

**THIRD AMENDMENT TO THE MASTER DEED OF
ISLAND LAKE SOUTH HARBOR**

THIS THIRD AMENDMENT TO THE MASTER DEED is made and executed on this _____ day of January, 2014, by Island Lake South Harbor Association, a Michigan nonprofit corporation, whose office is 143 Cady Centre #205, Northville, MI 48167, hereinafter referred to as the "Association," represented herein by Robert Hatcher, the President of Island Lake South Harbor Association, who is fully empowered and qualified to act on behalf of the Association in pursuance of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended).

WITNESSETH:

WHEREAS, the Association, the nonprofit corporation organized for the administration and management of Island Lake South Harbor, a condominium project established pursuant to the Master Deed thereof, recorded in Liber 32001, Pages 821-898, First Amendment to the Master Deed recorded in Liber 34143, Pages 672-673, and Second Amendment to the Master Deed recorded in Liber 41668, Pages 253-267, Oakland County Records, and known as Oakland County Condominium Subdivision Plan No. 1602, desires to amend the Master Deed and the Condominium Bylaws, Exhibit A of the Master Deed for Island Lake South Harbor, pursuant to the authority granted by Section 90 of the Michigan Condominium Act, as amended, (MCLA § 559.190, MSA § 26.50(190)), for the purpose of changing responsibilities for maintaining, repairing, replacing and insuring the various elements of the Project and to remove the concept of negligence from determining responsibility for any single item.

This Amendment shall not enlarge the common elements of the existing condominium project, or alter the existing percentages of value in the project.

The Master Deed shall be amended upon obtaining the necessary approval of the co-owners and mortgagees having an interest in the project, as required by Sections 90 and 90a of the Michigan Condominium Act (MCLA § 559.190 and 559.190a), MSA § 26.50(190) and 26.50 (190a)), and upon recording with the Register of Deeds for Oakland County, as required by Section 73 of the Michigan Condominium Act (MCLA § 559.173, MSA 26.50(173)).

NOW THEREFORE, the following changes are hereby made to the Island Lake South Harbor Master Deed and Bylaws:

Article I of Amendment

ARTICLE IV, Section (d)(13) of the Master Deed for Island Lake South Harbor, shall, upon recording of this Amendment with the Oakland County Register of Deeds, be deleted in its entirety and replaced with the following new Section (d)(13):

(13) All other items not specifically enumerated above which may be located within an individual Unit's perimeter walls, including but not limited to, the costs of decoration, maintenance, repair, replacement and insuring of all unit drywall, regardless of cause of damage or deterioration or the fact that such drywall may be designated as a General Common Element; and all counters, cabinets, equipment, fixtures and trim within a particular Unit, regardless of cause of damage or deterioration or the fact that such item may be designated as a General Common Element.

Article II of Amendment

ARTICLE IV of the Condominium Bylaws, Exhibit A of the Master Deed for Island Lake South Harbor, shall, upon recording of this Amendment with the Oakland County Register of Deeds, be deleted in its entirety and replaced with the following new Article IV:

ARTICLE IV

INSURANCE

*Section 1. **Association Coverage.** The Association shall carry fire and extended coverage, vandalism and malicious mischief (the maximum deductible amount must be no greater than 5% of the face amount of the policy) and liability insurance (minimum coverage of not less than \$1,000,000.00 for a single occurrence), and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements of the Condominium, Fidelity Bond coverage in an amount no less than a sum equal to three months aggregate assessments on all units plus reserve funds on hand, such Fidelity Bond insurance to cover all officers, directors and employees of the Association and for all other persons, including any management agent, handling or responsible for any monies received by or payable to the Association (it being understood that if the management agent or others cannot be added to the Association's coverage, they shall be responsible for obtaining the same type and amount of coverage on their own before handling any Association funds), Directors and Officers Liability coverage, 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:*

*Section 2. **Respective Responsibilities.** 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 must obtain additional insurance upon their Unit, at their own expense, in addition to the coverage carried by the Association. It shall be each Co-owner's responsibility to obtain insurance coverage for the interior of the Unit, including drywall, interior walls, personal property located within a Unit or elsewhere in the Condominium, fixtures, equipment and trim within a Unit, as well as for all improvements and betterments to the Unit and Limited Common Elements for which the Co-owner is assigned responsibility, and for personal liability and property damage for occurrences within a Unit or upon Limited Common Elements appurtenant to a*

Unit for which the Co-owner is responsible pursuant to Article IV of the Master Deed, and also for alternative living expense in event of fire and other casualty, and the Association shall have absolutely no responsibility for obtaining such coverages. **Co-owners are strongly advised to consult their insurance advisors to make sure they have all necessary and appropriate coverage required by this Article.** Each Co-owner shall deliver certificates of insurance to the Association from time to time to evidence the continued existence of all insurance required to be maintained by the Co-owner hereunder. In the event of the failure of a Co-owner to obtain such insurance or to provide evidence thereof to the Association, the Association may, but is not required to, obtain such insurance on behalf of such Co-owner and the premiums therefore shall constitute a lien against the Co-owner's Unit which may be collected from the Co-owner in the same manner that Association assessments may be collected in accordance with Article II hereof. The Association 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. The liability insurance carried by the Association shall, where appropriate, contain cross-liability endorsements to cover liability of the Co-owners as a group to another Co-owner. Any insurance policy carried by the Association shall be endorsed so as to not be cancelled or substantially modified without at least ten (10) days prior written notice to the Association and each holder of a first mortgage.

(a) The Association may purchase as an expense of administration an umbrella insurance policy that covers any risk required hereunder which was not covered due to lapse or failure to procure.

(b) All non-sensitive and non-confidential information in the Association's records regarding Common Element insurance coverage shall be made available to all Co-owners and mortgagees upon request and reasonable notice during normal business hours so that Co-owners shall be enabled to judge the adequacy of coverage and, upon the taking of due Association procedures, to direct the Board at a properly constituted meeting, to change the nature and extent of any applicable coverages, if so determined. Upon such annual reevaluation and effectuation of coverage, the Association shall notify all Co-owners of the nature and extent of all changes in coverages.

Section 3. **Mandatory Coverage of Co-owner.** Each Co-owner shall obtain and continuously maintain in effect at his own expense liability and property casualty insurance coverage (generally in the form of an "HO-6" insurance policy, as applicable, or such other specifications as the Board of Directors may prescribe, or as may be commonly extant from time to time), which affords coverage against "all-risks" of loss due to:

(a) casualty to the Co-owner's personal property located anywhere in the Condominium; and, his/her Unit, including, without limitation, its standard features, as well as all appliances, interior walls, electrical fixtures, heating and air conditioning equipment, wall coverings, window treatments and floor coverings; and, all Limited Common Elements for which the Co-owner is responsible pursuant to Article IV of the Master Deed, and also

(b) liability for injury to property and persons occurring in the Unit or upon any Limited Common Element for the maintenance of which the Co-owner is responsible pursuant to Article IV of the Master Deed.

All such coverages shall contain a clause or endorsement that requires that the insurer mail to the Association notice of cancellation not less than ten (10) days prior to any policy cancellation. Such coverages shall be in amounts prescribed from time to time by the Board of Directors of the Association but in no event shall coverage for the interior of the Unit and all personal property be less than the current insurable replacement value, nor shall liability coverage be on a "per occurrence" basis in an amount which is less than One Hundred Thousand Dollars (\$100,000.00) for damage to property and Five Hundred Thousand Dollars (\$500,000.00) for injury to persons. In addition, each Co-owner shall maintain "loss assessment" insurance coverage for his Unit. A "loss assessment" endorsement provides coverage for the Co-owner's share, if any, of any property damage or liability loss for which there may be no coverage, or inadequate coverage, under the applicable Association insurance policy. Each Co-owner shall also maintain "additions and betterments" insurance coverage for his Unit. Whenever used in these Bylaws, "additions and betterments" shall mean and includes all fixtures, equipment, decorative trim and furnishings that are located within the Unit or within any Limited Common Element appurtenant to the Unit, which are not a "standard feature" of the Unit.

*Section 4. **Insuring of Common Elements.** All Common Elements of the Condominium and those Limited Common Elements for which the Association is assigned responsibility in Article IV of the Master Deed shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association in consultation with its appropriate professional advisors. Such coverage may also include as secondary coverage pursuant to Section 7, below, interior walls within any Unit. The policy shall include a "Guaranteed Replacement Cost Endorsement" or a "Replacement Cost Endorsement" and, if the policy includes a coinsurance clause, an "Agreed Amount Endorsement". The policy shall also include an "Inflation Guard Endorsement", if available, and a "Building Ordinance and Law Endorsement". Any other improvements made by a Co-owner within a unit shall be covered by insurance obtained by and at the expense of said Co-owner; provided that, if the Association elects to include such improvements under its insurance coverage, any additional premium cost to the Association attributable thereto may be assessed to and borne solely by said Co-owner and collected as part of the assessments against said Co-owner under Article II hereof.*

*Section 5. **Cost of Insurance.** All premiums for insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.*

*Section 6. **Proceeds of Insurance Policies.** Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, the Co-owners and their mortgagees as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction, and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Condominium unless all of the institutional holders of first mortgages on Units in the Condominium have given their prior written approval.*

*Section 7. **Determination of Primary Carrier.** It is understood that there may be overlapping coverage between the Co-owners' policies and those of the Association, as required to be carried pursuant to this Article. In situations where both coverages/policies are applicable to a given*

loss, the provisions of this subsection shall control in determining the primary carrier. In cases of property damage to the Unit and its contents, or any other Unit, Limited Common Element or other element or property for which the Co-owner is assigned responsibility for maintenance, repair and replacement pursuant to the provisions of Article IV of the Master Deed (including improvements and betterments), or incidental or consequential damages to any other Unit resulting from an item, element or occurrence for which the Co-owner is assigned responsibility in Article IV of the Master Deed, the Co-owner's policy/carrier shall be deemed to be the primary carrier. In cases of property damage to the General Common Elements or a Limited Common Element for which the Association is assigned responsibility for maintenance, repair and replacement pursuant to the provisions of Article IV of the Master Deed, the Association's policy/carrier shall be deemed to be the primary carrier. In cases of liability for personal injury or otherwise, for occurrences in/on the Unit or in/upon a Limited Common Element for which the Co-owner is assigned responsibility for maintenance, repair and replacement pursuant to the provisions of Article IV of the Master Deed (including improvements and betterments), the Co-owner's policy/carrier shall be deemed to be the primary carrier. In cases of liability for personal injury or otherwise, for occurrences in/on the General Common Elements or in/upon a Limited Common Element for which the Association is assigned responsibility for maintenance, repair and replacement pursuant to the provisions of Article IV of the Master Deed (including improvements and betterments), the Association's policy/carrier shall be deemed to be the primary carrier. In all cases where the Association's policy/carrier is not deemed the primary policy/carrier, if the Association's policy/carrier contributes to payment of the loss, the Association's liability to the Co-owner shall be limited to the amount of the insurance proceeds, and shall not in any event require or result in the Association paying or being responsible for any deductible amount under its policies. In cases where the Co-owner's policy is deemed primary for the purpose of covering losses where the damage is incidental or caused by a General Common Element or the repair or replacement thereof, the insurance carrier of the Co-owner shall have no right of subrogation against the Association or its carrier.

Section 8. **Association as Attorney-in-Fact.** Each Co-owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Condominium Project, his Unit and the Common Elements thereof and such insurer as may, from time to time, provide such insurance for the Condominium Project. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

Section 9. **Indemnification.** Each individual Co-owner shall indemnify and hold harmless every other Co-owner and the Association for all damages and costs, including attorneys' fees, which such other Co-owners or the Association may suffer as a result of defending any claim arising out of an occurrence on or within such individual Co-owner's Unit or appurtenant Limited Common Elements and shall carry insurance to secure this indemnity if so required by the Association. This Section 9 shall not be construed to give any insurer any subrogation right or other right or claim against any individual Co-owner.

Article III of Amendment

ARTICLE V, Sections 1-4 of the Condominium Bylaws, Exhibit A of the Master Deed for Island Lake South Harbor, shall, upon recording of this Amendment with the Oakland County Register of Deeds, be deleted in its entirety and replaced with the following new Article V, Sections 1-4:

ARTICLE V

RECONSTRUCTION OR REPAIR IN CASES OF CASUALTY

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

*(a) **Repair or Reconstruction.** If the damaged property is a Common Element or a Unit, the property shall be rebuilt or repaired if any Unit in the Condominium is tenantable, unless it is determined by the affirmative vote of eighty (80%) percent of the Co-owners in the Condominium 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.*

*(b) **Decision Not to Repair or Reconstruct.** If the Condominium is so damaged that no Unit is tenantable, and if each institutional holder of a first mortgage lien on any Unit in the Condominium has given its prior written approval of the termination of the Condominium, the damaged property shall not be rebuilt and the Condominium shall be terminated, unless eighty (80%) percent or more of all Co-owners in number agree to reconstruction by vote or in writing within ninety (90) days after the destruction.*

*Section 2. **Repair and Reconstruction To Condition Existing Prior to Damage.** Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the plans and specifications for the Condominium to a condition as comparable as possible to the condition existing prior to damage unless the Co-owners shall unanimously decide otherwise.*

*Section 3. **Responsibility for Reconstruction or Repair.***

*(a) **Definition of Responsibility.** If the damage is only to a part of a Unit or common elements which are the responsibility of a Co-owner to maintain and repair and/or insure, it shall be the responsibility of the Co-owner to repair such damage in accordance with Subsection (b). hereof. In all other cases, the responsibility for reconstruction and repair, although not necessarily the costs thereof, shall be that of the Association.*

*(b) **Co-owner Items.** Regardless of the cause or nature of any damage or deterioration, including but not limited to incidents where the damage is incidental or caused by a general common element or the repair or replacement thereof, each Co-owner shall be responsible for the reconstruction and repair of the interior of the Co-owner's Unit and all fixtures, equipment, trim and personal property, including, but not limited to, all drywall,*

interior walls, floor coverings, window shades, draperies, interior walls (but not any General Common Elements therein), wall coverings, interior trim, furniture, light fixtures, and all appliances, whether freestanding or built-in. Each Co-owner shall be further responsible for the repair, reconstruction and maintenance of all items for which the Co-owner is assigned such responsibility in Article IV of the Master Deed. In the event any damage to Common Elements is the responsibility of the Association's insurance carrier pursuant to the provisions of Article IV, Section 7 hereof, then the reconstruction or repair of the same shall be the responsibility of the Association in accordance with Subsection (c) of this Section 3, although the responsibility for costs thereof shall be allocated in accordance with the provisions of this Subsection and Subsection (c). If any interior portion of a Unit is covered by insurance held by the Association for the benefit of the Co-owner, and the carrier of such insurance is responsible for paying a claim pursuant to the provisions of Article IV, Section 7 hereof, the Co-owner shall be entitled to receive the proceeds of insurance relative thereto, only in the absence of Co-owner coverage, (but the Co-owner shall be responsible for any deductible amount), and if there is a mortgagee endorsement, the proceeds shall be payable to the Co-owner and the mortgagee jointly, to be used solely for the necessary repairs. 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.

*(c) **Association Responsibility for Reconstruction or Repair of Common Elements.** Subject to the responsibility of the individual Co-owners as outlined in Subsection (b) above, and other provisions of these Bylaws or the Master Deed applicable to such situations, the Association shall be responsible for the reconstruction and repair of the General Common Elements and those Limited Common Elements for which it is responsible. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair or reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against the Co-owners who are responsible for the costs of reconstruction or repair of the damaged property (as provided in Article IV of the Master Deed) in sufficient amounts to provide funds to pay the estimated or actual costs of repair.*

*Section 4. **Timely Reconstruction.** If damage to Common Elements or a Unit adversely affects the appearance of the Project, the Association or Co-owner responsible for the reconstruction, repair and maintenance thereof shall proceed with the replacement or repair of the damaged property without delay, and shall complete such replacement or repair within six (6) months after the date of the occurrence which caused damage to the property.*

Article IV of Amendment

ARTICLE VI, Section 7 of the Condominium Bylaws, Exhibit A of the Master Deed for Island Lake South Harbor, shall, upon recording of this Amendment with the Oakland County

Register of Deeds, be deleted in its entirety and replaced with the following new Article VI, Section 7:

*Section 7. **Co-owner Maintenance.** Each Co-owner shall maintain his Unit and any Limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition and all major appliances, including, without limitation, sump pumps, furnaces, ovens, refrigerators, dishwashers, hot water heaters and air conditioning units, shall be operable, and operated, in their intended and recommended manner. Thermostats serving any Unit shall be maintained at not lower than sixty (60) degrees Fahrenheit and the Co-owner shall implement such other reasonable precautionary maintenance measures with respect to his Unit and the Limited Common Elements appurtenant or assigned to the Unit at times when the Unit is to be vacant, as the Board of Directors from time to time shall require. All Units must have operational smoke detectors installed at all times. 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, cable TV or other utility conduits and systems and any other Common 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 to the Association resulting from damage to or misuse of any of the Common Elements by him, or his family, guests, agents or invitees, or by casualties and occurrences, whether or not resulting from Co-owner negligence, involving items or common elements which are the responsibility of the Co-owner to maintain, repair and replace, unless such damages or costs are covered by insurance carried by the Association, in which case there shall be no such responsibility (unless full 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. Each individual Co-owner shall indemnify the Association and all other Co-owners against such damages and costs, including attorney's fees, and all such 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. The Co-owners shall have the responsibility to report to the Association any Common Element which has been damaged or which is otherwise in need of maintenance, repair or replacement.*

Article V of Amendment

In all other respects, the Master Deed of Island Lake South Harbor, including the Bylaws attached thereto as Exhibit A, and the Condominium Subdivision Plan, attached thereto as Exhibit B, as previously recorded and amended, are hereby ratified and confirmed.

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

Island Lake South Harbor Association,
a Michigan nonprofit corporation

By: _____
Robert Hatcher
Its: President

STATE OF MICHIGAN }
 }ss
COUNTY OF OAKLAND }

On this _____ day of January, 2014, the foregoing Third Amendment to the Master Deed of Island Lake South Harbor was acknowledged before me by Robert Hatcher, President of Island Lake South Harbor Association, a Michigan nonprofit corporation, on behalf of and by authority of the Association.

Drafted by and when
recorded return to:
Mark F. Makower, Esq.
Makower Abbate, PLLC
30140 Orchard Lake Rd.
Farmington Hills, MI 48334

_____, Notary Public
Oakland County, Michigan
Acting in _____, County, MI
My commission expires:

COPY

47354
LIBER 32001 PAGE 821
\$241.00 DEED - COMBINED
\$4.00 REINUMENTATION
01/27/2004 10:52:28 A.M. RECEIPT# 11737
PAID RECORDED - OAKLAND COUNTY
G.WILLIAM CADDELL, CLERK/REGISTER OF DEEDS

MASTER DEED
OF
ISLAND LAKE SOUTH HARBOR
A RESIDENTIAL CONDOMINIUM
OAKLAND COUNTY CONDOMINIUM
SUBDIVISION PLAN NO. 1602

Recorded January 27, 2004,
in Liber 32001, Pages 821
through 898, both inclusive,
Oakland County Records.

