

ISLAND LAKE SHORES NORTH

EXHIBIT A

BY-LAWS

ARTICLE I ASSOCIATION OF CO-OWNERS

Island Lake Shores North, a residential Condominium Project located in the City of Novi, Oakland County, Michigan, shall be administered by an Association of Co-Owners which shall be a non-profit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Condominium Documents and the laws of the State of Michigan. These By-Laws shall constitute both the By-Laws referred to in the Master Deed and required by Section 53 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 or her 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 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) 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 10% of the Association's current annual budget on a noncumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular project, the Association 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: (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium, (2) to provide repairs or replacements of existing General Common Elements, (3) to provide additions to the General Common Elements not exceeding \$5,000.00 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 Co-Owner consent, to levy assessments pursuant to the provisions of Article V, Section 3 hereof. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or 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 \$5,000.00 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 (b) (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 60% of all Co-Owners. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or 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 Article XIV 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.

Section 3. Apportionment of Assessments and Penalty for Default. Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-Owners to cover expenses of administration shall be apportioned among and paid by the Co-Owners in accordance with the percentage of value allocated to each Unit in Article V of the Master Deed, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit. Annual assessments as determined in accordance with Article II, Section 2(a) above shall be payable by Co-Owners either in twelve equal monthly installments, quarterly, semiannually 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 \$25.00 per month shall be imposed on each installment which is in default for 10 or more days. The Association may increase or assess such other reasonable automatic late charges or 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 1 or more persons) shall be, and remain, personally liable for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment) pertinent to his or her 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 attorney's 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 or her 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 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 Project and shall not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-Owner of ingress or egress to and from his or her 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 or her. 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 Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions.

Further, each Co-Owner and every other person who from time to time has any interest in the Project shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-Owner of a Unit in the Project acknowledges that at the time of acquiring title to such Unit, he or she was notified of the provisions of this subparagraph and that he or she voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit.

(c) Notice of Action. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of 10 days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-Owner(s) at his, her 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 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, attorney's 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 in the county in which the Project is located 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 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.

(d) Expenses of Collection. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorney's 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 or her Unit.

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

Section 7. Developer's Responsibility for Assessments. Notwithstanding any other provisions of the Condominium Documents to the contrary, the Developer shall not pay regular Association assessments for Units owned by the Developer that are unoccupied, but shall at all times pay all expenses of maintaining, repairing and replacing the Units that it owns. In no event shall the Developer be responsible for payment of any assessments for deferred maintenance, reserves for replacement, for capital improvements or other special assessments, except with respect to Units owned by it on which a completed Residence is located. Any assessments levied by the Association against the Developer for other purposes shall be void without Developer's consent. 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 costs. A "completed Residence" shall mean a Residence with respect to which a final certificate of occupancy has been issued by the City of Novi.

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 \$10,000.00 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 \$2,500.00 and arises out of or relates to a Co-Owner's Unit or the 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. Extent of Coverage. The Association shall, to the extent appropriate in light of the nature of the General Common Elements of the Project, carry fire and extended coverage, vandalism and malicious mischief and liability insurance (in a minimum amount to be determined by the Developer or the Association in its discretion, but in no event less than \$1,000,000 per occurrence), officers' and directors' liability insurance, and workmen's compensation insurance, if applicable, and any other insurance the Association may deem applicable, desirable or necessary, pertinent to the ownership, use and maintenance of the General Common Elements and such insurance shall be carried and administered in accordance with the following provisions:

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

(b) Insurance of Common Elements. All General Common Elements of the Condominium Project shall be insured against fire (if appropriate) and other perils covered by a standard extended coverage endorsement, if applicable and appropriate, 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. The Association shall not be responsible, in any way, for maintaining insurance with respect to Limited Common Elements should any Limited Common Elements be created.

