTHER RESIDENTS, GUESTS OR OCCUPANTS OF YOUR HOME. MOLD REMEDIATION IS NOT COVERED BY THE LIMITED HOMEOWNER WARRANTY PROVIDED TO YOU AT CLOSING. WE, BEECH-GODDARD, L.L.C. WILL NOT BE RESPONSIBLE FOR ANY DAMAGE CAUSED BY MOLD GROWTH OR MOLD PRESENCE. THIS INCLUDES, BUT IS NOT LIMITED TO, PROPERTY DAMAGE, PERSONAL INJURY, LOSS OF INCOME, EMOTIONAL DISTRESS, DEATH, LOSS OF USE OF THE HOME, LOSS OF VALUE OF THE HOME, ADVERSE HEALTH EFFECTS, OR ANY OTHER EFFECTS. THE UNDERSIGNED HOMEOWNER HEREBY EXPRESSLY WAIVES ANY IMPLIED WARRANTY OF HABITABILITY IN REGARDS TO CLAIMS OCCASIONED BY MOLD OR MOLD SPORES IN THE HOME.

Arbitration Provision Regarding Mold.

Any claims, demands, disputes, controversies and differences of any kind relating to mold, or to the enforceability of the mold disclaimer provision above, that may arise between the parties to this purchase agreement shall be resolved by binding arbitration in accordance with the rules of the American Arbitration Association. Matters subject to binding arbitration include, but are not limited to, the breach of this purchase agreement, validity of this arbitration provision, all claims for personal injury, and all claims for property damage. It is agreed that no award for punitive damages may be made in any arbitration proceedings regardless of the applicable rules. The award for arbitration or arbitration panel will be final, binding and enforceable in any court of law having jurisdiction over the matter. Any demand for arbitration shall be in writing and shall be made within a reasonable time after the claim, dispute or other matter has arisen and in

no event shall be made after the date when the institution of legal or equitable proceedings based on such claim, dispute or other matter would be barred by the applicable statue of limitations.

Incorporation of Mold Disclosure/Disclaimer Agreement Into the Purchase Agreement.

This Mold Disclosure/Disclaimer Agreement is hereby appended to and made a part of your Purchase Agreement. The consideration for this agreement shall be the same consideration as stated in the Purchase Agreement. Should any term or provision of this agreement be ruled invalid or unenforceable by a court of competent jurisdiction, the remainder of this agreement shall nonetheless stand in full force and effect.

I acknowledge receipt of this Mold Disclosure/Disclaimer Agreement. I have carefully read and reviewed the terms of this Mold Disclosure/Disclaimer Agreement, I fully understand its ramifications, and I agree to its terms.

_____ _____

Purchaser Date

_____ _____

Purchaser Date

COVE CREEK CONDOMINIUM

DESIGNATION OF VOTING REPRESENTATIVE

The undersigned, being the Co-Owner(s) of Unit No. _____ in **Cove Creek Condominium,** hereby designates _____, pursuant to Article VIII, Section 3, of the Condominium Bylaws, as the individual representative who shall vote at the meetings of the Association and receive all notices and other communications from the Association on behalf of the undersigned Co-Owner(s). The Address of such representative is:

_____

Date: _____

_____
Co-Owner

_____
Address

_____
City, State & Zip Code

_____
Co-Owner

_____
Address

_____
City, State & Zip Code

Deck construction guidelines are not yet available.