This Master Deed is made and executed this 21st day of January, 2004, by TOLL MI II LIMITED PARTNERSHIP, a Michigan limited partnership (hereinafter referred to as "the Developer"), whose address is 30500 Northwestern Highway, Suite 400, Farmington Hills, Michigan 48334.

WITNESSETH:

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

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

ARTICLE I
TITLE AND NATURE

The Condominium shall be known as Island Lake South Harbor, Oakland County Condominium Subdivision Plan No. 1602. The architectural plans and specifications for the improvements constructed within the Condominium will be filed with the City of Novi. The buildings and units contained in the Condominium, including the number, boundaries and dimensions of each Unit therein, are set forth in the Condominium Subdivision Plan attached

hereto as Exhibit B. Each building contains four individual Units for residential purposes only and each Unit is capable of individual use, having its own access to a Common Element of the Condominium. Each Co-owner in the Condominium shall have an exclusive right to his or her Unit and shall have undivided and inseparable rights to share with the other Co-owners the Common Elements of the Condominium as designated by the Master Deed. Co-owners shall have voting rights in the Island Lake South Harbor Association as set forth herein and in the By-Laws attached hereto and the Articles of Incorporation of such Association. Nothing in this Master Deed shall be construed to impose upon Developer any legal obligation to build, install or deliver any structure or improvement which is labeled "need not be built" on the Condominium Subdivision Plan attached as Exhibit B.

ARTICLE II LEGAL DESCRIPTION

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

A part of the Northeast 1/4 and the Southeast 1/4 of Section 19, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, being more particularly described as commencing at the East 1/4 Corner of said Section 19, for a Point of Beginning; thence South 86°22'40" West, 43.02 feet, to the Westerly right-of-way of Wixom Road; thence South 01°42'13" East, 1544.48 feet, along the Westerly 60 foot 1/2 right-of-way of said Wixom Road; thence 74.16 feet along a curve to the right, said curve having a radius of 607.00 feet; a central angle of 07°00'00", and a chord bearing and distance of South 01°47'47" West, 74.11 feet, along the Westerly 60 foot 1/2 right-of-way of said Wixom Road; thence South 05°17'47" West, 67.42 feet along the Westerly 60 foot 1/2 right-of-way of said Wixom Road, to a Northeasterly corner of "Island Lake Shores South", Oakland County Condominium Subdivision Plan No. 1553, established by Master Deed recorded at Liber 30468, Pages 690 through 772, Oakland County Records; thence North 84°38'04" West, 155.73 feet, along the Northerly line of said "Island Lake Shores South"; thence North 41°40'51" West, 168.38 feet, along the Northerly line of said "Island Lake Shores South", to Traverse Point "A"; thence continuing North 41°40'51" West, 13 feet more or less, along the Northerly line of said "Island Lake Shores South", to the Southerly shore line of Island Lake; thence Northwesterly 2,894 feet more or less, along the shore of said Island Lake, to the Southwesterly corner of "Island Lake Shores North", Oakland County Condominium Subdivision Plan No. 1444, established by Master Deed recorded at Liber 25903, Pages 224 through 302, Oakland County Records; thence North 86°22'54" East, 20 feet more or less, along the Southerly line of said "Island Lake Shores North", to Traverse Point "B" (said Traverse Point "B" being North 56°05'58" East, 122.54 feet and North 17°02'10" East, 141.35 feet and North 23°33'48" West, 430.47 feet and North 02°00'15" West, 543.95 feet and North 34°54'33" West, 113.20 feet and South 87°36'54" West, 650.25 feet and North 72°25'58" West, 189.65 feet and North 58°17'06" West, 265.22 feet and North 01°47'59" West, 111.52 feet and North 36°07'44" East, 90.97 feet and North

04°37'32" West, 64.03 feet and North 48°46'34" West, 72.17 feet and North 04°24'01" West, 85.46 feet, from said Traverse Point "A"); thence continuing North 86°22'54" East, 106.51 feet, along the Southerly line of said "Island Lake Shores North"; thence South 02°42'01" East 165.00 feet; thence North 86°22'40" East, 1336.91 feet, to the East line of said Section 19 and the centerline of said Wixom Road (said point being South 03°08'01" East, 2,476.09 feet, from the Northeast Corner of said Section 19); thence South 03°08'01" East, 164.87 feet; along the East line of said Section 19, and the centerline of said Wixom Road, to the East 1/4 Corner of said Section 19, and the Point of Beginning. All of the above containing 22.461 acres more or less to the water's edge. All of the above being subject to easements, restrictions, and right-of-ways of record. All of the above being subject to the rights of the public in Wixom Road and to the correlative rights of other riparian owners and the public trust in the waters of "Island Lake".

Tax Parcel No. 22-19-200-005 and ~~(22-19-400-001)~~ 22-19-426-001

ARTICLE III
DEFINITIONS

22-19-200-009

22-19-476-001

Certain terms used in this Master Deed and the Exhibits hereto, and in the Articles of Incorporation and By-Laws of Island Lake South Harbor Association are defined as follows:

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

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

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

(d) "City" or "Novi" means the City of Novi, a Michigan municipal corporation located in Oakland County, Michigan, or its successor, assign or transferee.

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

(f) "Community Association" means the Island Lake of Novi Community Association, which is the Michigan non-profit corporation organized, under Michigan law to administer the common affairs of the Island Lake of Novi Community, a larger planned development that is to include the Condominium as described in Article VII, paragraph (k), and Article XIV below.

(g) "Condominium" or "Condominium Project" means Island Lake South Harbor 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 of the Association.

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

(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) "Co-owner" or "Owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which owns one or more Units in the Condominium. The Developer is a Co-owner as long as Developer owns one or more Units. In the event of the conveyance of a Unit by land contract, the land contract vendees shall be the "Co-owners" of the Unit and shall bear sole liability for all obligations arising with respect to the Unit to the exclusion of the land contract vendors. The foregoing provision regarding the rights and obligations of land contract vendors and vendees shall apply notwithstanding the definition of "Co-owner" set forth in Section 6 of the Act, as amended by Public Act 379 of 2000.

(l) "Developer" means Toll MI II Limited Partnership, a Michigan limited partnership, and 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.

(m) "Development and Sales Period" means the period beginning on the date this Master Deed is recorded and continuing for as long as Developer holds for sale any Unit within the Project.

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

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

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

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

(r) "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.

(s) "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.

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

ARTICLE IV COMMON ELEMENTS

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

(a) The General Common Elements are:

(1) The land, described in Article II hereof, and beneficial easements, if any, described in Article VII hereof, including any parking areas, walks, private roads, pedestrian pathways and sidewalks, boardwalks, safety paths, entrance facilities, berm areas, lakefront beach areas, landscaped and open space areas (except to the extent any of the foregoing are designated herein or in the Plan as Limited Common Elements), including such wetland and/or woodland areas and such lakefront areas as may be located within the Condominium.

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

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

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

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

(6) The storm sewer and storm water drainage systems throughout the Condominium, including below-ground and above-ground systems and all retention or detention ponds.

- (7) The plumbing network throughout the Condominium, including that contained within Unit walls, up to the point of connection with plumbing fixtures (including water softeners) within any Unit.
- (8) The cable television transmission system throughout the Condominium (if any) and any telephone or other communication lines, including that part of such system and lines contained within Unit walls up to the point of connection with outlets within any Unit.
- (9) The structural members, materials and components which comprise the exterior walls, the roof, furnace chimneys, the foundations (including support components), the basement foundations, walls and floors, the ceilings and the floors which envelop the air space within the Unit and the air space within the attics, if any, the crawl spaces, if any, outside of a Unit, and Unit perimeter walls (including window and door frames therein, excluding the glass within the frames and glass sliding doors including the frames). The air space outside of a Unit but within the structural items which envelop a Unit is a General Common Element.
- (10) The site lighting, including all wiring, fixtures, posts and meters throughout the Condominium.
- (11) All beneficial utility and drainage easements.
- (12) Such recreational facilities, if any, as may be constructed on or attached to the general common element land for the benefit of the Co-owners; including, without limitation, such temporary, seasonal boat docks as may be installed from time to time and maintained within the Condominium in accordance with the terms and limitations imposed in the Condominium Documents and in the Conservation Easement and the RUD Agreement described in Article VII below.
- (13) Such other elements of the Condominium not herein designated as Limited Common Elements which are not enclosed within the boundaries of a Unit.

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

(b) The Limited Common Elements are:

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

(2) The sidewalks leading from the driveway of each Unit to the respective porch of that Unit.

(3) Any deck or patio installed by the Developer within the area located at the rear of a Unit and designated as a limited common element area on the Site Plan included in the Condominium Subdivision Plan shall be a limited common element limited to the use of the Co-owners of the Unit which opens onto the deck or patio. Any such deck or patio shall be maintained, repaired and/or replaced in conformance with the By-Laws attached as Exhibit "A".

(4) The glass in a window and the glass sliding doors, including the frames which comprise the glass sliding doors, which are located at or on the perimeter of a Unit.

(5) The fireplace combustion chamber, if any, located within or outside of each individual Unit.

(6) Each driveway extending from the roadways constructed within the Condominium to the attached garage serviced by such driveway is designated on the Plan as a limited common element and is limited to the sole use of the Co-owners of the Unit or Units that gain access to their garage(s) over each such driveway. Each driveway services one or more Units, and each driveway has direct access to a road, as shown on the Condominium Subdivision Plan attached hereto.

(7) The entire heating, ventilation and air conditioning systems and its component parts serving each Unit to the point of connection with the outside walls of the Unit shall be appurtenant to and limited to the sole use of the Co-owners of the Unit served by the system. The air conditioning compressor serving each Unit shall be a limited common element appurtenant to the Unit served even if said compressor is located outside the walls of the Unit.

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

(c) The responsibility for the full cost of maintenance, decoration, repair and replacement of the General and Limited Common Elements shall be the sole responsibility of the Association, except where specific exceptions are stated in the Condominium Documents, and are to be paid for according to the provisions of these Condominium Documents. The full responsibility for each Unit shall be borne by the Co-owners of the Unit. If the Association fails to adequately maintain or repair or replace General Common Element areas assigned to its care, the City of Novi may, but is not required to, perform such maintenance, repair or replacement in accordance with the easement rights described in Article VII, paragraph (p) below.

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

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

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

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

- (1) All landscaped areas (excluding such landscaping as may be installed and maintained by a Co-owner upon a porch, deck or patio in accordance with the By-laws attached hereto as Exhibit A).
- (2) All driveways, roadways and sidewalks, including the stairs or steps leading to the porches at the entrances to each Unit (but not the porches).
- (3) Snow removal from the roads, driveways and any sidewalks (including driveways designated as Limited Common Elements).
- (4) The exterior of all buildings, including trim and hardware and the concrete pads upon which air conditioning compressors are situated, but excluding individual porches, decks, patios, glass windows, glass sliding doors and entry doors.
- (5) Individual attached garages, including the doors, exteriors and roofs of said garages, but excluding any electric garage door openers and/or the interior portions of such garages, including the concrete floors.
- (6) All mailboxes and stands.
- (7) Rubbish removal systems, if any.
- (8) All common site lighting.
- (9) All other items identified above in subparagraph (a) of this Article IV as General Common Elements; including, without limitation, such temporary, seasonal boat docks as may be installed along the lakefront area located within the Condominium and stored on the General Common Element land when not in use.
- (d) Each Co-owner of a Unit shall have the responsibility to decorate, maintain, repair and replace the following items:

- (1) All appliances within a Unit and supporting hardware, including, but not limited to, garbage disposals, dishwashers, ranges and ovens, vent fans, duct work, vent covers and filters, hot water heaters, water softeners, furnaces, humidifiers, air cleaners, and air conditioners and compressors (whether located within or outside of a Unit, but excluding the concrete pad, which shall be the Association's responsibility), sump pumps and any gas barbecue installed on any deck or patio (provided, however, that all such barbecues must be properly installed and maintained at all times so as to avoid any risk of injury or damage to the Co-owners or the Condominium Project).
- (2) All doors, windows, doorwalls (including all glass doorwall frames and tracks), screens and related hardware within or leading to the individual Unit, including the glass within any window and all parts of the entry door; provided that the decoration, maintenance, repair and replacement of the exterior surface of the entry door (including the painting thereof) shall be subject to reasonable rules and regulations adopted by the Association through its Board of Directors.
- (3) Any landscaping installed upon a porch, deck or patio in accordance with the By-Laws attached hereto as Exhibit A.
- (4) The fireplace combustion chamber, if any, located within the individual Unit.
- (5) All electrical fixtures or appliances within an individual Unit including, but not limited to, lighting fixtures, switches, outlets, antenna outlets and circuit breakers. (Note: Any modification to the existing electrical system must be approved in writing by the Board of Directors and must be completed by a licensed electrician.)
- (6) Any electrical outlets connected to an individual Unit's electrical meter, but located on the exterior of the Unit.
- (7) All plumbing fixtures, including shut-off valves, rings and washers located on or within an individual Unit's perimeter walls.
- (8) All cabinets, counters, interior doors, closet doors, sinks, tile and wood, either floor or wall, and related hardware.
- (9) All improvements or decorations including, but not limited to, paint, wallpaper, carpeting and trim.
- (10) Individual Unit drain lines and water softener discharge lines located within Unit perimeter walls.
- (11) All individual decks, patios and porches comprising Limited Common Elements appurtenant to the Unit and the stairs or steps leading to individual decks or patios, but not the stairs or steps leading to the porches which are located at the entrance to each Unit.

(12) All electric garage door openers and the interior portions of all garages, including concrete floors.

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

ARTICLE V USE OF PREMISES

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

ARTICLE VI CONDOMINIUM UNIT DESCRIPTION AND PERCENTAGE OF VALUE

The Condominium consists of fifty-two (52) residential Units. Each Unit is described in this paragraph with reference to the Condominium Subdivision Plan as prepared by Seiber, Keast & Associates, Inc., a copy of which is attached hereto as Exhibit B. Each Unit shall consist of the interior air space measured from the entire interior surface enveloping the Unit air space, including the garage and the basement areas, if any; including (i) interior unpainted surfaces of inside walls; (ii) the inside surfaces of windows, doorwalls, doors and access panels; (iii) the unpainted interior surfaces of ceilings; and (iv) the interior and unfinished surfaces of the sub/floors and/or basement floor. In addition to the above described air space, each Unit shall also include all items, components, fixtures and mechanisms, from the point of connection inward, which provide the Unit with its plumbing, electrical, waste disposal, water, heating and air conditioning services. For all purposes, individual Units may hereafter be defined and described by reference to this Master Deed and the individual number assigned to the Unit in the Condominium Subdivision Plan.

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

Based on the nature of the Condominium Project and the fact that the Association's responsibility for maintenance of Common Elements will not be substantially different among all of the Units, the Percentages of Value assigned to the fifty-two (52) Units are equal.

ARTICLE VII
EASEMENTS AND ENCUMBRANCES

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

(a) Developer (on its behalf and on behalf of its successors or assigns, agents, invitees, employees and contractors) hereby reserves permanent easements for ingress and egress over the roads and walks in the Condominium for purposes of ingress and egress in and to the Condominium and the Units.

(b) By recordation of this Master Deed, Developer reserves the right and power to dedicate some or all 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 or assigns as agent and attorney-in-fact to make such dedication and to act on behalf of all Co-owners and their Mortgagees in any statutory or special assessment proceedings with respect to such roads as may be dedicated. After certificates of occupancy are issued for one hundred (100%) percent of the Units in the Condominium, the foregoing rights and powers may be exercised by the Association.

(c) Upon approval by an affirmative vote of not less than fifty one (51%) percent of all Co-owners, in number and in value, the Association shall be vested with the power and authority to sign petitions requesting establishment of a special assessment district pursuant to provisions of applicable Michigan statutes for improvement of roads within or adjacent to the Condominium and related purposes, including, without limitation, the installation of street lighting. In the event that a special assessment project is established pursuant to applicable Michigan law for road improvement or other purposes, the collective costs assessable to the Condominium as a whole shall be borne equally by all Co-owners.

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

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

(f) There shall be easements to and in favor of the Association, and its officers, directors, agents and designees (and the Developer prior to the First Annual Meeting), in, on and over all Units, for access to the Units to conduct any activities authorized by this Master Deed or the Condominium By-Laws. Prior to any entry into the Unit, the Association, through its authorized agent, will first provide the Co-owner with reasonable notice and will attempt to coordinate such entry with such Co-owner in order to minimize interfering with the Co-owner's use and enjoyment of the Unit; provided, however, that in the event of an emergency or in the event a Co-owner fails to respond to a written request for entry within forty-eight (48) hours in a non-emergency situation, the Association will have the right of entry into the Unit.

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

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

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

(j) The Condominium and lands adjacent to the Condominium are being developed by the Developer in accordance with the Harvest Lake of Novi Residential Unit Development

Agreement (the "RUD Agreement") entered into by the prior owner of the property submitted to the Condominium and the City of Novi and recorded at Liber 18279, Pages 716 through 855, both inclusive, Oakland County Records. The Condominium and the Units therein shall be developed and maintained in accordance with the terms and conditions of the RUD Agreement, as amended by the Harvest Lake of Novi First Amendment of Residential Unit Development Agreement dated July 22, 1999 and recorded at Liber 20818, Pages 15 through 40, both inclusive, Oakland County Records; the Second Amendment to Residential Unit Development Agreement dated April 7, 2003 and recorded at Liber 29801, Pages 7 through 23, both inclusive, Oakland County Records; the Third Amendment to the Residential Unit Development Agreement dated July 21, 2003 and recorded at Liber 30402, Pages 1 through 15, both inclusive, Oakland County Records, and any additional amendments thereto. All Co-owners and persons occupying Units within the Condominium shall comply with the terms and conditions of the RUD Agreement, as amended.

(k) In order to comply with the RUD Agreement, the Developer has prepared and recorded a certain Island Lake of Novi Community Association Declaration of Covenants and Restrictions (the "Community Association Declaration") at Liber 21518, Pages 318 through 345, both inclusive, Oakland County Records, to provide for the operation and management of certain common facilities to be constructed and/or established as part of the larger development described in the RUD Agreement and known as the "Island Lake of Novi Residential Unit Development" or the "Island Lake of Novi Community". (The Developer has changed the name of the Harvest Lake of Novi Residential Unit Development to its current name, "Island Lake of Novi Residential Unit Development", after having obtained the City of Novi's approval of the name change as permitted by the Harvest Lake of Novi First Amendment of Residential Unit Development Agreement.) The Condominium and the Units therein shall be developed and maintained in accordance with the terms and conditions of the Community Association Declaration, as the same may be amended from time to time, and all Co-owners and persons occupying Units within the Condominium shall comply with the terms and conditions of the Community Association Declaration, as amended. (The Developer has recorded a Second Amendment to the Community Association Declaration in Liber 30418, Pages 397 through 412, both inclusive, Oakland County Records, to include the Condominium and other land in the Island Lake of Novi Community.¹) The common facilities subject to maintenance and administration by the Community Association pursuant to the Community Association Declaration may be completely or partially located within the Condominium. Many of the common facilities subject to maintenance by the Community Association are located outside of the Condominium in other portions of the Island Lake of Novi Community. They may or may not be located within the boundaries of another condominium project. The facilities maintained by the Community Association under the terms of the Community Association Declaration include wetland, woodland and certain other open areas within the Island Lake of Novi Community that

¹ On June 22, 2001, the Developer recorded a First Amendment to Community Association Declaration in Liber 23097, Pages 301 through 309, both inclusive, Oakland County Records, to include certain other land and developments in the Island Lake of Novi Community, including the condominium known as Island Lake Shores North, Oakland County Condominium Subdivision Plan No. 1444.

are subject to Conservation Easements; detention and retention ponds as may be constructed or located within the Island Lake of Novi Community; and the main entranceway facilities into the Island Lake of Novi Community, including, without limitation, the signage and fountains installed adjacent to Island Lake Drive and Glenwood Drive near Wixom Road within the boundaries of Island Lake Vineyards, a separate condominium development established within the Island Lake of Novi Community. The Community Association shall have an easement to enter upon the Condominium to the extent required or beneficial for the performance of its obligations under the Community Association Declaration of Covenants, as amended; including, without limitation, any obligations or responsibilities assigned to the Community Association pursuant to the terms and conditions of the Conservation Easement described below.