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

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

Section 2. Authority of Association to Settle Insurance Claims. Each Co-Owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his or her 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 and the General Common Elements appurtenant thereto, with such insurer as may, from time to time, provide such insurance for the Condominium Project. Without limitation on the generality

of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-Owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-Owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

Section 3. Responsibility of Co-Owners. Each Co-Owner shall be obligated and responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to the Residence, any building and all other improvements constructed or to be constructed within the perimeter of his or her Condominium Unit and for his or her personal property located therein or thereon or elsewhere on the Condominium Project. There is no responsibility on the part of the Association to insure any of such improvements whatsoever. All such insurance shall be carried by each Co-Owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs. Each Co-Owner shall deliver certificates of insurance to the Association not less than annually 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 obtain such insurance on behalf of such Co-Owner and the premiums therefor 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. Each Co-Owner also shall be obligated to obtain insurance coverage for his or her personal liability for occurrences within the perimeter of his or her Unit or the improvements located thereon (naming the Association and the Developer as insurers), and also for any other personal insurance coverage that the Co-Owner wishes to carry. Such insurance shall be carried in such minimum amounts as may be specified by the Association (and as specified by the Developer during the Development and Sales Period) and each Co-Owner shall furnish evidence of such coverage to the Association or the Developer annually. The liability insurance maintained by each Co-Owner with respect to his or her Unit shall include coverage for the lakefront area included within the boundaries of the Unit and any and all improvements installed upon or attached to such lakefront.

The Association shall under no circumstances have any obligation to obtain any of the insurance coverage described in this Section 3 or any liability to any person for failure to do so. The Association may elect, however, through its Board of Directors, to undertake the responsibility for obtaining the insurance described in this Section 3, or any portion thereof, exclusive of insurance covering the contents located within a Co-Owner's residence, and the cost of the insurance shall be included as an expense item in the Association budget. All Co-Owners shall be notified of the Board's election to obtain the insurance at least sixty (60) days prior to its effective date which notification shall include a description of the coverage and the name and address of the insurer. Each Co-Owner shall also be provided a certificate of insurance as soon as it is available from the insurer. Co-Owners may obtain supplementary insurance but in no event shall any such insurance coverage undertaken by a Co-Owner permit a Co-Owner to withhold payment of the share of the Association assessment that relates to the equivalent insurance carried by the Association. The Association also shall not reimburse Co-Owners for the cost of premiums resulting from the early cancellation of an insurance policy. To the extent a Co-Owner does or permits anything to be done or kept on his or her Unit or on any

Common Element that will increase the rate of insurance 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 shall be charged to the Co-Owner responsible for such activity or condition.

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

Section 5. Indemnification. Each individual Co-Owner shall indemnify and hold harmless every other Co-Owner, the Developer and the Association for all damages and costs, including attorneys' fees, which such other Co-Owners, the Developer 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 and shall carry insurance to secure this indemnity if so required by the Association (or the Developer during the Development and Sales Period). This Section 5 shall not be construed to give any insurer any subrogation right or other right or claim against any individual Co-Owner.

ARTICLE V RECONSTRUCTION OR REPAIR

Section 1. Responsibility for Reconstruction or Repair. If any part of the Condominium Premises shall be damaged, 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 unless all of the Co-Owners and all of the institutional holders of mortgages on any Unit in the Project unanimously agree to the contrary.

(b) Unit or Improvements Thereon. If the damaged property is a Unit or any improvements thereon, the Co-Owner of such Unit alone shall determine whether to rebuild or repair the damaged property, subject to the rights of any mortgagee or other person or entity having an interest in such property, and such Co-Owner shall be responsible for any reconstruction or repair that he elects to make. The Co-Owner shall in any event remove all debris and restore his Unit and the improvements thereon to a clean and sightly condition satisfactory to the Association and in accordance with the provisions of Article VI hereof as soon as reasonably possible following the occurrence of the damage. In the event that a Co-Owner has failed to repair, restore, demolish or remove the improvements on the Co-Owner's Unit under this Section, the Association shall have the right (but not the obligation) to undertake reasonable repair, restoration, demolition or removal and shall have the right to place a lien on the Unit for the amounts expended by the Association for that purpose which may be foreclosed as provided for in these By-Laws.

Section 2. Repair in Accordance with Master Deed, Etc. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the original plans and specifications for any damaged improvements located within the Unit unless the Co-Owners shall unanimously decide otherwise.

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 General Common Elements adversely affects the appearance of the Project, 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 or any improvements thereon 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 General Common Elements. If there is any taking of any portion of the General 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 V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-Owners based upon the continuing value of the Condominium of 100%. Such amendment may be effected by an officer of the Association duly authorized

by the Board of Directors without the necessity of execution or specific approval thereof by any Co-Owner.

(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 Residence covered by a mortgage purchased, held or insured by them exceeds One Thousand and 00/100 (\$1,000.00) Dollars.