(l) In accordance with the terms of the RUD Agreement described above, as amended, portions of the Condominium and other land within the Island Lake of Novi Community have been or will be encumbered by one or more Conservation Easements that shall be recorded in the Oakland County Records upon formal approval of the Conservation Easement by the City of Novi. The Conservation Easement may be entitled "Third Conservation Easement" to distinguish it from the Conservation Easement recorded in connection with the development of Island Lake Vineyards and a certain Second Conservation Easement described below in paragraph (m). Developer reserves the right to record the aforesaid Conservation Easement without obtaining the prior consent of any person with an interest in the Condominium, including any Co-owner or mortgagee. The intent of the Conservation Easement is to preserve certain wetland, woodland and other open areas within the Island Lake of Novi Community in their natural state and to regulate the use of land immediately contiguous with Island Lake. The Condominium Subdivision Plan currently depicts certain wetland areas that are to be encumbered by the Third Conservation Easement. The Developer specifically reserves the right to encumber those areas and additional portions of the General Common Element land included in the Condominium under the terms and conditions of the aforesaid Third Conservation Easement to the extent determined necessary by the Developer for compliance with such preservation and conservation requirements as may be imposed by the City of Novi under its ordinances and the above described RUD Agreement.

(m) With regard to the Condominium, a certain Second Conservation Easement recorded at Liber 26643, Pages 1 through 30, both inclusive, Oakland County Records, has established a "Lakefront Easement Area" that encumbers the land located in the Condominium within 25-feet of the edge of Island Lake; provided that the width of the Lakefront Easement Area will vary as the water level within Island Lake varies. (Portions of the Island Lake shore front located within the Condominium in addition to the 25-foot wide conservation easement area established by the Second Conservation Easement shall be subject to preservation pursuant to the terms and conditions of the Third Conservation Easement to the extent determined necessary by the Developer for compliance with requirements imposed by the City of Novi as described in paragraph (l) above.) Under the terms and conditions of the Second Conservation Easement, the Developer has the right to develop one sand or sand and gravel beach for each of the ten (10) buildings in the Condominium located west and south of Reeds Pointe Drive as shown on the Plan; provided that the width of each beach is limited to 33% of the combined building and side yard width for the aforesaid ten (10) buildings and further provided that beaches for two or more of the said ten buildings may be located adjacent to one another. The location of these beaches shall be subject to the City's prior written approval, which shall not be

unreasonably delayed or withheld. The designated beach areas shall be depicted in the Condominium Subdivision Plan recorded with the "as-built" Condominium Subdivision Plan recorded upon the completion of the Condominium. Once established, the location of a sand or gravel beach within the Condominium shall not be changed without the prior written approval of the Community Association and the City and any such relocation of a sand or gravel beach area that is not reflected in the "as-built" Condominium Subdivision Plan recorded with respect to the Condominium Project shall be depicted in an amendment to Master Deed prepared and recorded by and at the expense of the Association. The remainder of the Lakefront Easement Area included in the Condominium shall be planted and maintained with vegetation approved by the City's consultants for purposes of establishing and maintaining a natural buffer along the shore line of Island Lake. The purpose of this natural buffer is to filter storm water runoff into Island Lake from the land surrounding the lake. The natural buffer areas established within the Condominium (and elsewhere within the Island Lake of Novi Community) shall be perpetually preserved and maintained by the Community Association in their natural and undeveloped condition in accordance with final site plan approval and the cost of such maintenance shall be included in the administrative expenses of the Community Association.

(n) Under the terms of the Second Conservation Easement, the Association shall have the right to install, operate, manage and maintain one or more temporary seasonal boat docks within the beach areas established within the Lakefront Easement Area contained within the Condominium; provided that the number of docks installed may not exceed the number of beaches established in the Condominium and further provided that the dimensions, design, use, operation, maintenance and storage of such seasonal docks shall be subject to regulation by the Community Association and to such standards and requirements as may be set forth in this Master Deed and the By-Laws attached hereto or in an amendment to the Island Lake of Novi Declaration. The aggregate number of boat slips provided for in all of such temporary, seasonal docks maintained within the Condominium shall not exceed the number of Units established within the Condominium. As set forth in the Second Conservation Easement and the RUD Agreement, the only boats or water craft that may be used on Island Lake shall be by propelled by electric motors, sails, oars or paddles. Under the terms of the Second Conservation Easement, boats docked, launched or operated on Island Lake shall not exceed twenty (20) feet in length. Any and all docks installed pursuant to this paragraph (n) must be installed in accordance with applicable state and federal law.

(o) The aforementioned Second Conservation Easement also provides for the establishment of certain soil testing and fertilizer application procedures as more particularly set forth in that document. Pursuant to the terms of the Second Conservation Easement, the Association shall comply with such fertilizer application recommendations as may be distributed by the Community Association pursuant to the procedures established under the terms of the Second Conservation Easement in maintaining the land within the Condominium. In no event shall any fertilizer or herbicide be applied within any portion of the Lakefront Easement Area described in paragraph (m) above.

(p) Pursuant to Article VI, paragraph 6 of the Community Association Declaration, if the Community Association or any association established to administer the common affairs of a project within the Island Lake Community fails to properly preserve, maintain or repair an open area, common area or amenity that is assigned to its care by the Community Association

Declaration or by the appropriate master deed or declaration of restrictions and covenants, then the City of Novi shall have the right to serve written notice of the failure on the Community Association or the appropriate association, including the Association established for the Condominium, as the case may be. The served notice shall describe the failure that is of concern to the City, shall demand that the failure be cured within thirty (30) days from the date of the notice or such longer time as may be provided in the notice, and shall identify a date and place of hearing regarding the substance of the notice before the City Council of the City or such other board, body or official as may be identified for such purpose by the City Council of the City. The date of such hearing shall be within fourteen (14) days of the date of the aforesaid written notice. If the Community Association or association that has been served with notice by the City fails to cure the deficiency described in the notice within the cure period identified in the notice or any extension thereof, the City shall have the right, but not the obligation, to cause the deficiency to be cured and to charge the cost of such corrective action to the Community Association or association that has failed to perform its preservation or maintenance responsibilities and, on a prorata basis, to the unit and/or lot owners that comprise the membership of such association. The City shall have the right to determine how it will collect its reimbursement for amounts expended by the City pursuant to this provision. In addition to other methods of collection, the City shall have the right to place an assessment for a prorata share of the reimbursement amount on the City tax rolls against each condominium unit or lot included in the condominium or subdivision managed by the defaulting association. In addition, an administrative fee in the amount of twenty-five (25%) percent of the total of all costs and expenses incurred by the City in the exercise of the remedies conferred in this paragraph (p) shall be paid by the Developer and/or the defaulting association, and such amount shall also constitute a lien on an equal pro rata basis as to all of the condominium units or residential lots included in the development or developments managed by the defaulting association; provided that Developer shall not have any direct liability to the City for amounts payable to the City pursuant to this paragraph (p) if the defaulting association is no longer controlled by the Developer as of the date of the defaulting association's failure to carry out its maintenance obligations. The rights and remedies set forth in this paragraph (p) may be exercised by the City against the Association and the Co-owners of Units in the Condominium, including the Developer, in the event that the Association fails to properly perform its maintenance and repair obligations as set forth in this Master Deed and thus becomes a defaulting association as described in this provision.

(q) A portion of the Condominium Project lies within the flood plain of Island Lake. The 100 year flood elevation within the Condominium as shown on the Condominium Subdivision Plan is 945.7 feet N.G.V.D. No construction activity or disturbance of areas located within the flood plain area can take place without first obtaining such permits as may be required from the Michigan Department of Environmental Quality, the City of Novi and the Oakland County Drain Commission. Nearly all of the flood plain area located within the Condominium Project is also subject to regulation pursuant to the Second Conservation Easement described in paragraph (m) above.

(r) The portions of the Condominium located immediately adjacent to Island Lake shall also be subject to the terms and conditions of such Conservation Easement as may be entered into by the Developer with the Michigan Department of Environmental Quality ("MDEQ") in compliance with the requirements imposed by that agency in accordance with its regulatory

authority and permits obtained by the Developer in the course of the development of the Condominium and the Island Lake of Novi Community in general. The aforesaid Conservation Easement shall permit the activities allowed by the Conservation Easements for the benefit of the City of Novi described in this Article VII, including the Second Conservation Easement described in paragraph (m) above. The Developer shall have the right to enter into the Conservation Easement with the MDEQ and subject the Condominium to the terms and conditions of that document without the consent of any Co-owner or mortgagee.

(s) A portion of the Condominium is subject to a Drainage Easement for the benefit of the City of Novi, recorded in Liber 15413, Pages 592 and 593, Oakland County Records, as shown on the Condominium Subdivision Plan. The Drainage Easement permits the construction, operation, maintenance and repair of a storm water drain across a twenty-foot wide strip of land located to the south of the buildings in the Condominium and extending west from Wixom Road to Island Lake.

ARTICLE VIII AMENDMENTS

This Master Deed and any Exhibit hereto may be amended as follows:

(a) No Unit dimensions may be modified without the consent of the Co-owner of such Unit nor may the nature or extent of limited Common Elements or the responsibility for maintenance, repair or replacement thereof be modified without the written consent of the Co-owner of any Unit to which the same are appurtenant.

(b) If the amendment will materially change the rights of the Co-owners or first 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 first Mortgagees of the Units (unless a greater majority is specified in the Condominium By-Laws). A first Mortgagee shall have one vote for each mortgage held.

(c) Notwithstanding subparagraphs (a) and (b) above, but subject to the limitation of subparagraph (d) 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 and/or Limited Common Elements adjoining or appurtenant to unsold Units;
- (2) To amend the Condominium By-Laws, 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 By-Laws;
- (4) To clarify or explain the provisions of the Master Deed or its exhibits;

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

(6) To make any amendment expressly permitted by this Master Deed;

(7) To make, define or limit easements affecting the Condominium, including additional conservation easement areas as described in Article VII above;

(8) To record an "as-built" Condominium Subdivision Plan in compliance with the Act and the rules promulgated under the Act and any applicable City Ordinance; or

(9) To amend the description of land included in the Condominium as set forth in Article II of this Master Deed and on the Plan in the event the roads in the Condominium are dedicated to public use to the City of Novi or any other governmental agency or to comply with the requirements of any governmental agency.

(d) Notwithstanding any other provisions of this Article VIII, the method or formula used to determine the Percentages of Value for Units in the Condominium, as described above may not be modified without the consent of each affected Co-owner and first Mortgagee. The Association may not make any amendment which materially changes the rights of Developer without the written consent of the Developer as long as the Developer owns any Units in the Condominium, nor can the Association ever make any amendment which abridges or in any way limits the easement rights reserved in Article VII above in favor of the Developer.

(e) Any amendment to this Master Deed which affects the conditions imposed on the Condominium by the City of Novi or the rights of the City shall require the prior written consent of the City of Novi, which consent will not be unreasonably withheld. This paragraph (e) shall specifically apply to the rights and remedies granted to the City in Article VII, paragraph (i) above regarding easements for emergency and municipal services; Article VII, paragraphs (l) through (o) above regarding the Conservation Easement; and Article VII, paragraph (p) above regarding the City's right to enforce the maintenance and repair obligations imposed on the Community Association and other associations, including the Association.

ARTICLE IX SUBDIVISION, CONSOLIDATION AND OTHER MODIFICATIONS OF UNITS

Notwithstanding any other provision of the Master Deed or the By-Laws, Units in the Condominium may be subdivided, consolidated, modified and the boundaries relocated, in accordance with Sections 48 and 49 of the Act and this Article; such changes in the affected Unit or Units shall be promptly reflected in a duly recorded amendment or amendments to this Master Deed.

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

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

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

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

(4) Conformity with Laws and Ordinances. All actions taken under this Article IX must comply with all applicable laws and ordinances, including, without limitation, any approvals required by the City of Novi.

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

ARTICLE X CONTRACTION OF CONDOMINIUM

(a) The Developer further reserves the right, but is under no obligation to contract the boundaries of the Condominium within a period ending no later than six (6) years from the date of recording of this Master Deed for the purpose of removing from the Condominium all or portions of such areas as may be dedicated to public use as a road or road right-of-way.

(b) The withdrawal of land from the Condominium pursuant to this Article X shall be effected by one or more amendments of the Master Deed as provided in subparagraph (d) below

and by conveyances of all or parts of the roads and road rights-of-way in the Condominium to the City of Novi (or other appropriate governmental unit with appropriate jurisdiction).

(c) Apart from satisfying any governmental conditions to dedication of the road and road rights-of-way, there are no restrictions on Developer's right to contract the Condominium as provided in this Article X. Developer makes no representation whatsoever that the roads constructed to provide access in and to the Condominium meet the requirements imposed by the appropriate governmental agencies for dedication of the roads. As of the date of this Master Deed, it is the Developer's intention that the roads within the Condominium be constructed, used and maintained as private roads subject to ongoing maintenance, repair and replacement by the Association.

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

ARTICLE XI 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 XI. The Developer reserves the right, but not an obligation, to convert the Convertible Areas.

(b) The Developer reserves the right, in its sole discretion, during a period ending six (6) years from the date of recording this Master Deed, to modify the size, location, and configuration of any Unit that it owns in the Condominium, and to make corresponding changes to the Common Elements, subject to the requirements of local ordinances and building authorities. The changes could include (by way of illustration and not limitation) the deletion of Units from the Condominium and the substitution of General and Limited Common Elements therefor or the creation of additional Units upon land currently designated as General Common Element.

(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. The rights reserved in this Article XI shall not be used to alter Units or Common Elements in a manner that infringes on protected woodlands or wetlands subject to the Conservation Easement nor shall the rights reserved herein be exercised in a manner that eliminates or reduces areas to be maintained as open space pursuant to the RUD Agreement or the approved final site plan for the Condominium in the absence of an amendment to the RUD Agreement or a duly adopted revision to the final site plan. There are no other restrictions upon such improvements except 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 or assigns, as agent and attorney for the purpose of execution of such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be effected without the necessity of rerecording an entire Master Deed or the Exhibits thereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits hereto. Nothing herein contained, however, shall in any way obligate Developer to convert the Convertible Areas. These provisions give notice to all Co-owners, Mortgagees and other persons acquiring interests in the Condominium that such amendments of this Master Deed may be made and recorded, and no further notice of such amendment shall be required.

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

ARTICLE XII
DEVELOPER'S RIGHT TO USE FACILITIES

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

ARTICLE XIII
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 an appropriate instrument in writing duly recorded in the office of the Oakland County Register of Deeds.

ARTICLE XIV
MEMBERSHIP IN COMMUNITY ASSOCIATION

Island Lake South Harbor is being developed as a separate condominium development included in a larger development to be constructed in accordance with the RUD Agreement described above in Article VII, paragraph (j) and the Community Association Declaration described above in Article VII, paragraph (k). The larger development (referred to herein as the "Island Lake of Novi Community") may include recreation facilities, including a beach and a marina for boats propelled by electric motors, sails, oars or paddles (but not gasoline motors) that will make use of Island Lake, a man-made lake situated near the center of the Island Lake of Novi Community. These facilities and certain other common facilities, such as entryways into the Island Lake of Novi Community and certain parks established within the Island Lake of Novi Community, are to be maintained and operated by the Community Association, which has been established as a Michigan non-profit corporation for the purpose of administering the common affairs of the Island Lake of Novi Community. The members of the Community Association include Island Lake South Harbor Association and such other associations as may be established in connection with the other condominiums or platted subdivisions established within the Island Lake of Novi Community or the individual Co-Owners and the owners of lots and condominium units established within that larger development. In any case, the Co-owners shall be required to pay amounts assessed by the Community Association to fund the operation, maintenance, repair and replacement of certain common facilities constructed within the Island Lake of Novi Community, including the recreational facilities. Said assessments may be charged and collected directly by the Community Association or through Island Lake South Harbor Association and the other associations established in connection with the other condominiums and platted subdivisions established within the Island Lake of Novi Community.

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

WITNESSES:

SIGNED BY:

TOLL MI II LIMITED PARTNERSHIP,
a Michigan limited partnership

By: TOLL MI GP CORP, a Michigan corporation,
General Partner

By: _____

Ronald J. Boshaw
Its: Assistant Vice President

STATE OF MICHIGAN)
 : ss
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me this 21 day of January, 2004, by Ronald J. Boshaw, the Assistant Vice President of Toll MI GP Corp., a Michigan corporation, the General Partner of Toll MI II Limited Partnership, a Michigan limited partnership, on behalf of the limited partnership.

TRICIA DEDUKAJ
NOTARY PUBLIC OAKLAND CO., MI
MY COMMISSION EXPIRES Jan 14, 2009

Tricia Dedukaj
NOTARY PUBLIC
County of Oakland, State of Michigan,
My Commission Expires: 01/14/06

PREPARED BY AND WHEN RECORDED RETURN TO:

George W. Day, Esq.
Jackier, Gould, Bean, Upfal & Eizelman
Second Floor, 121 West Long Lake Road
Bloomfield Hills, MI 48304-2719

ISLAND LAKE SOUTH HARBOR

EXHIBIT A

BY-LAWS

ARTICLE I ASSOCIATION OF CO-OWNERS

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

ARTICLE II ASSESSMENTS

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

Section 1. Assessments for Common Elements. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the General Common Elements or the administration of the Condominium Project shall constitute expenditures affecting the administration of the Condominium Project, and all sums received as the proceeds of, or pursuant to, any policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the General Common Elements or the administration of the Condominium Project shall constitute receipts affecting the administration of the Condominium Project, within the meaning of Section 54(4) of the Act.

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

(a) Annual Budget. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those General Common Elements that must be repaired or replaced on a periodic basis shall be established in the budget and must be funded by regular payments as set forth in Section 3 below rather than by special assessments. At a minimum, the reserve fund shall be equal to ten (10%) percent of the Association's current annual budget on a noncumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular project, the Association of Co-owners should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although failure to deliver a copy of the budget to each Co-owner shall not affect or in any way diminish the liability of any Co-owner for any existing or future assessments. Should the Board of Directors at any time decide, in the sole discretion of the Board of Directors, that the assessments levied are or may prove to be insufficient (1) to pay the costs of operation and management of the Condominium, (2) to provide repairs or replacements of existing General Common Elements, (3) to provide additions to the General Common Elements not exceeding Fifteen Thousand (\$15,000.00) Dollars annually for the entire Condominium Project, or (4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Board of Directors also shall have the authority, without a Co-owner's consent, to levy assessments pursuant to the provisions of Article V, Section 3 hereof regarding the Association's responsibilities for repair and maintenance. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof.