ARTICLE VI RESTRICTIONS

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

Section 1. Residential Use. No Unit in the Condominium shall be used for other than single family residential purposes and the Common Elements shall be used only for purposes consistent with single-family residential use. Except as may be approved by the Developer during the Development and Sales Period (and thereafter by the Board of Directors of the Association), and except as set forth below, no structure shall be erected, altered, placed or permitted to remain within any Unit other than one detached single-family Residence which may include an attached garage, a swing set and/or a deck (any such deck must conform to any and all applicable City ordinances). Old and/or pre-existing buildings may not be moved onto any Unit or Common Element. No part of any structure constructed within a Unit shall be used for any activity normally conducted as a business. All Residences must be constructed entirely within the Units, as shown on the Condominium Subdivision Plan. All Units shall be constructed

and used in accordance with all City of Novi ordinances. Adherence to City of Novi ordinances shall be required in the event of differences between the ordinances and the Condominium Documents. In no event shall any Unit within the Condominium be used for the operation of a "family day care home" or any other type of day care facility.

Section 2. Leasing and Rental.

(a) Right to Lease. A Co-Owner may lease or sell his or her 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 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 IX, Section 4 of the Master Deed.

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

(1) A Co-Owner, excluding the Developer, desiring to rent or lease a Unit, shall disclose that fact in writing to the Association at least 10 days before presenting a lease form to a potential lessee and, at the same time, shall supply the Association with a copy of the exact lease form for its review for 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 30 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 30 days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the 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 thirty (30) days after issuance of notice by the Association to the tenant by certified mail.

Section 3. **Architectural Control.** All Residences and appurtenances thereto shall be built entirely within the Units which is shown on the Condominium Subdivision Plan. No Residence, building, structure or other improvement shall be constructed outside of a Unit or elsewhere within the Unit or the Condominium Project, nor shall any exterior modification be made to any existing buildings, structure or improvement, unless plans and specifications therefor, containing such detail as the Developer may reasonably request, have first been approved in writing by the Developer including, but not limited to the following:

(a) A topographic survey showing the existing and proposed grades, the location of all trees in excess of six (6") inches in diameter, the proposed location of each building or structure and the proposed location of drives and parking areas;

(b) Construction and architectural plans including dimensioned floor plans, typical sections and all elevations; and

(c) Specifications setting forth the type of quality of all materials and workmanship to be employed including a detailed finish schedule for all exterior materials, products and finishes.

Construction of any building or other improvements must also receive any necessary approvals from the local public authority. Developer shall have the right to refuse to approve any plans or specifications, or grading or landscaping plans, which are not suitable or desirable in its opinion for aesthetic or other reasons or which otherwise fail to satisfy the requirements of these Condominium Documents; and in passing upon such plans and specifications it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to be constructed and the degree of harmony thereof with the Condominium as a whole. The purpose of this Section is to assure the continued maintenance of the Condominium as a beautiful and harmonious residential development, and shall be binding upon both the Association and upon all Co-Owners. Developer's rights under this Article VI, Section 3 may, in Developer's discretion, be assigned (in whole or in part) to the Association or other successors to Developer. Developer may construct or authorize any improvements upon the Condominium Premises that it may, in its sole discretion, elect to make without the necessity of prior consent from the Association or any other person or entity, subject only to the express limitations contained in the Condominium Documents.

Section 4. Minimum Square Feet. The minimum area of any Residence constructed within a Unit shall be not less than the minimum area required under the applicable zoning ordinance.

Section 5. Exterior Finishes. The exterior finishes of all Residences and residential structures built in a Unit shall be constructed of primarily natural materials.

Section 6. Garages and Driveways. All garages must be attached or architecturally related to the Residence. Front, side or rear entry garages, detached garages and breezeways will be permitted, subject to prior written approval by the Developer during the Development and Sales Period. No garage shall provide space for less than two (2) automobiles. Carports shall not be permitted. Vehicular access to Units and the Project shall be only by the roads within the Project. All driveways must connect to the roads contained within the Project. All driveways and approaches shall be constructed of concrete pursuant to standards established by the Developer. All driveways shall be completed prior to occupancy, except to the extent prohibited by strikes or weather conditions, in which case the driveway shall be completed within thirty (30) days of the termination of the strike or adverse weather.