(b) Special Assessments. Special assessments, in addition to those required in subparagraph (a) above, may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other requirements of the Association, including, but not limited to: (1) assessments for additions to the General Common Elements of a cost exceeding Fifteen Thousand (\$15,000.00) Dollars for the entire Condominium Project per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 hereof, or (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subparagraph (c) (but not including those assessments referred to in subparagraph 2(a) above, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than sixty (60%) percent of all Co-owners. The authority to levy assessments pursuant to this subparagraph is

solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or of the members thereof.

(c) Assessments by the Community Association. The assessments described in subparagraph (a) above may include assessment imposed by the Community Association described in Articles VII and XV of the Master Deed in the event that such assessments are to be collected through the various associations established in connection with the condominium developments and platted subdivisions established within the Island Lake of Novi Community. The rights and remedies provided the Association in these By-Laws with respect to the collection of assessments in general shall also apply to such assessments as may be imposed by the Community Association.

(d) Assessments for Storage, Maintenance, and Operation of Boat Docks. The Board of Directors may segregate the costs and expenses of storing, maintaining and operating such seasonal boat docks as may be stored and installed within the Condominium as permitted by the Conservation Easements described in Article VII of the Master Deed and assess those costs and expenses against the Units of those Co-owners that elect to dock boats or water craft at those docks. The Board of Directors may require that such Co-owners apply in advance for the right to use a slip attached to such seasonal docks in accordance with procedures adopted by the Board of Directors; provided that any such procedures shall conform to such requirements and regulations as maybe be imposed by the Community Association on the use of Island Lake as provided in the Community Association Declaration, as amended, and/or the Conservation Easements described in Article VII of the Master Deed (the "Conservation Easements").

Section 3. Apportionment of Assessments and Penalty for Default. Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with the percentage of value allocated to each Unit in Article VI of the Master Deed, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit. Annual assessments as determined in accordance with Article II, Section 2(a) above shall be payable by Co-owners either in twelve (12) equal monthly installments, quarterly or annually, in the discretion of the Board of Directors, subject to Section 7 below, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. A late fee of Twenty Five (\$25.00) Dollars per month shall be imposed on each installment which is in default for ten (10) or more days; provided that the Association, acting through its Board of Directors, shall have the right to increase the amount of this late fee from time to time by giving thirty (30) days advance written notice of such increase to the Co-owners. Additionally, the Association may, pursuant to Article XX hereof, levy additional fines for late payment of assessments as the Association deems necessary from time to time. Each Co-owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment) pertinent to his Unit which may

be levied while such Co-owner is the owner thereof, except a land contract purchaser from any Co-owner including Developer shall be so personally liable and such land contract seller shall not be personally liable for all such assessment levied up to and including the date upon which such land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorneys' fees; second, to any interest charges and fines for late payment on such installments; and third, to installments in default in order of their due dates.

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

Section 5. 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 his Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of services to a Co-owner in default upon seven (7) days' written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to utilize any of the General Common Elements of the Condominium, including, without limitation, any boat dock or other recreational facility, and shall not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-owner of ingress or egress to and from his Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him. The Association may also assess fines for late payment or non-payment of assessments in accordance with the provisions of Article XX of these By-Laws. All of these remedies shall be cumulative and not alternative.

(b) Foreclosure Proceedings. Each Co-owner, and every other person who from time to time has any interest in the Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions.

(c) Power of Sale. Further, each Co-owner and every other person who from time to time has any interest in the Condominium shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which

the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Condominium acknowledges that at the time of acquiring title to such Unit, he was notified of the provisions of this subparagraph and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit.

(d) Notice of Action. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or their last known address, a written notice that one or more installments of the annual assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorneys' fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of record. Such affidavit shall be recorded in the office of the Register of Deeds of Oakland County prior to commencement of any foreclosure proceedings, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the delinquent Co-owner and shall inform him that he may request a judicial hearing by initiating suit against the Association.

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

Section 6. Liability of Mortgagee. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Condominium Project which comes into possession of the Unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into possession of the Unit to the extent provided in Section 58 of the Condominium Act.

Section 7. Developer's Responsibility for Assessments. Until the First Annual Meeting is held in accordance with the provisions of Article IX, Section 2 of these By-Laws, the Developer, even though a member of the Association, shall not be responsible for payment of the regular assessments of the Association established pursuant to subsection 2(a) above. The

Developer, however, shall during the period up to the First Annual Meeting pay a proportionate share of the Association's current maintenance expenses actually incurred from time to time based upon the ratio of completed Units owned by the Developer at the time the expense is incurred to the total number of completed Units in the Condominium. In no event shall the Developer be responsible for payment, until after the First Annual Meeting, of any assessments for deferred maintenance, reserves for replacement, capital improvements or other special assessments, except with respect to occupied Units owned by it. After the First Annual Meeting, Developer shall be responsible for payment of the full amount of any regular Association assessments for all completed Units owned by it. Developer shall not be responsible at any time for payment of regular assessments or payment of any expenses whatsoever with respect to unbuilt Units notwithstanding the fact that such unbuilt Units may have been included in the Master Deed. Further, the Developer shall in no event be liable for any assessment levied in whole or in part to purchase any Unit from the Developer or to finance any litigation or other claims against the Developer, any cost of investigating and preparing such litigation or claim, or any similar or related cost. "Completed Unit" shall mean a Unit with respect to which a certificate of occupancy has been issued by the local public authority.

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

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

Section 10. Construction Lien. A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

Section 11. Statement as to Unpaid Assessments and Related Costs. The purchaser of any Unit may request a statement of the Association as to the amount of any unpaid Association assessments thereon, whether regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. The written statement from the Association shall also disclose the amounts of any interest, late charges, fines, costs and/or attorneys' fees due and owing with respect to the Unit (the "Related Costs"). Upon the payment of the sums set forth in the Association's written statement within the period stated, the Association's lien for assessments and Related Costs as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of such Unit shall render any unpaid assessments and Related Costs and the lien securing the same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments and Related Costs constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record.

ARTICLE III ARBITRATION

Section 1. Scope and Election. Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between Co-owners and the Association shall, upon the election and written consent of the parties to any such disputes, claims or grievances and written notice to the Association, be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding. At the exclusive option of the Association, a contract to settle by arbitration shall be executed by the Developer with respect to any claim that might be the subject of a civil action against the Developer, which claim arises out of or relates to the Common Elements of the Condominium Project if the amount of the claim is Ten Thousand (\$10,000.00) Dollars or less. At the exclusive option of a Co-owner, any claim which might be the subject of a civil action against the Developer which involves an amount less than Two Thousand Five Hundred (\$2,500.00) Dollars and arises out of or relates to a Co-owner's Unit or the Condominium Project, shall be settled by binding arbitration. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration.

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

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

ARTICLE IV INSURANCE

Section 1. Association Coverage. The Association shall carry all risk insurance covering all commonly insured occurrences against all risks of direct physical loss; and against all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements. Such insurance shall include, but not be limited to, fire and extended coverage, vandalism and malicious mischief, host liability, all inclusive liability insurance and worker's compensation insurance, where applicable and available.

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

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

- (2) The insurer waives its right to subrogation under the policy against any Co-owner or member of such Co-owner's household.
 - (3) No act or omission by any Co-owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or be a condition for recovery under the policy.
 - (4) If, at the time of a loss under the policy, there is other insurance in the name of a Co-owner covering the same risk covered by the policy, the Association's policy provides primary insurance.
 - (5) That insurance proceeds must be disbursed first for repairs or restoration of the damaged property, unless and subject to the following:
 - (A) The Condominium is terminated;
 - (B) Repair or replacement would be illegal under any state or local health or safety statute or ordinance; or
 - (C) More than eighty (80%) percent of the Co-owners of all of the Units in the Condominium vote not to rebuild. The cost of repair or replacement in excess of insurance proceeds and reserves is a common expense. If the entire Condominium is not repaired or replaced, then: (i) the insurance proceeds attributable to the damaged Common Elements must be used to restore the damaged area to a condition compatible with the remainder of the Condominium; (ii) the insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt must be distributed to the Co-owners of those Units and the Co-owners of the Units to which those Limited Common Elements were assigned, or to lien holders, as their interests may appear; and (iii) the remainder of the proceeds must be distributed to all of the Co-owners or lien holders, as their interests may appear, in proportion to the Common Element interest of all of the Units. If the Co-owners vote not to rebuild any Unit, that Unit's allocated interests are automatically reallocated as if the Unit had been condemned under Article V, Section 5 of these By-Laws, and the Association shall promptly prepare, execute, and record an amendment to the Master Deed reflecting the reallocations.
- (b) Insurance Replacement Values for Common Elements. All General Common Elements of the Condominium shall be insured against all risks, in an amount equal to the current insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association or by an insurance agent retained by the Board of Directors at each anniversary renewal date of said insurance. The Board may engage professional appraisers for this purpose.
- (c) Insurance for Standard Improvements Located Within Unit Interiors and Limited Common Elements. The standard interior improvements in all Units (including the Limited Common Elements appurtenant to a Unit) shall be covered by all risk insurance procured

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

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

(e) Receipt and Distribution of Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association and the Co-owners and their mortgagees, as their interests may appear; provided, however, that whenever repair or reconstruction of damaged portions of the Condominium shall be required as provided in Article V of these By-Laws, the insurance proceeds received by the Association shall be first applied to such repair or reconstruction unless the other provisions of the Condominium Documents mandate otherwise.

Section 2. Authority of Association to Maintain Insurance and Settle Claims. Each Co-owner appoints the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance for all insurance for the Condominium Project, including the insurance to be carried by such Co-owner under this Article IV, Section 3 below, if the Co-owner fails to meet his responsibilities thereunder. The Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject to limiting or defining provisions of the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of the Association and any of its Co-owner members as shall be necessary to accomplish the foregoing.

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

(a) Obtaining all risk liability and property insurance (generally in the form of an HO(6) policy, or such other specifications as the Association may prescribe or as may be commonly extant from time to time, and herein sometimes referred to as "Co-owner's Insurance") with respect to the improvements, decorations and any other personal property in his Unit which have been added to the Standard Improvements defined (or to be defined) in Section 1(c) of this Article IV or any other property contained within his Unit

which is not covered by the Association's policy. This provision shall not preclude the Association from acquiring a blanket policy which covers the contents within a Unit under terms and conditions acceptable to the Association and the insurance carrier.

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

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

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

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

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

Section 5. Additional Insurance. The Association may, as an expense of administration, purchase an umbrella insurance policy which covers any risk required hereunder which was not covered due to lapse or failure to procure.

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

ARTICLE V RECONSTRUCTION OR REPAIR

Section 1. Responsibility for Reconstruction or Repair. If any part of the Condominium Premises shall be damaged as a result of fire, vandalism, weather or other natural or person caused phenomenon or casualty, the determination of whether or not it shall be reconstructed or repaired, and the responsibility therefor, shall be as follows:

(a) General Common Elements. If the damaged property is a General Common Element, the damaged property shall be rebuilt or repaired; provided that the Board of Directors of the Association may elect to remove, rather than repair or replace, any seasonal boat dock that is determined by the Board of Directors to have been damaged beyond repair.

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

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

Section 3. Association Responsibility for Repair. Immediately after the occurrence of a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessment shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation.

Section 4. Timely Reconstruction and Repair. If damage to the Common Elements adversely affects the appearance of the Condominium, the Association shall proceed with replacement of the damaged property without delay.

Section 5. Eminent Domain. The following provisions shall control upon any taking by eminent domain:

(a) Taking of Unit or Improvements Thereon. In the event of any taking of all or any portion of a Unit by eminent domain, the award for such taking shall be paid to the Co-owner of such Unit and the mortgagee thereof, as their interests may appear, notwithstanding any provision of the Act to the contrary. If a Co-owner's entire Unit is taken by eminent domain, such Co-owner and his mortgagee shall, after acceptance of the condemnation award therefor, be divested of all interest in the Condominium Project.

(b) Taking of Common Elements. If there is any taking of any portion of the Common Elements, the condemnation proceeds relative to such taking shall be paid to the Co-owners and their mortgagees in proportion to their respective interests in the Common Elements and the affirmative vote of more than 50% of the Co-owners shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

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

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

(e) Applicability of the Act. To the extent not inconsistent with the foregoing provisions, Section 133 of the Act shall control upon any taking by eminent domain.

Section 6. Priority of Mortgagee Interests. Nothing contained in the Condominium Documents shall be construed to give a Co-owner or any other party priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Co-owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

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

ARTICLE VI RESTRICTIONS

Section 1. Uses Permitted. No Unit shall be used for other than single-family residential purposes; provided, however, that from time to time a Unit may also be occupied by a reasonable number of guests (which may include all of the members of another family). In no event may any Unit be used as a residence for more than one family and no Unit shall be used to conduct any business, trade or profession; provided, however, that any Co-owner may maintain a professional library in a Unit, maintain personal records and conduct personal business within a Unit, and participate in business or professional telephone calls from within the Unit. The operation of a "family day care home" or other day care facility within any Unit is specifically prohibited.

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

(a) Standards for Construction and Replacement of Improvements. During the Development and Sales Period, any and all improvements constructed within the Condominium shall be constructed by the Developer or with the prior written approval of the Developer. The approval of any improvement not constructed by Developer during the Development and Sales Period shall be within the sole and absolute discretion of the Developer for the purpose of ensuring that the Condominium is developed as an attractive residential development that is in harmony with its surroundings.

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

- (1) Posting of "For Sale" signs;
- (2) The exterior appearance of exterior and interior (which are visible from the exterior) window treatments;

- (3) The display, maintenance or placement of any plants, furniture, decorations or any other item on patios, decks, or porches;
- (4) The establishment and publication of Standard Specifications consistent with the Condominium Documents for the rebuilding, repair or renovation of the exteriors and interiors of each Unit and the Common Elements;
- (5) Any other rules and regulations permitted by the Act and the Condominium Documents which are reasonable and promulgated for the common benefit of the Co-owners.

The Board of Directors may establish and publish other rules and regulations which deal with the implementation of the criteria it establishes for architectural and aesthetic controls which shall be uniformly, fairly and reasonably applied. Any rule or regulation adopted pursuant to this provision during the Development and Sales Period must first be approved in writing by the Developer.

(c) General Rules and Regulations. Reasonable regulations consistent with all laws and the Condominium Documents concerning the use of the Common Elements, including any recreational facilities constructed within the Condominium, or the rights and responsibilities of the Co-owners and the Association with respect to the Condominium or the manner of operation of the Association and of the Condominium may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors (or its successors) prior to the Transitional Control Date. Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-owners or posted on a General Common Element. Any such rule, regulation or amendment may be revoked at any time by the affirmative vote of a majority of the Co-owners; provided that any rule or regulation required by the Community Association for the storage and operation of such seasonal boat docks as may be stored and/or used within the Condominium shall remain in effect.

Section 3. Proscribed Activities. No noxious or offensive activity shall be performed within any Unit or upon the Common Elements, nor shall anything be done thereon that tends to cause embarrassment, discomfort, annoyance or nuisance to the occupants or Co-owners's of Units within the Condominium. No charcoal grills or grills using any other type of fuel, other than propane gas, shall be used anywhere within the Condominium, including, without limitation, on any deck, patio or porch. All windows must have white-backed draperies or white-backed window treatments. All garage doors must be kept closed except when necessary for purposes of ingress to and egress from the garage. There shall not be maintained any animal or device or thing of any sort whose normal activities or existence is in any way noxious, noisy, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the reasonable enjoyment of Units. The Board of Directors of the Association shall be the final arbiter of whether a particular animal, device or thing is in violation of the foregoing restrictions. No Co-owner shall do or permit anything to be done or keep or permit to be kept in the Co-owner's Unit or on the Common Elements anything that will increase the cost of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the

increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved, which increased cost may be assessed to and collected from the Co-owner in the manner provided in Article II hereof.

Section 4. Animals or Pets. No animals or fowl shall be kept or maintained on any Unit at any time, except for not more than two (2) animals that are normally considered to be household pets. (This restriction shall not apply to small animals commonly kept in a cage or container, such as parakeets or goldfish.) Any pets kept in the Condominium shall have such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions. No savage or dangerous animal shall be kept. No animal may be permitted to run loose upon the Common Elements, and any animal shall at all times be attended and promptly cleaned up after 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 the Association and hold it harmless for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the Condominium property. No doghouse, dog run or pet shelter of any kind shall be installed or maintained on the premises of the Condominium, including any General or Limited Common Element area.

Section 5. Vehicles. No trailers, boats, aircraft, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobile trailers, jet skis, jet ski trailers or other recreational vehicles, or any other vehicles, other than passenger cars, passenger vans, pick-up trucks and sport utility vehicles shall be parked or maintained within the Condominium unless in an attached garage included within a Unit. No vehicle that is used to promote a commercial enterprise, or used in connection with such an enterprise, shall be parked in the Condominium, or on any Unit, unless parked in a garage as provided above, except while making deliveries or pickups in the normal course of business. No vehicle shall be parked on any portion of the roads within the Condominium on an overnight basis or for an extended period of time. The Association through its Board of Directors shall have the right to impose rules and regulations regarding parking on the roads within the Condominium and such rules may impose time limits for such parking or preclude any and all parking on the roads within the Condominium.

Section 6. Signs, Advertising and Mailboxes. No commercial signs of any kind shall be placed or maintained within or upon any Unit except with the written permission of the Board of Directors or except as may be required by legal proceedings. If such permission is granted, the Board of Directors shall have the right to restrict the size, color and content of such signs. The Developer shall have the right to control or preclude the placement of any "for sale" sign or other advertisement anywhere in the Condominium throughout the duration of the Development and Sales Period and the Board of Directors shall have this same right thereafter. Any and all mailboxes installed within the Condominium shall throughout the Development and Sales Period conform to such standards as may be established by the Developer and those standards shall remain in effect after the Development and Sales Period unless reasonably modified by the Board of Directors.

Section 7. Co-owner Maintenance. Each Co-owner shall maintain his or her Unit and any Limited Common Elements appurtenant thereto for which the Co-owner has maintenance responsibility in a safe, clean and sanitary condition. All vacant Units must be kept free of

debris, litter and trash and appropriate measures must be taken to protect such Units from winter weather-caused damage. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by the Co-owner or the Co-owner's family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association in which case there shall be no such responsibility, unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount. Any costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

Section 8. Common Elements. The Common Elements shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and absolutely intended. No Co-owner may leave personal property of any description (including by way of example and not limitation: bicycles, vehicles, sculptures or statues, chairs and benches) unattended on or about the Common Elements. No Co-owner may decorate or modify the exterior of any building in the Condominium (said exteriors comprising General Common Elements), except in accordance with rules adopted by the Association. (This limitation includes the installation of lights and other decorations during holiday seasons, which, if permitted, shall not be installed prior to Thanksgiving or allowed to remain after January 15.) Use of all Common Elements may be limited to such times and in such manner as the Board of Directors shall determine by duly adopted regulations.