Section 7. Antennas, Mailboxes and Alterations and Modifications Which Affect Utility Lines. No Co-Owner shall install or erect any sort of antenna (including dish antennas) upon any General Common Element. Co-owners shall have the right to install (i) not more than one antenna designed to receive television broadcast signals and (ii) not more than one antenna measuring one meter (39 inches) or less in diameter or diagonally and designed to receive direct broadcast satellite services or video programming from multichannel multipoint distribution (wireless cable) providers within their Units; provided that any such antenna shall be installed behind the Residence constructed within the Unit in a location that is, to the maximum extent possible, shielded from view from the road while still permitting reception of an acceptable quality

signal. The Association shall have the right to impose rules requiring that any installed antenna be painted in a specified color so that the antenna blends into its surroundings. The provisions in this Section 7 applicable to antennas are intended to comply with applicable rules and regulations promulgated by the Federal Communications Commission (the "FCC Rules") and shall be automatically amended and revised to the extent required to remain in compliance with future modifications to the FCC Rules. Co-owners are urged to restrict the antenna installed upon their Unit to a dish design measuring not more than 18 inches in diameter. In no event shall an antenna permitted by this Section 7 be installed in front of a Residence unless the Co-owner can demonstrate that an acceptable quality signal cannot be obtained from a location to the rear of the Residence.

The design, material, color and construction of all mailboxes and mailbox stands must be approved by the Board of Directors (and the Developer during the Development and Sales Period) prior to their erection. All mailboxes must be properly maintained and kept in a sightly appearance by the Co-Owners. No Co-Owner shall in any way restrict access to any utility line, or any other element that must be accessible to service the Common Elements or any element which affects an Association responsibility in any way.

Section 8. Activities. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements nor shall anything be done which may be or become an annoyance or a nuisance to the Co-Owners of the Condominium. No unreasonably noisy activity shall occur in or on the Common Elements or in any Unit at any time and disputes among Co-Owners, arising as a result of this provision which cannot be amicably resolved, shall be arbitrated by the Association. No Co-Owner shall do or permit anything to be done or keep or permit to be kept in his or her Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-Owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. No laundry shall be hung outside for drying within any portion of the Condominium or any Unit therein.

Section 9. Pets. No animals or fowl (except two domesticated household pets) shall be kept or maintained within any Unit or Common Element. No animal may be kept or bred for any commercial purpose and all animals shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal may be permitted to run loose at any time upon the Common Elements and any animal shall at all times be leashed and attended by some responsible person while on the Common Elements. No savage or dangerous animal shall be kept and any Co-Owner who causes any animal to be brought or kept upon the premises of the Condominium shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as the result of the presence of such animal on the premises, whether or not the Association has given its permission therefor. Each Co-Owner shall be responsible for collection and disposition of all fecal matter deposited by any pet maintained by such Co-Owner. The Association may charge all Co-Owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II of these By-Laws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association may, without liability to the owner thereof,

remove or cause to be removed any animal from the Condominium which it determines to be in violation of the restrictions imposed by this Section. The Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper. In the event of any violation of this Section, the Board of Directors of the Association may assess fines for such violation in accordance with these By-Laws and in accordance with duly adopted rules and regulations of the Association. No dog kennels or other enclosed shelters shall be erected or maintained within any Unit or any Common Element. Dog runs may be constructed only in the rear of Units in accordance with all standards and specifications established by the Developer (during the Development and Sales Period and thereafter by the Board of Directors of the Association) and any and all applicable Township ordinances.

Section 10. Aesthetics. The Common Elements shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. In general, no activity shall be carried on nor condition maintained by a Co-Owner, either in his/her Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium. It shall be the sole responsibility of each Co-Owner to take all steps necessary to prevent his/her Unit and any dwelling, improvements and/or structures located within any Unit or Common Element from becoming unsightly or unkempt or from falling into a state of disrepair so as to decrease the beauty of the Condominium Project. No lawn ornaments, sculptures or statues shall be placed or permitted to remain within any Unit or on any Common Element without the prior written authorization of the Developer (during the Development and Sales Period) and the Board of Directors of the Association.

Section 11. Vehicles and Ancillary Structures. No mobile home, trailer, house or camping trailer, shack, tool storage shed, barn or other similar outbuilding or structure shall be placed within any Unit or on any Common Element at any time, either temporarily or permanently, except that a tool storage shed may be constructed in the rear of a Unit only with the prior written consent of the Association (and the Developer during the Development and Sales Period). Any tool storage sheds which are constructed after obtaining such prior written consent must comply with any and all applicable Township ordinances. No inoperable vehicles of any type may be brought or stored upon the Condominium Premises, either temporarily or permanently. Commercial vehicles and trucks shall not be parked in or about the Project except while making deliveries or pickups in the normal course of business.

Section 12. Advertising. No signs, including "for sale" signs, shall be erected or maintained within any Unit or on any Common Element except with the prior written approval of the Board of Directors (and the Developer during the Development and Sales Period). The Developer reserves the right to authorize and impose conditions for the use of signs upon any builders and/or "successor developers" in connection with the resale of Units. If authorization for the display of signs is given, the Board of Directors (and the Developer during the Development and Sales Period) reserves the right to restrict the size, color and content of such signs. All property identification signs, mailboxes, delivery receptacles, yard lights and the like shall be of a standard color, size and style determined by the Board of Directors (and the Developer during the Development and Sales Period) and shall be erected only in areas

designated by the Board of Directors (and the Developer during the Development and Sales Period).

Section 13. Rules and Regulations. It is intended that the Board of Directors of the Association may make rules and regulations from time to time to reflect the needs and desires of the majority of the Co-Owners in the Condominium. During the Development and Sales Period, the Developer must approve of all such rules and regulations. Reasonable regulations consistent with the Act, the Master Deed and these By-Laws concerning the use of the Common Elements may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors (or its successors). Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-Owners.

Section 14. Right of Access of Association. The Association or its duly authorized agents shall have access to each Unit (other than any Residence constructed thereon) and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-Owner thereof, as may be necessary to carry out any responsibilities imposed on the Association by the Condominium Documents. The Association or its agents shall also have access to Units and Limited Common Elements appurtenant thereto as may be necessary to respond to emergencies. The Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-Owner for any necessary damage to his or her Unit and any Limited Common Elements appurtenant thereto caused thereby. This provision, in and of itself, shall not be construed to permit access to the interiors of Residences or other structures.

Section 15. Landscaping. Upon the completion of a Residence within a Unit, the Co-Owner shall, subject to all applicable ordinances, cause the Unit to be finish graded and sodded and/or suitably landscaped as soon after the completion as weather permits, all in accordance with a landscape plan to be submitted and approved in advance by the Developer in conjunction with the architectural approval required by Section 3 above. The Developer shall have the right to require the posting of a cash deposit at closing on the Co-owner's purchase of his or her Unit or at such other time as Developer shall deem reasonable as security for the installation of the required landscaping by the Co-owner within the 90-day time period described below or any extension of that time that may be granted by the Developer. No Co-Owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Elements, Limited or General, without the prior written approval of the Developer (during the Development and Sales Period) and the Association, in accordance with the requirements set forth in Section 3, above. All such landscaping in the Condominium shall be of an aesthetically pleasing nature and shall be well maintained at all times. Notwithstanding anything to the contrary herein, basic landscaping, including finish grading and the laying of sod must be completed within ninety (90) days of closing, weather permitting.

Section 16. Common Element Maintenance. No Common Elements shall be obstructed nor shall they be used for purposes other than that for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or other obstructions may be left unattended on or about the Common Elements.

Section 17. Co-Owner Maintenance. Each Co-Owner shall maintain his or her Unit and any Limited Common Elements appurtenant thereto for which he or she has maintenance responsibility in a safe, clean and sanitary condition. Each Co-Owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone, gas, plumbing, electrical or other utility conduits and systems and any other Common Elements which are appurtenant to or which may affect any other Unit. Each Co-Owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by him or her, or his or her family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association (in which case there shall be no such responsibility, unless reimbursement to the Association is limited by virtue of a deductible provision, in which case the responsible Co-Owner shall bear the expense to the extent of the deductible amount). Each individual Co-Owner shall indemnify the Association and all other Co-Owners against such damages and costs, including attorneys' 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 Association (and the Developer during the Development and Sales Period), after reasonable written notice to a Co-Owner, reserves for itself and its agents the right to enter upon any Unit (but not within a Residence constructed thereon) for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds or other unsightly growth which, in the opinion of the Developer and/or the Association, detracts from the overall beauty, setting and safety of the Condominium Project. Such entrance for the purpose of mowing, cutting, clearing or pruning shall not be deemed a trespass. The Association (and the Developer during the Development and Sales Period) and its agents may likewise enter upon such land to remove any trash which has collected on any Unit (but not within a Residence constructed thereon) without such entrance and removal being deemed a trespass. Each Co-Owner shall be required to remove any debris from the destruction, in whole or in part of any Residence or other structure within his or her Unit (but not within a Residence constructed thereon) with all reasonable dispatch in order to preserve the slightly condition of the Condominium Project. The provisions of this Section 17 shall not be construed as an obligation on the part of the Association (or the Developer during the Development and Sales Period) to mow, clear, cut, prune or remove any debris from any Unit nor to provide garbage or trash removal services. In the event the Association (or the Developer during the Development and Sales Period) deems it necessary to take the actions necessary as provided for herein, the cost of such actions may be assessed against the Unit in accordance with the provisions set forth in Article II of these By-Laws, along with a reasonable administrative fee.