Section 9. Alterations and Modifications of the Common Elements. No Co-owner shall make changes in any of the Common Elements, limited or general (including, without limitation, the addition or removal of any plants, trees, shrubs or flowers), without the express written approval of the Board of Directors (and the Developer during the Development and Sales Period). Notwithstanding the foregoing, the Co-owners of a Unit may replace such deck or patio as may have been originally constructed by the Developer (or assignee of Developer) within the Limited Common Element located at the rear of the Unit as shown on the Condominium Subdivision Plan so long as the replacement deck or patio conforms to the plans and specifications used to construct the original deck or patio and so long as construction of the replacement deck or patio is promptly carried out without unreasonable delay. The Board of Directors may adopt reasonable rules permitting the addition and maintenance of plants and flowers to limited common element deck and patio areas situated within the Condominium. Except as specifically permitted in the Master Deed and/or By-Laws, no Co-owner shall construct or maintain any improvement of any sort upon any General or Limited Common Elements or cause or permit any alteration or damage to any natural area that might be included in the Condominium.

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

Section 11. Leasing and Rental.

(a) Right to Lease. A Co-owner may lease or sell his Unit for the same purposes set forth in Section 1 of this Article VI; provided that written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the manner specified in subsection (b) below. With the exception of a lender in possession of a Unit following a default of a first mortgage, foreclosure or deed or other arrangement in lieu of foreclosure, no Co-owner shall lease less than an entire Unit in the Condominium and no tenant shall be permitted to occupy except under a lease the initial term of which is at least six (6) months unless specifically approved in writing by the Association. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. The Developer may lease any number of Units in the Condominium in its discretion. These leasing provisions may not be revised prior to the Transitional Control Date without the Developer's prior written consent. Any revision to these leasing provisions shall be subject to the limitation set forth in Article VIII, paragraph (d) of the Master Deed.

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

- (1) A Co-owner, including the Developer, desiring to rent or lease a Unit, shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a potential lessee and, at the same time, shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents. If the Developer desires to rent Units before the Transitional Control Date, Developer shall notify either the Advisory Committee or each Co-owner in writing. All leases must be in writing.
- (2) 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.
- (3) If the Association determines that the tenant or non-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:
 - (i) The Association shall notify the Co-owner by certified mail advising of the alleged violation by the tenant.
 - (ii) The Co-owner shall have fifteen (15) days after receipt of such notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.
 - (iii) If after fifteen (15) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Co-owners on behalf of the Association, if it is under the control of the Developer, an action for eviction against the tenant or non-owner

occupant and simultaneously for money damages in the same action against the Co-owner and tenant or non-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages to the General Common Elements caused by the Co-owner or tenant in connection with the Unit or Condominium Project.

- (4) When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not constitute a breach of the rental agreement or lease by the tenant. If the tenant, after being notified, fails or refuses to remit rent otherwise due the Co-owner to the Association, then the Association may take the following actions:
- (i) The Association may issue a statutory notice to quit for non-payment of rent to the tenant and shall have the right to enforce that notice by summary proceeding.
 - (ii) The Association may initiate proceedings for eviction and money damages as described in subparagraph (3)(iii) above following the tenant's failure to remit rent otherwise due within fifteen (15) days after issuance of notice by the Association to the tenant by certified mail.

Section 12. Special Assessment Districts for Improvement of Dedicated Roads. At some time subsequent to the recording of the Master Deed, it may become necessary to pave or improve some or all of the roads within or adjacent to the Condominium Project. If any such roads have been dedicated in accordance with Article VII of the Master Deed, such improvement may be financed, in whole or in part, by the creation of a special assessment district or districts which may be comprised of or include the Condominium. The acceptance of a conveyance or the execution of a land contract by any Co-owner shall constitute the agreement of such Co-owner, his or her heirs, executors administrators or assigns that the Board of Directors of the Association shall be vested with full power and authority to obligate all Co-owners to participate in a special assessment district, sign petitions requesting said special assessment, and consider and otherwise act on all assessment issues on behalf of the Association and all Co-owners with respect to any dedicated roads or streets; provided, that prior to signature by the Association on a petition for improvement of such public roads, the desirability of said improvement shall be approved by an affirmative vote of not less than 51% of all Co-owners. No consent of mortgagees shall be required for approval of said public road improvement. All road improvement assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

Section 13. Use of Recreation Facilities. The authority to make rules and regulations accorded to the Board of Directors of the Association in subsection 2(c) of this Article VI shall include, without limiting the same, the authority to make reasonable rules and regulations regarding the use of any recreation facilities established or constructed as part of the General Common Elements of the Condominium, including, without limitation, such seasonal boat docks as may be stored and or installed within the Condominium. Any rule or regulation adopted by the Association through its Board of Directors or otherwise regarding the storage, installation or use of boat docks shall be consistent with such requirements as may be adopted by the Community Association for that purpose.

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

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

(c) Developer's Assignment Rights. Any and all rights and powers of the Developer that have been granted or reserved by law or herein (or in any of the other Condominium Documents) to Developer (including, without limitation, any right or power to approve or to disapprove any act, use or proposed action or any other matter or thing) may be assigned by Developer to any person or entity, including, without limitation, the Association. Any assignment by Developer must be evidenced by a written instrument that must also be signed by the assignee to evidence the assumption by that assignee of the rights of the Developer hereunder. Notwithstanding the foregoing, as of the expiration of the Development and Sales Period, any and all of the rights hereunder of Developer that have not been theretofore assigned by Developer will be deemed to have

been assigned to and assumed by the Association; provided, however, that in no event will Developer be deemed to have thereby assigned or in any other manner relinquished any real property rights granted or reserved to Developer or its successors and assigns in the Master Deed or in any other Condominium Documents or recorded Declarations, including, without limitation, any access easements, utility easements or any other easements created or reserved in the Master Deed, any of the other Condominium Documents or any recorded Declaration (any of which may only be terminated by a written instrument signed by Developer and recorded with the Oakland County Register of Deeds).

(d) Method of Evidencing Developer's Approval. **ANY APPROVAL, WAIVER, OR OTHER ACTION HEREUNDER BY DEVELOPER WILL NOT BE EFFECTIVE UNLESS THAT APPROVAL, WAIVER, OR OTHER ACTION IS IN WRITING AND IS SIGNED BY DEVELOPER. CO-OWNERS, THE ASSOCIATION AND ANY OTHER PERSONS OR ENTITIES MAY NOT RELY UPON ANY APPROVAL, WAIVER, OR OTHER ACTION HEREUNDER IF THAT APPROVAL, WAIVER, OR OTHER ACTION IS GRANTED OR TAKEN BY ANY PERSON (INCLUDING, WITHOUT LIMITATION, ANY EMPLOYEES OR REPRESENTATIVES OF DEVELOPER) OTHER THAN DEVELOPER. AGENTS, EMPLOYEES, CONSULTANTS, ATTORNEYS AND OTHER REPRESENTATIVES AND ADVISORS OF DEVELOPER ARE NOT LIABLE WITH RESPECT TO ANY APPROVALS, WAIVERS OR OTHER ACTIONS UNDER THE CONDOMINIUM DOCUMENTS.**

Section 15. Residential Unit Development Agreement ("RUD Agreement"); Community Association Declaration; Conservation Easements. The Condominium and the Units established within the Condominium are subject to the RUD Agreement and the Community Association Declaration described in Articles VII and XV of the Master Deed. Portions of the Condominium are encumbered by the Conservation Easements as shown on the Condominium Subdivision Plan and as described in Article VII of the Master Deed. Each and every Co-owner and any person occupying a Residence constructed within the Condominium shall comply with the terms and provisions of the RUD Agreement, as amended; the Community Association Declaration, as amended; and the Conservation Easements, including, without limitation, the provisions in the RUD Agreement, as amended, and in the Conservation Easements regarding the use of Island Lake for boating and other purposes. (The Conservation Easements shall include, without limiting the same, such Conservation Easement as may be entered into by the Developer and the Michigan Department of Environmental Quality as described in Article VII of the Master Deed.) The Association shall comply with any and all obligations and limitations imposed on it by the RUD Agreement, as amended; the Community Association Declaration, as amended; and the Conservation Easements, including, without limitation, the provisions and restrictions contained in the Second Conservation Easement regarding the application of fertilizers and herbicides within areas near and adjacent to Island Lake. Any violation of the RUD Agreement, as amended; the Community Association Declaration, as amended; or the Conservation Easements shall be deemed a violation of these By-Laws.

Section 16. Compliance with City Ordinances. The Association and all Co-owners of Units in the Condominium shall comply with any and all applicable City of Novi ordinances with respect to the use and maintenance of the Units and General Common Elements constructed or located within the Condominium, including without limitation, the City of Novi's Woodland Protection Ordinance, which may restrict or limit the removal of trees located within the Condominium, but outside of Conservation Easement areas. The Association shall require that its contractors confer with the Planning Department of the City of Novi before removing trees from the Condominium premises.

ARTICLE VII MORTGAGES, MORTGAGE INSURERS AND MORTGAGE GUARANTORS

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

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

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

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

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

ARTICLE VIII VOTING

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

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

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

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

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

Section 6. Majority. A majority, except where otherwise provided herein, shall consist of more than fifty (50%) percent of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever

provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth.

ARTICLE IX MEETINGS

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

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

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

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

Section 5. Notice of Meetings. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon

each Co-owner of record, at least ten (10) days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Article VIII, Section 3 of these By-Laws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

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

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

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

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

Section 10. Minutes, Presumption of Notice. Minutes or a similar record of the proceedings of meetings of members, when signed by the President or Secretary, shall be

presumed to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE X ADVISORY COMMITTEE

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

ARTICLE XI BOARD OF DIRECTORS

Section 1. Number and Qualification of Directors. The Board of Directors shall be comprised of five (5) members, all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association, except for the first Board of Directors. Directors shall serve without compensation.

Section 2. Election of Directors.

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

(b) Appointment of Non Developer Co-owners to Board Prior to First Annual Meeting. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-owners of twenty five (25%) percent in number of the Units that may be created, one of the five (5) Directors shall be selected by non-Developer Co-owners. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-owners of fifty (50%) percent in number of the Units that may be created, two (2) of five (5) directors shall be elected by non-Developer Co-owners. When the required number of conveyances has been reached, the Developer shall notify the

non-Developer Co-owners and request that they hold a meeting and elect the required Director. Upon certification by the Co-owners to the Developer of the Director so elected, the Developer shall then immediately appoint such Director to the Board to serve until the First Annual Meeting of members unless he is removed pursuant to Section 7 of this Article or he resigns or becomes incapacitated.

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

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- (1) Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Co-owners of seventy five (75%) percent in number of the Units that may be created, the non-Developer Co-owners shall elect all Directors on the Board, except that the Developer shall have the right to designate at least one (1) Director as long the Units that remain to be created and conveyed equal at least ten (10%) percent of all Units in the Condominium. Whenever the required conveyance level is achieved, a meeting of Co-owners shall be promptly convened to effectuate this provision, even if the First Annual Meeting has already occurred.
 - (2) Regardless of the percentage of Units which have been conveyed, upon the expiration of fifty four (54) months after the first conveyance of legal or equitable title to a non-Developer Co-owner of a Unit in the Condominium Project, the non-Developer Co-owners have the right to elect a number of members of the Board of Directors equal to the percentage of Units they own, and the Developer has the right to elect a number of members of the Board of Directors equal to the percentage of Units which are owned by the Developer and for which all assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection (1). Application of this subsection does not require a change in the size of the Board of Directors.
 - (3) If the calculation of the percentage of members of the Board of Directors that the non-Developer Co-owners have the right to elect under subsection (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 subsection (b) results in a right of non-Developer Co-owners to elect a fractional number of members of the Board of Directors, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board of Directors that the non-Developer Co-owners have the right to elect. After application of this formula the Developer shall have the right to elect the remaining members of the Board of Directors. Application of this subsection shall not eliminate the right of the Developer to designate one (1) Director as provided in subsection (1).
 - (4) At the First Annual Meeting, three (3) Directors shall be elected for a term of two (2) years and two (2) Directors shall be elected for a term of one (1) year. At such meeting all nominees shall stand for election as one slate and the three (3)

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

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

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

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

- (a) To manage and administer the affairs of and to maintain the Condominium Project and the General Common Elements thereof;
- (b) To levy and collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association;
- (c) To carry insurance and collect and allocate the proceeds thereof;
- (d) To rebuild improvements after casualty;
- (e) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium Project;
- (f) To acquire, maintain and improve; and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit in the Condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association;
- (g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action

shall also be approved by affirmative vote of seventy five (75%) percent of all of the members of the Association in number and in value;

(h) To make rules and regulations in accordance with Article VI, Section 2(b) and (c) of these By-Laws and to maintain and operate such recreation facilities as may be constructed or established as General Common Elements of the Condominium, including the seasonal boat docks described in Article VII of the Master Deed;

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

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

Section 5. Management Agent. The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto) at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 3 and 4 of this Article, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any other contract providing for services by the Developer, sponsor or builder, in which the maximum term is greater than three (3) years or which is not terminable by the Association upon ninety (90) days written notice thereof to the other party and no such contract shall violate the provisions of Section 55 of the Act. Contracts with professional management agents may provide for the collection of "set-up" fees or "transfer" fees by the management agent upon the initial conveyance of a Unit by the Developer and upon the subsequent sale or conveyance of a Unit by a non-Developer Co-owner; provided that the amounts of such fees shall be a fixed by the terms of the contract with the management agent and further provided that payment of any such fees shall be the responsibility of the Co-owner(s) that are selling the Unit. Any "set-up" fee charged with respect to the purchase of a Unit from the Developer shall be paid by the purchaser of the Unit.

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

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

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

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

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

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

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

signing and concurring in the minutes thereof, shall constitute the presence of such Director for purposes of determining a quorum.

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

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

ARTICLE XII OFFICERS

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

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

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

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

(d) Treasurer. The Treasurer shall have responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the

Association, and in such depositories as may, from time to time, be designated by the Board of Directors.

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

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

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

ARTICLE XIII SEAL

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

ARTICLE XIV FINANCES

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

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

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

ARTICLE XV INDEMNIFICATION OF OFFICERS AND DIRECTORS

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

ARTICLE XVI AMENDMENTS

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

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

Section 3. By the Co-owners. These By-Laws may be amended by the Co-owners at any regular annual meeting or a special meeting called for such purpose by an affirmative vote of not less than sixty six and two thirds (66-2/3%) percent of all Co-owners. No consent of mortgagees shall be required to amend these By-Laws unless such amendment would materially alter or change the rights of such mortgagees, in which event the approval of sixty six and two

thirds (66-2/3%) percent of the mortgagees shall be required, with each mortgagee to have one vote for each first mortgage held.

Section 4. By the Developer. Prior to the Transitional Control Date, these By-Laws may be amended by the Developer without approval from any other person so long as any such amendment does not materially alter or change the right of a Co-owner or mortgagee.

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

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

Section 7. Approval of the City of Novi. Any amendment to these By-Laws which affects the conditions imposed on the Condominium by the City of Novi or the rights of the City shall require the prior written consent of the City, which consent will not be unreasonably withheld.

ARTICLE XVII COMPLIANCE

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

ARTICLE XVIII DEFINITIONS

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

ARTICLE XIX REMEDIES FOR DEFAULT

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

Section 1. Legal Action. Failure to comply with any of the terms or provisions of the Condominium Documents shall be grounds for relief, which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien

(if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.

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

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

Section 4. Assessment of Fines. The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless in accordance with the provisions of Article XX below.

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

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

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

ARTICLE XX ASSESSMENT OF FINES

Section 1. General. The violation by any Co-owner, occupant or guest of any provisions of the Condominium Documents including any duly adopted rules and regulations

shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines against the involved Co-owner. Such Co-owner shall be deemed responsible for such violations whether they occur as a result of his personal actions or the actions of his family, guests, tenants or any other person admitted through such Co-owner to the Condominium Premises.

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

- (a) Notice. Notice of the violation, including the Condominium Document provision violated, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will place the Co-owner on notice as to the violation, shall be sent by first class mail, postage prepaid, or personally delivered to the representative of said Co-owner at the address as shown in the notice required to be filed with the Association pursuant to Article VIII, Section 3 of these By-Laws.
- (b) Opportunity to Defend. The offending Co-owner shall have an opportunity to appear before the Board and offer evidence in defense of the alleged violation. The appearance before the Board shall be at its next scheduled meeting but in no event shall the Co-owner be required to appear less than ten (10) days from the date of the Notice.
- (c) Default. Failure to respond to the Notice of Violation constitutes a default.
- (d) Hearing and Decision. Upon appearance by the Co-owner before the Board and presentation of evidence of defense, or, in the event of the Co-owner's default, the Board shall, by majority vote of a quorum of the Board, decide whether a violation has occurred. The Board's decision is final.

Section 3. Amounts. Upon violation of any of the provisions of the Condominium Documents and after default of the offending Co-owner or upon the decision of the Board as recited above, the following fines shall be levied:

- (a) First Violation. No fine shall be levied.
- (b) Second Violation. A fine of Seventy-Five Dollars (\$75.00).
- (c) Third Violation. A fine of One Hundred Dollars (\$100.00).
- (d) Fourth Violation and Subsequent Violations. A fine of One Hundred and Fifty Dollars (\$150.00) for each violation.

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

Section 4. Collection. Fines levied pursuant to Section 3 above shall be assessed against the Co-owner and shall be due and payable together with the regular Condominium assessment on the first of the next following month. Failure to pay the fine will subject the Co-owner to all liabilities set forth in the Condominium Documents including, without limitation, those described in Article II and this Article XX of these By-Laws.

ARTICLE XXI JUDICIAL ACTIONS AND CLAIMS

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

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

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

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

- (i) it is in the best interests of the Association to file a lawsuit;
- (ii) that at least one member of the Board of Directors has personally made a good faith effort to negotiate a settlement with the putative defendant(s) on behalf of the Association, without success;

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

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

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

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

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

(e) The Litigation Attorney's proposed written fee agreement.

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

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

Section 4. Fee Agreement with Litigation Attorney. The Association shall have a written fee agreement with the Litigation Attorney, and any other attorney retained to handle the

proposed civil action. The Association shall not enter into any fee agreement that is a combination of the retained attorney's hourly rate and a contingent fee arrangement unless the existence of the agreement is disclosed to the Co-owners in the text of the Association's written notice to the Co-owners of the Litigation Evaluation Meeting.

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

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

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

(a) The attorney's fees, the fees of any experts retained by the attorney, and all other costs of the litigation during the thirty (30) day period immediately preceding the date of the Attorney's Written Report ("Reporting Period").