Section 18. Reserved Rights of Developer.

(a) Prior Approval by Developer. During the Development and Sales Period, no buildings, fences, walls, retaining walls, drives, walks or other structures or improvements shall be commenced, erected, maintained, nor shall any addition to, or change or alteration to any structure be made (including in color or design), except interior alterations which do not affect structural elements of any Unit, nor shall any hedges, trees or substantial plantings or landscaping modifications be made within any Unit, until plans and specifications, acceptable to the Developer, showing the nature, kind, shape, height, materials, color scheme, location and approximate cost of such structure or improvement and the grading or landscaping plan of the area to be affected shall have been submitted to and approved in writing by Developer, its successors or assigns, and

a copy of said plans and specifications, as finally approved, lodged permanently with the Developer. The Developer shall have the right to refuse to approve any such plan or specifications, or grading or landscaping plans which are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing upon such plans, specifications, grading or landscaping, it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to effect the same, and the degree of harmony thereof with the Condominium as a whole. The purpose of this Section is to assure the continued maintenance of the Condominium as a beautiful and harmonious residential development, and shall be binding upon both the Association and upon all Co-Owners.

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

(c) Enforcement of By-Laws. The Condominium Project shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private residential community for the benefit of the Co-Owners and all persons interested in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then the Developer, or any person to whom he may assign this right, at his option, may elect to maintain, repair and or replace any Common Elements and/or to do any landscaping required by these By-Laws and to charge the cost thereof to the Association as an expense of administration. The Developer shall have the right to enforce these By-Laws throughout the 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.

Section 19. Fertilizer Use. No fertilizers may be used by the Co-Owners which may, in the estimation of the Association acting through its Board of Directors, damage any wetlands which may be located within or near the Project. The Association may ban fertilizers which may damage any such wetlands from use in the Project. In no event, shall any fertilizer or herbicide be applied within the Condominium Project or within any Unit in violation of the soil testing and fertilizer application procedures established pursuant to the Conservation Easement as described in Article VIII, Section 11 of the Master Deed.

Section 20. Stockpiling and Storage Prohibited. The stockpiling and storage of building and landscaping materials and/or equipment shall not be permitted within any Unit or on any Common Element except if such materials and/or equipment may be used within a reasonable

length of time, but in no event shall the storage of building or landscape materials extend for a period of more than thirty (30) days. This restriction shall not apply to the Developer or any builder the Developer may designate during the Development and Sales Period.

Section 21. Improvements Over Easements. No Residences, improvements or structures may be constructed or maintained over or on any easements; provided, however, that after the aforementioned utilities have been installed, such areas may be sodded. Drainage ditches located within a Unit, if any, shall not be drained, filled, altered, changed, dammed or widened without the express written consent of the Board of Directors (and the Developer during the Development and Sales Period). All other planting or improvements within a Unit of any type over or on said easements shall be allowed only upon prior written approval of the Board of Directors (and the Developer during the Development and Sales Period) and only so long as they do not interfere with, obstruct, hinder or impair the drainage plan of the Condominium Project, and so long as access is granted, without charge or liability for damages, for the maintenance of the utilities and underground drainage lines so installed, surface drainage and/or for the installation of additional facilities.

Section 22. Swimming Pools. No above ground swimming pools will be permitted. All in ground swimming pools must be constructed and maintained in accordance with any and all Township ordinances.

Section 23. Fences. No fence shall be erected or installed within the Condominium, except for such fence as may be required in connection with the installation of an in ground swimming pool as permitted by Section 22 immediately above. Any such fence and any wall or hedge of any kind erected or maintained within any Unit or Common Element shall require the prior written approval of the Board of Directors (and the Developer during the Development and Sales Period).

Section 24. Special Assessment District/Road Improvements. At some time subsequent to the initial development, it may become necessary to pave or improve some or all of the roads located within and/or adjacent to the Project. The improvement may be financed, in whole or in part, by the creation of a special assessment district or districts which may include Island Lake Shores North. The acceptance of a conveyance or the execution of a land contract by any Co-owner or purchaser of a Unit shall constitute the agreement by such Co-owner or purchaser, 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; 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 fifty-one (51%) percent of all Co-owners. No consent of mortgagees shall be required for approval of said public road improvement. All road improvement special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Condominium Act. This provision shall also apply to any roads constructed within the Condominium that are dedicated to public use, except that nothing herein shall be construed to require such dedication.

Section 25. Residential Unit Development Agreement ("RUD Agreement"); Community Association Declaration; Conservation Easement. The Condominium and the Units established within the Condominium are subject to the RUD Agreement described in Article VIII, Section 9 of the Master Deed and the Community Association Declaration described in Article VIII, Section 10 of the Master Deed, as amended from time to time. Portions of the Condominium and the Units therein are encumbered by a Conservation Easement as shown on the Condominium Subdivision Plan and as described in Article VIII, 11 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 Easement and any and all rules and regulations promulgated by the Community Association pursuant to those documents, including such rules and regulations as may be established for the use of Island Lake. Any violation of the RUD Agreement, as amended; the Community Association Declaration, as amended; or the Conservation Easement or any rule or regulation established by the Community Association shall be deemed a violation of these By-Laws. Any Co-owner of a Unit that contains a Wetland/Woodland Easement Area described in the Conservation Easement shall obtain the written approval of the Community Association before such Co-owner causes or permits any activity to be undertaken within the encumbered portion of his or her Unit that is permitted by the Conservation Easement; including, without limitation, the removal of any poisonous or noxious plants or diseased or dead tree or vegetation from the encumbered portion of the Co-owner's Unit. All Co-owners shall comply with the terms and conditions set forth in the Conservation Easement with respect to the Lakefront Easement Areas established within their respective Units. No Co-Owner shall hinder or interfere with the Community Association's performance of its responsibilities to preserve and maintain the natural buffer areas to be established within the Lakefront Easement Areas situated within the Condominium (including the Units therein) as described in Article VIII, Section 11 of the Master Deed.

Section 26. Flood Plain. A portion of the Condominium Project lies within a 100-year flood plain as shown on the Condominium Subdivision Plan. While a portion of each Unit lies within the flood plain, no building areas lie within the flood plain. 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 Conservation Easement described in Article VIII, Section 11 of the Master Deed and referenced in Section 25 above.

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 Project written notification of any default in the performance of the obligations of the Co-Owner of such Unit that is not cured within 60 days.

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

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 Documents 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 35% of the Co-Owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast. With respect to meetings of the Co-owners, including the meetings for the election of non-Developer members of the Board of Directors, described in Article XI below, the Developer reserves the right to cause any Directors appointed by the Developer to resign in the event that a quorum of Co-owners cannot be obtained after two (2) attempts. Nothing in this provision is intended to limit or restrict the right of any Director to resign from the Board of Directors for any reason.

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

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

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. Applicable Limitations. 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. The maximum number of Units in the Condominium, as it may be expanded pursuant to Article VI above, may not exceed forty-seven (47) Units; provided that the maximum number of Units that may be established within the Future Expansion Area pursuant to this Article X shall be determined through final site plan approval by the City of Novi, which shall be provided in accordance with the terms and conditions of the RUD Agreement described in Article VIII, Section 9 above and the applicable ordinances of the City of Novi.

Section 3. Residential Use. All improvements constructed or installed within the Convertible Areas described above shall be restricted exclusively to residential use and to such Common Elements as are compatible with residential use. There are no other restrictions upon such improvements except those which are imposed by state law, local ordinances or building authorities. In no event shall the conversion of any Convertible Area result in the construction or installation of an improvement in violation of the terms and provisions of the Conservation Easement described in Article VIII, Section 11 of this Master Deed.