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

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

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

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

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

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

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

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

ARTICLE XXII SEVERABILITY

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

OAKLAND COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 1602
 EXHIBIT "B" TO THE MASTER DEED OF
ISLAND LAKE SOUTH HARBOR
 CITY OF NOVI, OAKLAND COUNTY, MICHIGAN

THE CONDOMINIUM SUBDIVISION PLANS SHALL BE
 NUMBERED CONSECUTIVELY WHEN RECORDED BY THE
 REGISTER OF DEEDS AND SHALL BE DESIGNATED
 OAKLAND COUNTY CONDOMINIUM SUBDIVISION PLAN
 NUMBER 1602

SURVEYOR
 MILLER AND ASSOCIATES, L.L.C.
 40399 GRAND RIVER AVENUE
 SUITE 110
 NOVI, MICHIGAN 48375-2123

ENGINEER
 SEIBER, KEAST AND ASSOCIATES, INC.
 40399 GRAND RIVER AVENUE
 SUITE 110
 NOVI, MICHIGAN 48375-2123

DEVELOPER:
 TOLL MI II LIMITED PARTNERSHIP
 30500 NORTHWESTERN HIGHWAY
 SUITE 400
 FARMINGTON HILLS, MI 48334

LEGAL DESCRIPTION

A part of the Northeast 1/4 and the Southeast 1/4 of Section 19, town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, being more particularly described as commencing at the East 1/4 Corner of said Section 19, for a POINT OF BEGINNING; thence South 86°22'40" West, 43.02 feet, to the Westerly right-of-way of Wixom Road; thence South 01°42'13" East, 154.48 feet, along the Westerly 60 foot 1/2 right-of-way of said Wixom Road; thence 74.16 feet along a curve to the right, said curve having a radius of 607.00 feet; a central angle of 07°00'00", and a chord bearing and distance of South 01°47'47" West, 74.11 feet, along the Westerly right-of-way of said Wixom Road; thence South 05°17'47" West, 67.42 feet, along the Westerly right-of-way of said Wixom Road, to the Northeastly corner of "Island Lake Shores South", O.C.C.P. No. 1553, the master deed recorded Liber 30468, Pages 690 through 772, as amended, Oakland County Records; thence North 84°38'04" West, 155.73 feet, along the Northerly line of said "Island Lake Shores South"; thence North 41°40'51" West, 168.38 feet, to Traverse Point "A"; thence continuing North 41°40'51" West, 13 feet, more or less, to the Southerly shore line of Island Lake; thence Northwestly 2,894 feet more or less, along the shore of said Island Lake, to the Southwestly corner of "Island Lake Shores North", O.C.C.P. No. 1444, the master deed recorded Liber 25903, Pages 224 through 302, as amended, Oakland County Records; thence North 86°22'54" East, 20 feet more or less, along the Southerly line of said "Island Lake Shores North", to Traverse Point "B" (said Traverse Point "B" being North 56°05'58" East, 122.54 feet; and North 17°02'10" East, 141.35 feet; and North 23°33'48" West, 430.47 feet; and North 02°00'15" West, 543.95 feet; and North 34°54'33" West, 113.20 feet; and South 87°36'54" West, 650.25 feet; and North 72°25'58" West, 189.65 feet; and North 58°07'06" West, 265.22 feet; and North 01°47'59" West, 111.52 feet; and North 36°07'44" East, 90.97 feet; and North 04°37'32" West, 64.03 feet; and North 48°46'34" West, 72.17 feet; and North 04°24'01" West, 85.46 feet, from said Traverse Point "A"); thence continuing North 86°22'54" East, 106.51 feet, along the Southerly line of said "Island Lake Shores North"; thence South 02°42'01" East, 165.00 feet; thence North 86°22'40" East, 1336.91 feet, to the East line of said Section 19 and the centerline of said Wixom Road (said point being South 03°08'01" East, 2,476.09 feet, from the Northeast Corner of said Section 19); thence South 03°08'01" East, 164.87 feet, along the East line of said Section 19, and the centerline of said Wixom Road, to the East 1/4 Corner of said Section 19, and the water's edge of "Island Lake". All of the above being subject to easements, restrictions, and right-of-ways of record. All of the above being subject to the rights of the public in Wixom Road and to the correlative rights of other riparian owners and the public trust in the waters of "Island Lake".

INDEX

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6. SITE PLAN - UNITS 33-40
7. UTILITY AND EASEMENT PLAN- UNITS 13-32, 45-52
8. UTILITY AND EASEMENT PLAN- UNITS 1-12, 41-44
9. UTILITY AND EASEMENT PLAN- UNITS 33-40
10. FLOOD PLAIN PLAN
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12. VENICE FLOOR PLANS
13. ANNAPOLIS FLOOR PLANS
14. RIVERTON FLOOR PLANS
15. GRAND HAVEN AND VENICE CROSS SECTIONS
16. ANNAPOLIS AND RIVERTON CROSS SECTIONS

PROPOSED DATED
 SEPTEMBER 30, 2003

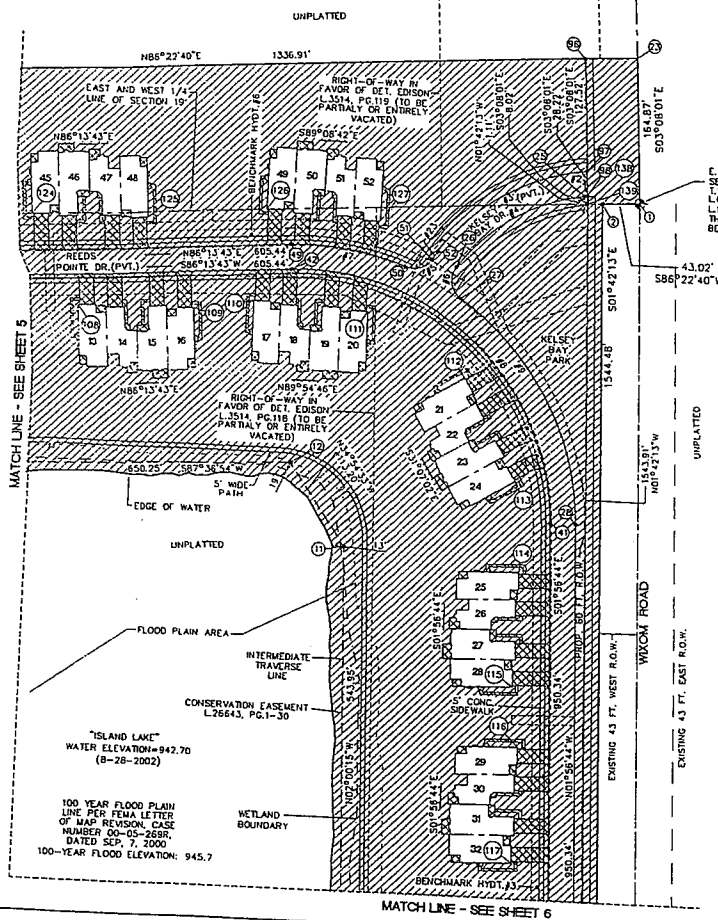
Patrick C. Keast
 PATRICK C. KEAST
 ENGINEER NO. 27500



ISLAND LAKE SOUTH HARBOR

TITLE PAGE

SEIBER, KEAST & ASSOCIATES, INC.
 CONSULTING ENGINEERS
 MILLER AND ASSOCIATES, L.L.C.
 CONSULTING ENGINEERS
 SHEET 1 OF 16



NORTHING	EASTING
1	55137.2550
2	55137.2550
3	55137.2550
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96	55137.2550
97	55137.2550
98	55137.2550
99	55137.2550
100	55137.2550

CURVE	LENGTH	RADIUS	DELTA	CHORD	CHORD
1	2.98	33.00	05°10'07"	583°24'22"W	2.98
2	198.47	244.00	45°38'14"	558°54'57"W	193.04
3	170.84	216.00	45°10'56"	558°09'49"W	166.42
4	33.60	25.00	77°00'55"	872°00'24"E	31.13
5	38.88	25.00	91°38'16"	810°18'40"E	35.86
6	133.32	314.00	24°19'39"	581°35'28"E	132.32
7	458.36	286.00	91°49'14"	847°51'30"E	410.86
8	296.96	314.00	54°01'13"	525°02'29"E	268.02

LEGEND
 INTERMEDIATE TRAVELER LINE
 FLOOD PLAIN LINE
 WATER'S EDGE
 WETLAND LIMITS

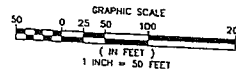
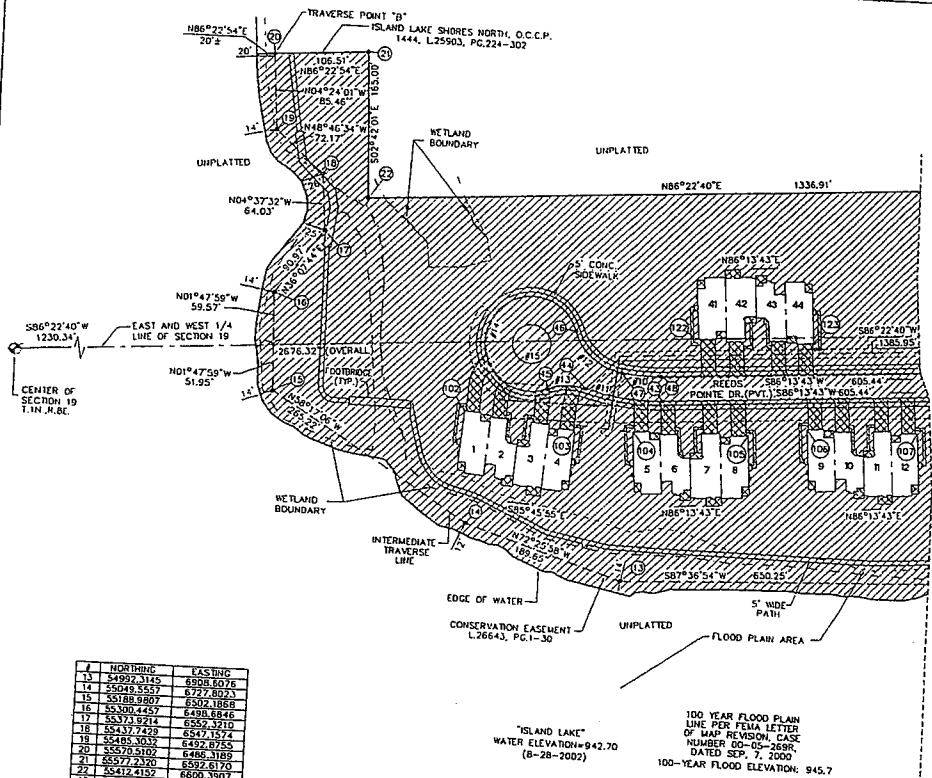
Patrick C. Keast
 PATRICK C. KEAST
 ENGINEER NO. 27060

PROPOSED DATED
 SEPTEMBER 30, 2003
ISLAND LAKE SOUTH HARBOR
SITE PLAN - UNITS 13-32, 45-52
 SEIBER, KEAST & ASSOCIATES, INC.
 CONSULTING ENGINEERS
 1000 N. W. 10th Ave., Suite 100, Ft. Lauderdale, FL 33304
 (954) 551-1111
 FAX (954) 551-1112
 SHEET
 4
 OF
 16

CERTAIN AREAS IN THE CONDOMINIUM AND IN THE ISLAND LAKE OF NOW COMMUNITY ARE OR WILL BE ENCUMBERED BY THE CONSERVATION EASEMENTS DESCRIBED IN ARTICLE VII OF THE MASTER DEED PROVIDING FOR THE PRESERVATION AND REGULATION OF CERTAIN AREAS, INCLUDING A DEFINED AREA ALONG THE SHORE LINE OF ISLAND LAKE THAT IS GENERALLY INTENDED TO EXTEND 25 FEET OUTWARD FROM THE EDGE OF ISLAND LAKE. PORTIONS OF THE CONSERVATION EASEMENT AS SHOWN, ANY ADDITIONAL REDUCTION WILL BE SUBJECT TO THE ABOVE DESCRIBED CONSERVATION EASEMENTS AND SUCH CONSERVATION EASEMENTS AS MAY BE REQUIRED BY THE MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY AND, TO THE EXTENT APPLICABLE, BY THE CITY OF NOKIA.

THE BOUNDARIES OF ISLAND LAKE SOUTH HARBOR INCLUDE THE SHORELINE OF ISLAND LAKE. THE BOUNDARIES OF THE CONDOMINIUM SHALL BE EXTENDED TO INCLUDE ANY ADDITIONAL LAND CREATED ALONG THE SHORELINE INCLUDED IN THE CONDOMINIUM AS A RESULT OF ACCRETION AND RELICTION.

NOTES:
 SEE SHEETS 7, 8, AND 9 FOR PROPOSED EASEMENTS, INCLUDING ADDITIONAL CONSERVATION EASEMENT AREAS.
 THE ROADS AND STRUCTURES RELATED TO THE ROADS AS SHOWN ON THIS PLAN AND UNITS 1 THROUGH 4 "MUST BE BUILT". APART FROM THE UTILITIES DESIGNATED ON THE UTILITY PLAN SHEETS 7 THROUGH 9 AS "MUST BE BUILT", ALL OTHER IMPROVEMENTS "NEED NOT BE BUILT".
 ① DENOTES COORDINATE POINT NUMBER.
 * INDICATES POINT OF CURVATURE AND/OR BOUNDARY CORNER.
 LIMITED COMMON ELEMENT.
 GENERAL COMMON ELEMENT.
 1 INDICATES A UNIT NUMBER.
 ALL OF THE UNITS AND COMMON ELEMENTS ARE DESIGNATED AS "CONVERTIBLE AREAS", SUBJECT TO CONVERSION PURSUANT TO ARTICLE IX OF THE MASTER DEED.
 THE LOCATIONS OF THE SIDEWALKS TO BE INSTALLED ARE SHOWN ON UTILITY PLAN SHEET 7.



CERTAIN AREAS IN THE CONDOMINIUM AND IN THE ISLAND LAKE OF NOV COMMUNITY ARE OR WILL BE ENCUMBERED BY THE CONSERVATION EASEMENTS DESCRIBED IN ARTICLE VI OF THE MASTER DEED PROVIDING FOR THE PRESERVATION AND REGULATION OF CERTAIN AREAS, INCLUDING A DEFINED AREA ALONG THE SHORE LINE OF ISLAND LAKE THAT IS GENERALLY INTENDED TO EXTEND 25 FEET OUTWARD FROM THE EDGE OF ISLAND LAKE. PORTIONS OF THE CONDOMINIUM ARE ENCUMBERED BY THIS CONSERVATION EASEMENT AS SHOWN. ANY ADDITIONAL LAKEFRONT LAND THAT MAY BE INCLUDED IN THE CONDOMINIUM AS A RESULT OF ACCRETION OR REJECTION WILL BE SUBJECT TO THE ABOVE DESCRIBED CONSERVATION EASEMENTS AND SUCH CONSERVATION EASEMENTS AS MAY BE REQUIRED BY THE MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY AND, TO THE EXTENT APPLICABLE, BY THE CITY OF NOV.

THE BOUNDARIES OF ISLAND LAKE SOUTH HARBOR INCLUDE THE SHORELINE OF ISLAND LAKE. THE BOUNDARIES OF THE CONDOMINIUM SHALL BE EXTENDED TO INCLUDE ANY ADDITIONAL LAND CREATED ALONG THE SHORELINE INCLUDED IN THE CONDOMINIUM AS A RESULT OF ACCRETION AND REJECTION.

NOTES:
SEE SHEETS 7, 8, AND 9 FOR PROPOSED EASEMENTS, INCLUDING ADDITIONAL CONSERVATION EASEMENT AREAS.

THE ROADS AND STRUCTURES RELATED TO THE ROADS AS SHOWN ON THIS PLAN AND UNITS 1 THROUGH 4 "MUST BE BUILT", APART FROM THE UTILITIES DESIGNATED ON THE UTILITY PLAN SHEETS 7 THROUGH 9 AS "MUST BE BUILT", ALL OTHER IMPROVEMENTS "NEED NOT BE BUILT".

① INDICATES COORDINATE POINT NUMBER.

* INDICATES POINT OF CURVATURE AND/OR BOUNDARY CORNER.

LIMITED COMMON ELEMENT.

GENERAL COMMON ELEMENT.

1 INDICATES A UNIT NUMBER.

ALL OF THE UNITS AND COMMON ELEMENTS ARE DESIGNATED AS "CONVERTIBLE AREAS", SUBJECT TO CONVERSION PURSUANT TO ARTICLE IX OF THE MASTER DEED.

THE LOCATIONS OF THE SIDEWALKS TO BE INSTALLED ARE SHOWN ON UTILITY PLAN SHEET 8.

N	NORTHING	EASTING
1	54992.3185	8598.6076
14	55049.5557	8727.8073
15	55188.9807	8502.1888
16	55300.4457	8438.8846
17	55373.9214	8582.1510
18	55437.7429	8547.1574
19	55485.3032	8492.6725
20	55570.5102	8486.3189
21	55577.2320	8592.6170
22	55412.4152	8605.3007
43	55193.0046	8947.4207
44	55208.1834	8881.2020
45	55206.4936	8916.4892
46	55273.6888	8847.1945
47	55288.5275	8901.4596
48	55246.9440	8945.5789
102	55176.8946	8721.3901
103	55163.7724	8820.5670
104	55162.7243	8915.2413
105	55164.4291	9045.3778
106	55174.8309	9112.8071
107	55177.0557	9240.9436
122	55271.1035	8986.9895
123	55273.3283	9117.1249

CURVE	LENGTH	RADIUS	DELTA	CHD. BRG.	CHORD
#11	87.24	244.00	20°29'04"	N83°31'45"W	86.77
#12	74.32	67.00	63°33'18"	S50°12'46"E	70.57
#13	43.84	67.00	38°02'01"	S87°11'48"W	44.77
#14	258.08	54.00	273°50'07"	N24°35'50"E	25.77
#15	138.23	22.00	360°00'00"		

100 YEAR FLOOD PLAIN LINE PER FEMA LETTER OF MAP REVISION, CASE NUMBER 00-05-269R, DATED SEP. 7, 2000
100-YEAR FLOOD ELEVATION: 945.7

LEGEND
INTERMEDIATE TRAVERSE LINE
FLOOD PLAIN LINE
WATER'S EDGE
WETLAND LIMITS

Patrick C. Keast
PATRICK C. KEAST
ENGINEER NO. 27360



PROPOSED DATED SEPTEMBER 30, 2003

ISLAND LAKE SOUTH HARBOR

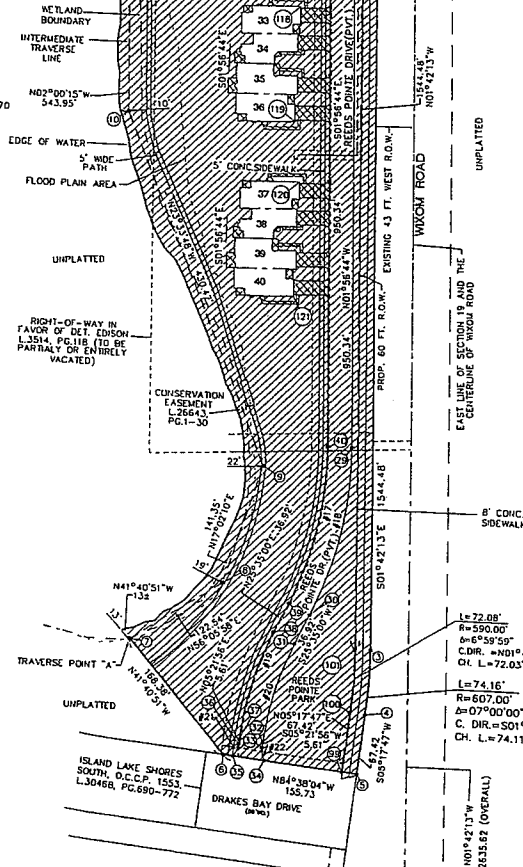
SITE PLAN - UNITS 1-12, 41-44

SEIBER, KEAST & ASSOCIATES, INC.
CONSULTING ENGINEERS

M. J. METZGER AND ASSOCIATES, L.L.C.
LAND SURVEYORS

SHEET 5 OF 16

100 YEAR FLOOD PLAIN
LINE PER FEMA LETTER
OF MAP REVISION, CASE
NUMBER 00-05-205H,
DATED SEP. 7, 2000
100-YEAR FLOOD ELEVATION: 945.7
"ISLAND LAKE"
WATER ELEVATION=942.70
(8-28-2002)



NO. BEARING	EASTING
1 53785.7436	7946.5248
2 53771.6701	7944.3016
3 53144.5336	7938.0780
4 53659.0974	7933.0335
5 53781.8545	7931.6640
6 53051.7053	7922.7715
7 53088.3479	7914.1635
8 53382.0250	7912.0984
9 54014.3136	7916.3379
10 53821.4849	7916.0872
11 53788.1874	7916.1444
12 53674.2106	7916.6747
13 53668.8217	7916.1498
14 53654.3672	7911.1096
15 53558.0072	7914.6415
16 53571.5400	7900.2725
17 53677.1280	7900.7974
18 53800.2754	7911.6896
19 53633.7260	7900.8378
20 54013.3637	7906.4240
21 53646.1254	7921.1129
22 53782.3392	7927.1742
23 54218.4701	7936.6284
24 54303.7290	7934.6252
25 54312.5545	7934.7697
26 54182.4539	7941.3486

CURVE	LENGTH	RADIUS	DELTA	CHD. BRG.	CHORD
#17	185.46	306.00	27°31'43"	N11°49'08"E	183.68
#18	198.91	414.00	27°31'43"	S11°49'08"E	197.01
#19	128.44	364.00	20°11'04"	N15°28'28"E	127.78
#20	118.56	336.00	20°11'04"	S15°28'28"E	117.95
#21	14.86	23.00	34°03'21"	N22°23'35"E	14.64
#22	14.86	23.00	34°03'21"	S11°39'45"E	14.64

LEGEND
INTERMEDIATE
TRAVELER LINE
FLOOD PLAIN LINE
WATER'S EDGE
WETLAND LIMITS

CERTAIN AREAS IN THE CONDOMINIUM AND IN THE ISLAND LAKE OF NOW COMMUNITY ARE OR WILL BE ENCUMBERED BY THE CONSERVATION EASEMENTS DESCRIBED IN ARTICLE VII OF THE MASTER DEED PROVIDING FOR THE PRESERVATION AND REGULATION OF CERTAIN AREAS, INCLUDING A DEFINED AREA ALONG THE SHORE LINE OF ISLAND LAKE THAT IS GENERALLY INTENDED TO EXTEND 25 FEET OUTWARD FROM THE EDGE OF ISLAND LAKE. PORTIONS OF THE CONSERVATION ARE ENCUMBERED BY THE CONSERVATION EASEMENT AS SHOWN. ANY ADDITIONAL CONDOMINIUM LAND THAT MAY BE INCLUDED IN THE RELICTION WILL BE SUBJECT TO THE ABOVE DESCRIBED CONSERVATION EASEMENTS AND SUCH CONSERVATION EASEMENTS AS MAY BE REQUIRED BY THE MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY AND, TO THE EXTENT APPLICABLE, BY THE CITY OF NOVI.

THE BOUNDARIES OF ISLAND LAKE SOUTH HARBOR INCLUDE THE SHORELINE OF ISLAND LAKE. THE BOUNDARIES OF THE CONDOMINIUM SHALL BE EXTENDED TO INCLUDE ANY ADDITIONAL LAND CREATED ALONG THE SHORELINE INCLUDED IN THE CONDOMINIUM AS A RESULT OF ACCRETION AND RELICTION.

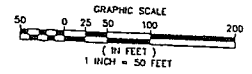
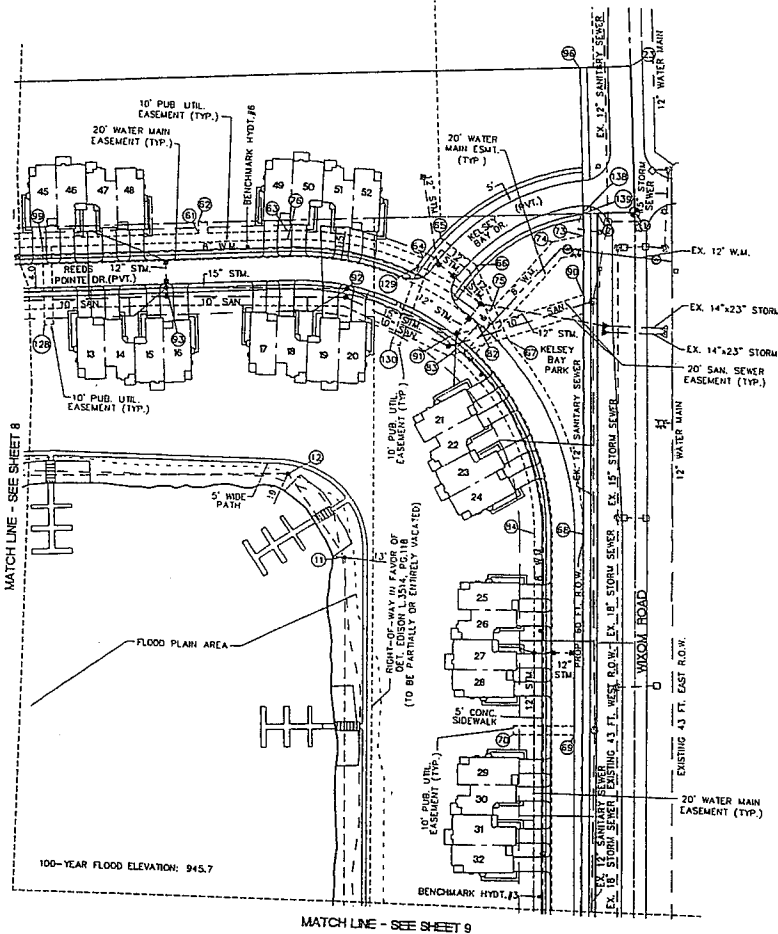
NOTES:
SEE SHEETS 7, 8, AND 9 FOR PROPOSED EASEMENTS, INCLUDING ADDITIONAL CONSERVATION EASEMENT AREAS.
THE ROADS AND STRUCTURES RELATED TO THE ROADS AS SHOWN ON THIS PLAN AND UNITS 1 THROUGH 4 "MUST BE BUILT", APART FROM THE UTILITIES DESIGNATED ON THE UTILITY PLAN SHEETS 7 THROUGH 9 AS "MUST BE BUILT". ALL OTHER IMPROVEMENTS "NEED NOT BE BUILT".
① INDICATES COORDINATE POINT NUMBER.
* INDICATES POINT OF CURVATURE AND/OR BOUNDARY CORNER.
LIMITED COMMON ELEMENT.
GENERAL COMMON ELEMENT.

1 INDICATES A UNIT NUMBER.
ALL OF THE UNITS AND COMMON ELEMENTS ARE DESIGNATED AS "CONVERTIBLE AREAS", SUBJECT TO CONVERSION PURSUANT TO ARTICLE IX OF THE MASTER DEED.

THE LOCATIONS OF THE SIDEWALKS TO BE INSTALLED ARE SHOWN ON UTILITY PLAN SHEET 9.

PROPOSED DATED
SEPTEMBER 30, 2003
ISLAND LAKE SOUTH HARBOR
SITE PLAN - UNITS 33-40

SOBER, KEAST & ASSOCIATES, INC.
ENGINEERING ARCHITECT
MILLER AND ASSOCIATES, L.L.C.
LAND SURVEYING
SHEET 6 OF 16



NORTHING	EASTING
1	55330.250
2	55330.250
3	55330.250
4	55330.250
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51	55330.250
52	55330.250

NOTES:
THE ROADS AND STRUCTURES RELATED TO THE ROADS AS SHOWN ON THIS PLAN AND UNITS 1 THROUGH 4 "MUST BE BUILT". ALL UTILITY MAINS LOCATED WITHIN THE GENERAL COMMON ELEMENTS, DEPICTED, AND THE UTILITY LEADS REQUIRED TO SERVE UNITS 1 THROUGH 4 "MUST BE BUILT". ALL OTHER IMPROVEMENTS "NEED NOT BE BUILT".

ALL WATER MAIN SIZES ARE AS NOTED.

ALL WATER LEADS ARE 1".

ALL SANITARY SEWER ARE 10" UNLESS OTHERWISE NOTED.

ALL SANITARY SEWER LEADS ARE 6".

ALL STORM SEWER SIZES ARE AS NOTED.

ALL STORM SEWER LEADS ARE 4".

THE SIDEWALKS SHOWN ON THE PLAN WILL BE CONSTRUCTED BY THE DEVELOPER. THE SIDEWALKS SHOWN ON THIS PLAN ARE DESIGNATED AS "NEED NOT BE BUILT" FOR PURPOSES OF SECTION 66 OF THE CONDOMINIUM ACT.

THE WETLAND CONSERVATION AREA SHOWN ON SHEET 8 SHALL BE SUBJECT TO THE THIRD CONSERVATION EASEMENT DESCRIBED IN ARTICLE VI OF THE MASTER DEED. THE THIRD CONSERVATION EASEMENT MAY ALSO ENCUMBER ADDITIONAL PORTIONS OF THE LAND AREAS ADJACENT TO ISLAND LAKE THAT EXTEND BEYOND THE 25-FOOT LINE GENERALLY DESCRIBED IN THE SECOND CONSERVATION EASEMENT DESCRIBED IN ARTICLE VI OF THE MASTER DEED.

LEGEND	UTILITY	SOURCE OF LOCATION
---	WATER MAIN	SEIBER, KEAST AND ASSOCIATES, INC.
---	WATER MAIN LEAD	SEIBER, KEAST AND ASSOCIATES, INC.
---	SANITARY SEWER	SEIBER, KEAST AND ASSOCIATES, INC.
---	6" SANITARY SEWER LEAD	SEIBER, KEAST AND ASSOCIATES, INC.
---	STORM SEWER	SEIBER, KEAST AND ASSOCIATES, INC.
---	4" STORM SEWER LEAD	SEIBER, KEAST AND ASSOCIATES, INC.
---	GAS	SEIBER, KEAST AND ASSOCIATES, INC.
---	ELECTRIC	CONSUMERS ENERGY
---	TELEPHONE	DETROIT EDITION
---	CABLE TELEVISION	COMCAST

*WILL BE SHOWN ON AS-BUILT DRAWINGS.

Patrick C. Keast
PATRICK C. KEAST
ENGINEER NO. 27001

PROPOSED DATED
SEPTEMBER 30, 2003

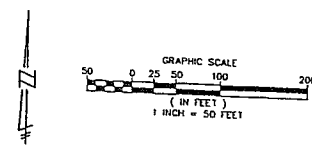
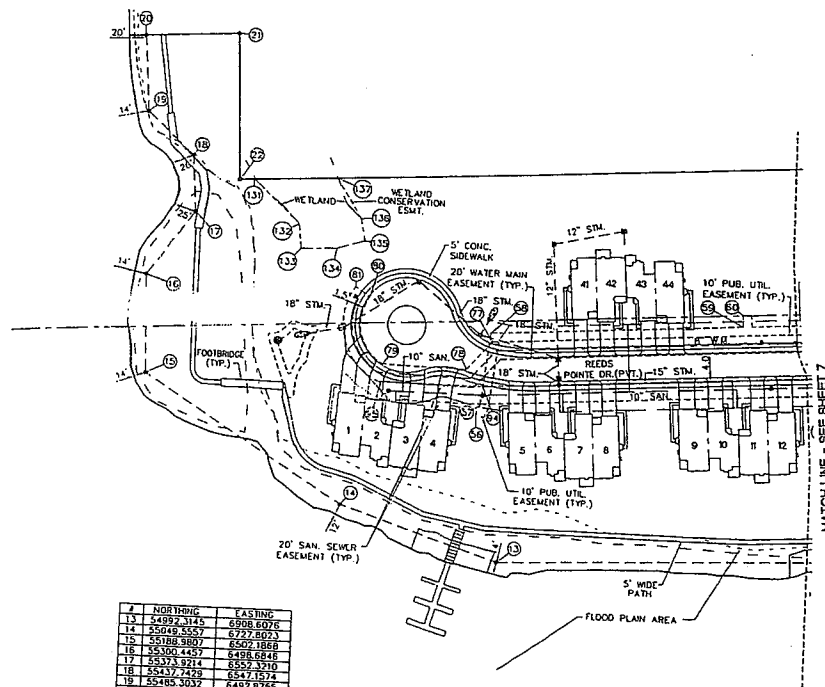
ISLAND LAKE SOUTH HARBOR

UTILITY AND EASEMENT PLAN - UNITS 13-42, 45-52

SEIBER, KEAST & ASSOCIATES, INC.
ENGINEER

M. KEAST AND ASSOCIATES, L.L.C.
LAND SURVEYOR
NO. 10075-001

SHEET
7
OF
16



LEGEND	UTILITY	SOURCE OF LOCATION
_____	WATER MAIN	SIBBER, KEAST AND ASSOCIATES, INC.
_____	WATER MAIN LEAD	SIBBER, KEAST AND ASSOCIATES, INC.
_____	SANITARY SEWER	SIBBER, KEAST AND ASSOCIATES, INC.
_____	4" SANITARY SEWER LEAD	SIBBER, KEAST AND ASSOCIATES, INC.
_____	STORM SEWER	SIBBER, KEAST AND ASSOCIATES, INC.
_____	4" STORM SEWER LEAD	SIBBER, KEAST AND ASSOCIATES, INC.
_____	GAS	SIBBER, KEAST AND ASSOCIATES, INC.
_____	ELECTRIC*	CONSUMERS ENERGY
_____	TELEPHONE*	DETROIT EDISON
_____	CABLE TELEVISION*	AMERICAN COMCAST

*MAY BE SHOWN ON AS-BUILT DRAWINGS

PATRICK C. KEAST

PROPOSED DATED
SEPTEMBER 30, 2003

ISLAND LAKE SOUTH HARBOR

UTILITY AND EASEMENT PLAN - UNITS F-12, 41-44

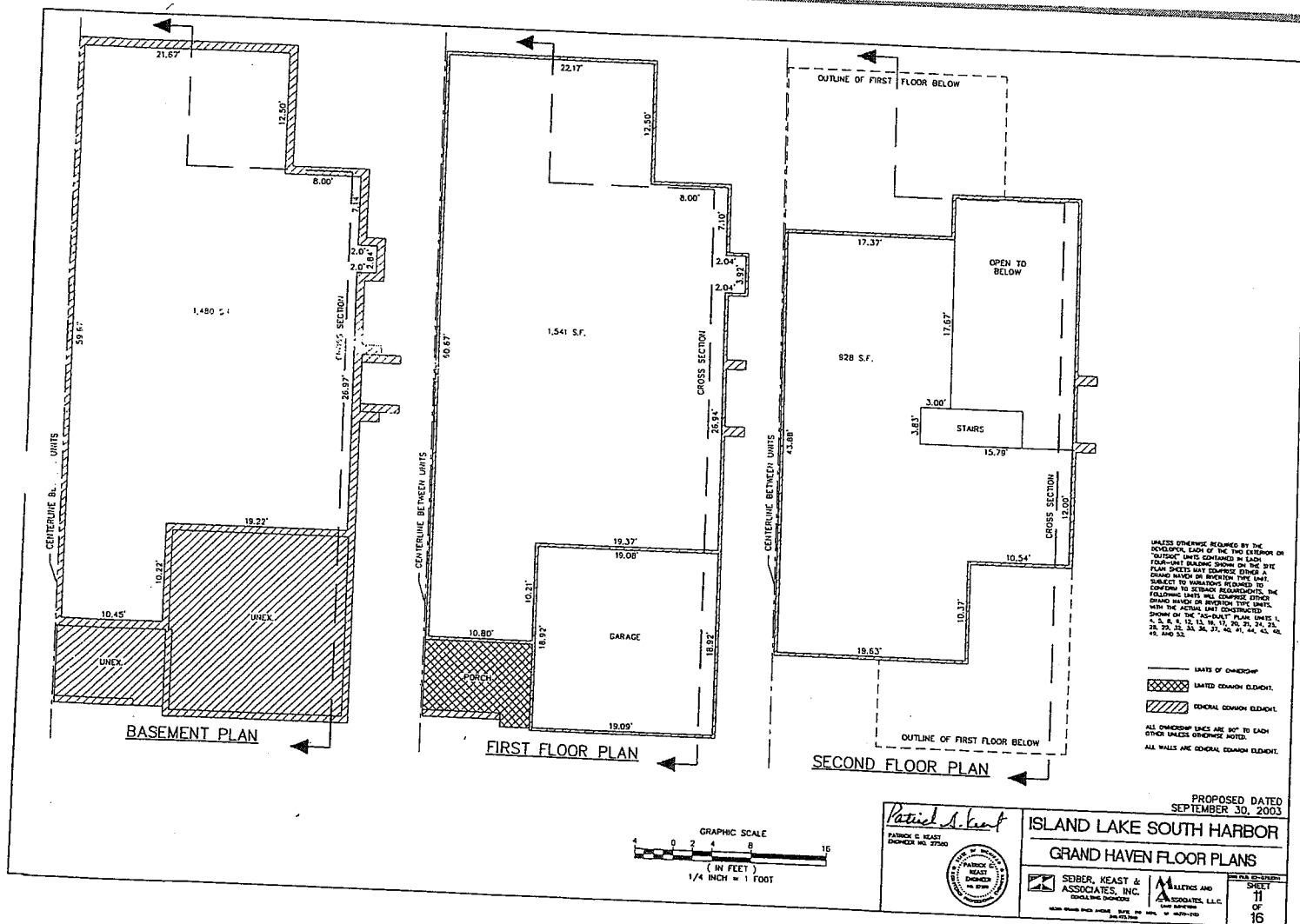
 PATRICK C. KEAST
ENGINEER
STATE OF MICHIGAN
LICENSE NO. 96789

 SOBER, KEAST &
ASSOCIATES, INC.
ENGINEERING CONSULTANTS



 MALIENTZ AND
ASSOCIATES, LLC
LAND SURVEYORS
OFFICE: 1000 N. ZEEB RD., SUITE 100
ANN ARBOR, MI 48106-1702

ALL DIMENSIONS IN FEET

SHEET
8
OF
16




UNLESS OTHERWISE REQUIRED BY THE DEVELOPER, EACH OF THE TWO EXTERIOR OR "OUTSIDE" UNITS CONTAINED IN EACH FOUR-UNIT BUILDING SHOWN ON THE SITE PLAN SHEETS MAY COMPOSE EITHER A DRAGO HAVEN OR RIVINGTON TYPE UNIT. SUBJECT TO VARIATIONS REQUIRED TO CONFORM TO SETBACK REQUIREMENTS, THE FOLLOWING UNITS WILL COMPOSE EITHER DRAGO HAVEN OR RIVINGTON TYPE UNITS WITH THE ACTUAL UNIT CONSTRUCTED SHOWN ON THE "AS-BUILT" PLAN. UNITS 1, 4, 5, 8, 9, 12, 13, 18, 19, 20, 21, 24, 25, 28, 29, 32, 33, 36, 37, 40, 41, 44, 45, 48, 49, AND 52.

 LIMITED COMMON ELEMENT
 GENERAL COMMON ELEMENT

ALL OWNERSHIP LINES ARE 90° TO EACH OTHER UNLESS OTHERWISE NOTED.
 ALL WALLS ARE GENERAL COMMON ELEMENT

PROPOSED DATED
SEPTEMBER 30, 2003
OUTH HARBOR

ISLAND LAKE SOUTH HARBOR
GRAND HAVEN FLOOR PLANS

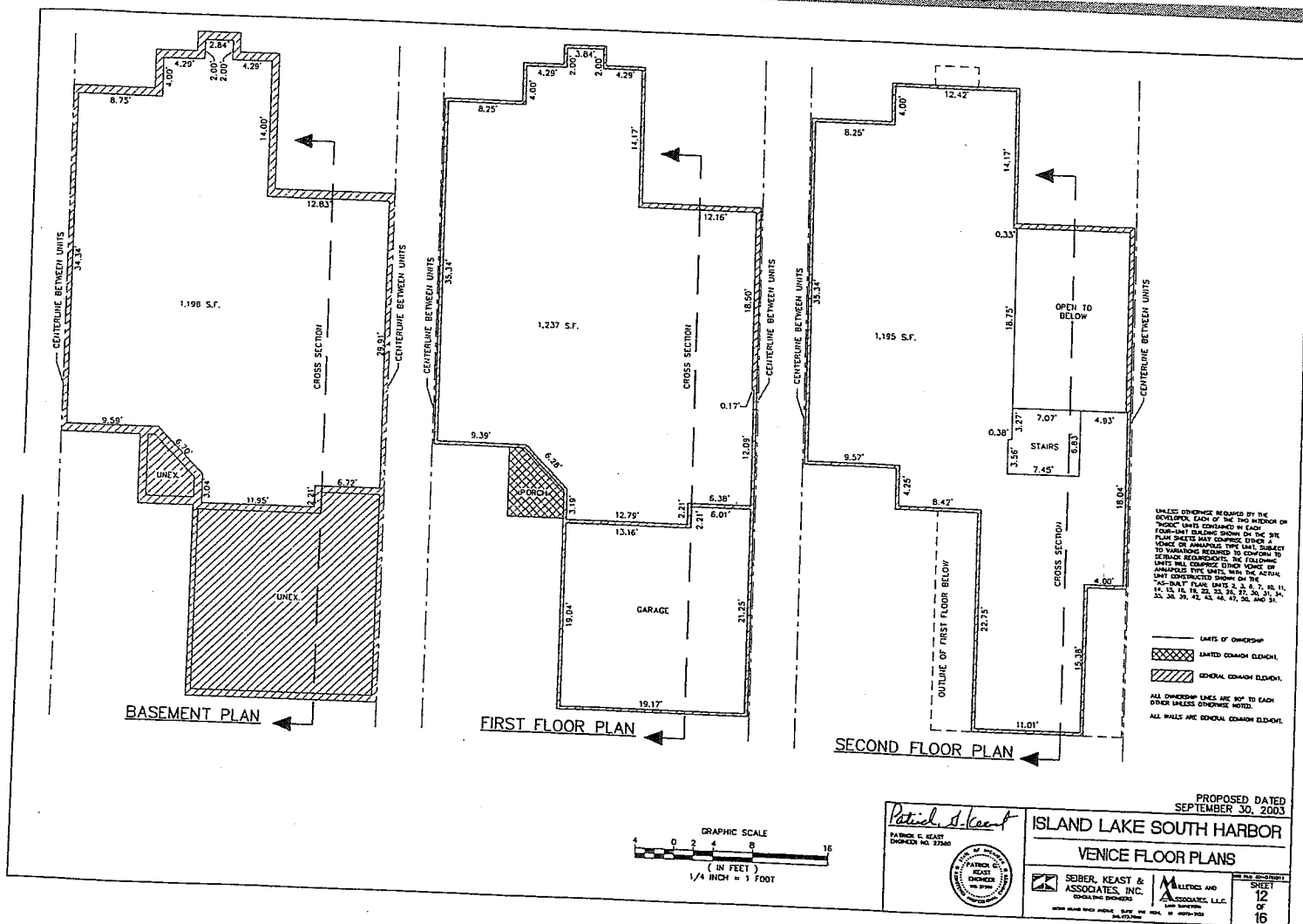


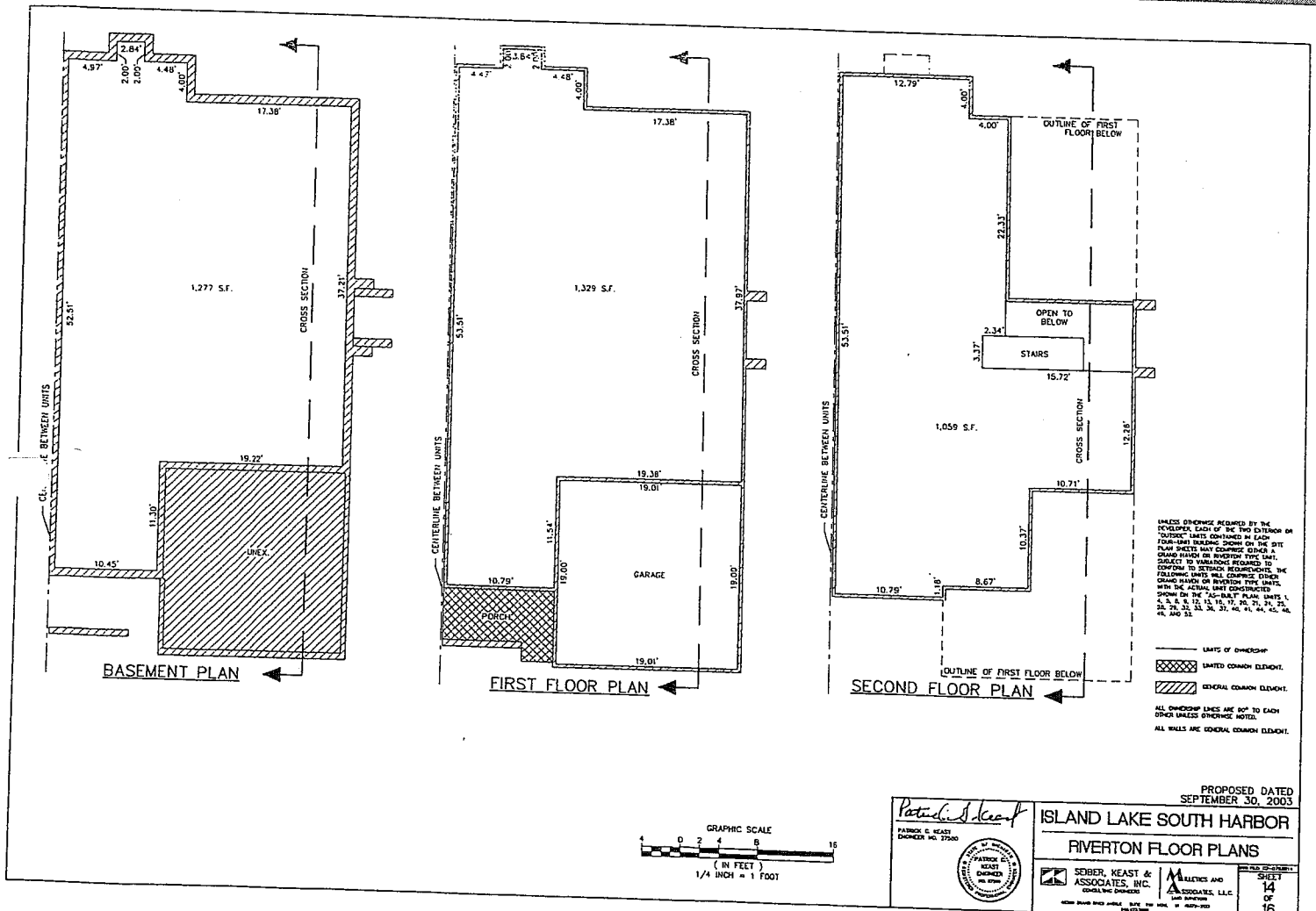
**SEIBER, KEAST &
ASSOCIATES, INC.**
CONSULTING ENGINEERS

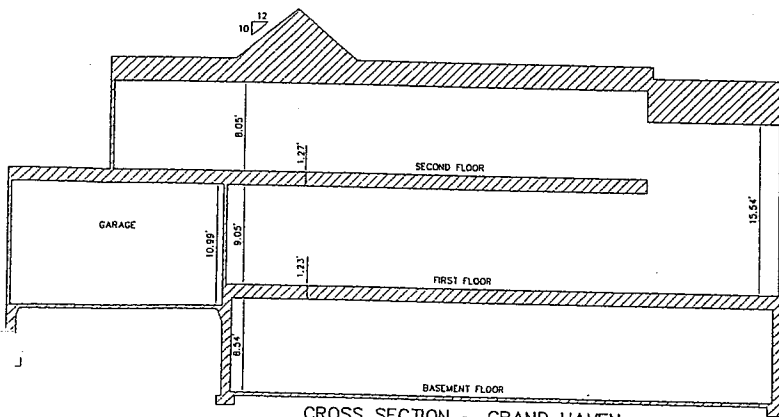


ATHLETICS AND
ASSOCIATES, L.L.C.
COURT REPORTERS

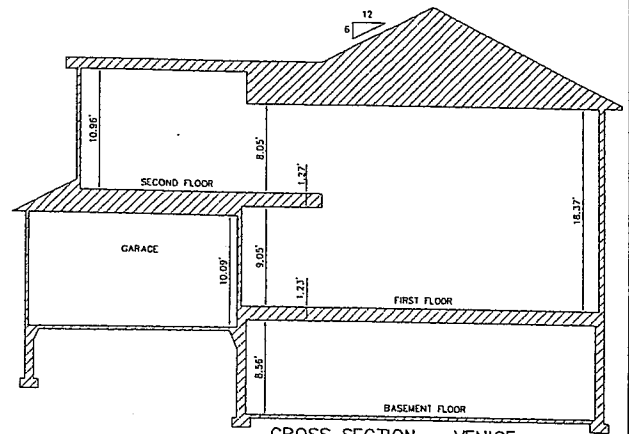
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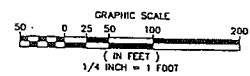




CROSS SECTION — GRAND HAVEN



CROSS SECTION — VENICE

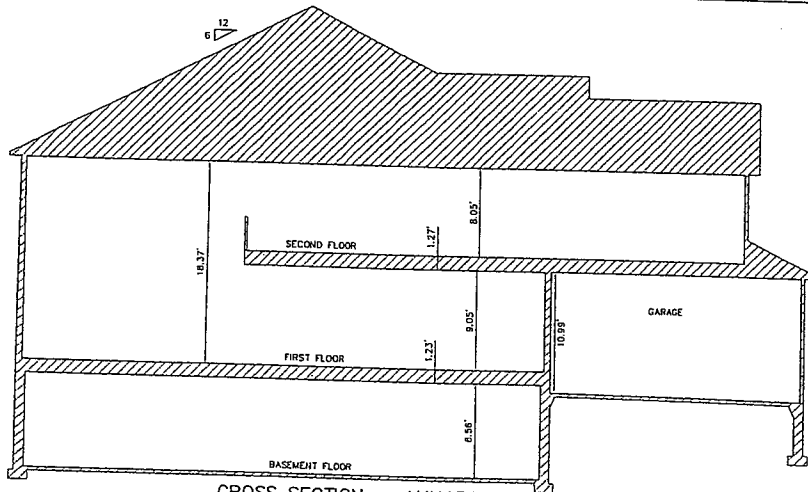


LIMITS OF OWNERSHIP
COMMON COMMON ELEMENT
ALL OWNERSHIP LINES ARE SHOWN TO EACH OTHER UNLESS OTHERWISE NOTED.
ALL WALLS ARE COMMON ELEMENT.
LIFT SYMMETRIC ABOUT CENTERLINE.

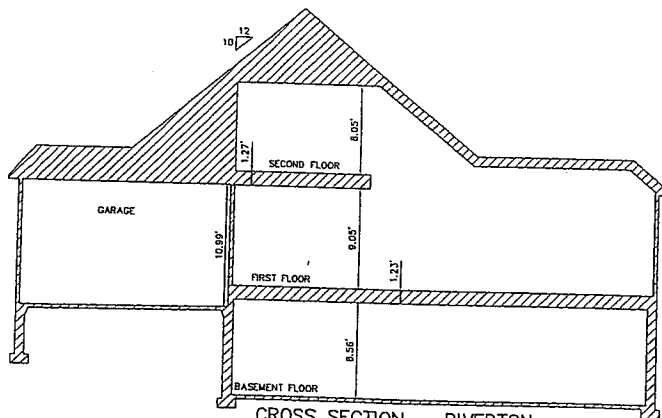
Petrick & Keast
PATRICK C. KEAST
ENGINEER REG. 27280



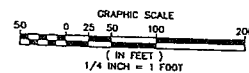
PROPOSED DATED
SEPTEMBER 30, 2003
ISLAND LAKE SOUTH HARBOR
GRAND HAVEN AND VENICE
CROSS SECTIONS
SEIBER, KEAST &
ASSOCIATES, INC.
CONSULTING ENGINEERS
MALLENS AND
ASSOCIATES, L.L.C.
LAND SURVEYORS
SHEET
15
OF
16



CROSS SECTION - ANNAPOLIS



CROSS SECTION - RIVERTON



LIMITS OF EXHIBIT
 GENERAL EXHIBIT ELEMENT
 ALL DIMENSION LINES ARE NOT TO EACH OTHER UNLESS OTHERWISE NOTED.
 ALL WALLS ARE GENERAL EXHIBIT ELEMENT.
 UNIT SYMMETRIC ABOUT CENTERLINE.

Patrick C. Keast
 PATRICK C. KEAST
 ENGINEER NO. 22500

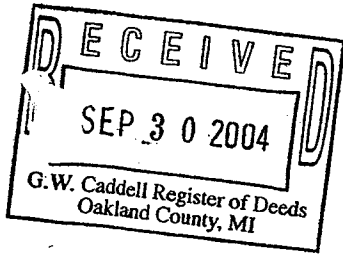
PROPOSED DATED
 SEPTEMBER 30, 2003
 ISLAND LAKE SOUTH HARBOR
 ANNAPOLIS AND RIVERTON
 CROSS SECTIONS

SEBER, KEAST &
 ASSOCIATES, INC.
 CONSULTING ENGINEERS

MILLER AND
 ASSOCIATES, L.L.C.
 LAND SURVEYORS

SHEET
 16
 OF
 16

COPY



415126
LIBER 34143 PAGE 672
\$13.00 MISC RECORDING
\$4.00 REMONUMENTATION
09/30/2004 04:01:29 P.M. RECEIPT# 118749
PAID RECORDED - OAKLAND COUNTY
G.WILLIAM CADDELL, CLERK/REGISTER OF DEEDS

FIRST AMENDMENT TO THE MASTER DEED OF ISLAND LAKE SOUTH HARBOR CONDOMINIUM

SEP THIS FIRST AMENDMENT TO THE MASTER DEED is made and executed on this 21 day of August, 2004, by Toll MI II Limited Partnership, a Michigan nonprofit corporation, whose office is 30500 Northwestern Highway, Suite 400, Farmington Hills, MI 48334, hereinafter referred to as the "Developer," represented herein by Keith Anderson, Vice President - Michigan Division, of Toll MI GP Corp, a Michigan Corporation, General Partner of Toll MI II Limited Partnership, who is fully empowered and qualified to act on behalf of the Developer in pursuance of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended).

WITNESSETH:

WHEREAS, the Developer established Island Lake South Harbor Condominium, pursuant to the Master Deed thereof recorded in Liber 32001, Pages 821-898, Oakland County Records, and known as Oakland County Condominium Subdivision Plan No. 1602, and desires to amend the Condominium Bylaws, Exhibit A of the Master Deed for Island Lake South Harbor Condominium, pursuant to the authority granted by Section 90 of the Michigan Condominium Act, as amended, (MCLA § 559.190, MSA § 26.50(190)), and its reserved powers under Article VIII of the Master Deed, for the purpose of correcting an error/contradiction in the restrictions applicable to the Condominium.

This Amendment shall not enlarge the common elements of the existing condominium project, or alter the existing percentages of value in the project.

The Master Deed shall be amended upon recording with the Register of Deeds for Oakland County, as required by Section 73 of the Michigan Condominium Act (MCLA § 559.173, MSA 26.50(173)).

NOW THEREFORE, the following changes are hereby made to the Island Lake South Harbor Condominium Master Deed:

Article I of Amendment

ARTICLE VI, Section 3 of the Condominium Bylaws for Island Lake South Harbor Condominium, Exhibit A to the Master Deed for Island Lake South Harbor Condominium, shall, upon recording of this Amendment with the Oakland County Register of Deeds, be deleted in its entirety and replaced with the following revised Section 3:

Section 3. Proscribed Activities. No noxious or offensive activity shall be performed within any Unit or upon the Common Elements, nor shall anything be done thereon that tends to cause embarrassment, discomfort, annoyance or nuisance to occupants or the Co-owners of Units within the Condominium. No charcoal grills or grills using any other type of fuel, other than natural or propane gas, shall be used anywhere within the Condominium, including, without limitation, on any deck, patio or porch. All garage doors must be kept closed except when necessary for purposes of ingress to and egress from the garage. There shall not be maintained any animal or device or thing of any sort whose normal activities or existence is in any way noxious, noisy, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the reasonable enjoyment of Units. The Board of Directors of the Association shall be the final arbiter of whether a particular animal, device, or thing is in violation of the foregoing restrictions. No Co-owner shall do or permit anything to be done or keep or permit to be kept in the Co-owner's Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved, which increased cost may be assessed to and collected from the Co-owner in the manner provided in Article II hereof.

Article II of Amendment

In all other respects, the original Master Deed of Island Lake South Harbor Condominium, including the Bylaws attached thereto as Exhibit A, and the Condominium Subdivision Plan, attached thereto as Exhibit B, as previously recorded, are hereby ratified and confirmed.

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

Toll MI II Limited Partnership, a Michigan Limited Partnership,
BY: Toll MI GP Corp., a Michigan Corporation, General Partner

By: _____

KEITH ANDERSON

Its: Vice President – Michigan Division

STATE OF MICHIGAN }
 }ss
COUNTY OF OAKLAND }

On this 21 day of ^{Sept}~~August~~, 2004, the foregoing First Amendment to the Master Deed of Island Lake South Harbor Condominium was acknowledged before me by Keith Anderson, Vice President – Michigan Division, of Toll MI GP Corp., a Michigan Corporation, General Partner of Toll MI II Limited Partnership, a Michigan Limited Partnership, on behalf of and by authority of the Partnership.

Drafted by and return to:

Mark F. Makower, Esq.
Dickinson Wright, PLLC
38525 Woodward Ave., Suite 2000
Bloomfield Hills, Michigan 48304

Tricia Dedvukaj
Notary Public
Acting in Oakland County, MI
My commission expires: 01/14/06

TRICIA DEDVUKAJ
NOTARY PUBLIC OAKLAND CO., MI
MY COMMISSION EXPIRES Jan 14, 2006