Section 4. Consents not Required. The consent of any Co-Owner shall not be required to convert the Convertible Areas. All of the Co-Owners and mortgagees and other persons interested or to become interested in the Condominium from time to time shall be deemed to have irrevocably and unanimously consented to such conversion of the Convertible Areas and any amendment or amendments to this Master Deed to effectuate the conversion and to any reallocation of Percentages of Value of existing Units which Developer may determine necessary in connection with such amendment or amendments. All such interested persons irrevocably appoint the Developer or its successors, as agent and attorney for the purpose of execution of such amendment or amendments to the Master Deed and all other documents 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.

Section 5. Amendment to Master Deed. All modifications to Units and Common Elements made pursuant to this Article X 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 V 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 V of this Master Deed. Such amendments to the Master Deed shall also contain such further definitions 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 X.

ARTICLE XI CONTRACTION OF CONDOMINIUM

Section 1. Reservation of Right. Developer reserves the right to withdraw from the Condominium that portion of the land described in Article II that consists of the roads and road right-of-way(s) as the same are shown on the Condominium Subdivision Plan if the Developer in its sole discretion should determine that dedication of said roads and road right-of-ways is desired or is appropriate. At the option of the Developer, within a period ending no later than six (6) years from the date of recording this Master Deed, the land included in the Condominium may be contracted to withdraw from the Condominium the roads and road right-of-way(s) dedicated to public use in the event such dedication is undertaken.

Section 2. Amendment to Master Deed. In connection with such contraction, Developer unconditionally reserves the right to withdraw from the Condominium that portion of the land described in Article II that is dedicated to public use as a road and/or road right-of-way. The withdrawal of such land pursuant to this Article XI shall be effected by an amendment of the Master Deed as provided in Section 4 below, and by a conveyance of all roads and road right-of-way(s) in the Condominium to the City of Novi (or other appropriate governmental unit with appropriate jurisdiction).

Section 3. Lack of Restrictions. Apart from satisfying any governmental conditions to dedication of the road and road right-of-way(s), there are no restrictions on Developer's right to contract the Condominium as provided in this Article XI. To the extent that any land removed from the Condominium pursuant to this Article XI is encumbered by the Conservation Easement described in Article VIII, Section 11 of this Master Deed, such land shall continue to be encumbered by the Conservation Easement pursuant to the terms of that document unless otherwise provided by agreement of the parties to the Conservation Easement in accordance with the terms thereof.

Section 4. Consents not Required. The consent of any Co-Owner shall not be required to contract the Condominium or to dedicate the roads and road right-of-ways 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 thereto. Nothing herein contained, however, shall in any way obligate Developer to dedicate the roads and road right-of-ways in the Condominium to public use or to thereafter contract the Condominium as herein provided and, as of the date hereof, Developer does not intend to dedicate the roads within the Condominium. 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.

Section 5. Applicability to Future Expansion Area. The rights reserved in this Article XI to remove land from the Condominium Project shall also apply to any portion of the Future Expansion Area that may be added to the Condominium Project pursuant to Article VI of this Master Deed.

ARTICLE XII DEVELOPER'S RIGHT TO USE FACILITIES

Until the end of the Development and Sales Period, the Developer and its successors and assigns, agents and employees may maintain such offices, model units, reasonable parking, storage areas and other facilities within the Condominium (as the same may be expanded) as the Developer deems necessary to facilitate the development and sale of the Condominium Project. Throughout the entire duration of the Development and Sales Period, the Developer and 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, in whole or part, by it to any other entity or entities or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing duly recorded in the office of the Oakland County Register of Deeds.

ARTICLE XIV MEMBERSHIP IN COMMUNITY ASSOCIATION

Island Lake Shores North may be developed as a separate condominium development included in a larger development to be constructed in accordance with the RUD Agreement described above in Article VIII, Section 9 and the Community Association Declaration described above in Article VIII, Section 10. The larger development (referred to herein as the "Island Lake of Novi Community") may include recreation facilities, including a beach and dock facilities to provide for the use of Island Lake within limitations established pursuant to the RUD Agreement,

the Community Association Declaration and the Conservation Easement described above in Article VIII, Section 11. These facilities and certain other common facilities, such as entryways into the Island Lake of Novi Community and 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 may include Island Lake Shores North Association and the other associations 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 Shores North 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: Keith L. Anderson
Keith L. Anderson
Its: Vice President

Jennifer Fletcher
Patricia R Rice
PATRICIA R RICE

STATE OF MICHIGAN)
: SS
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me this 21st day of May, 2002, by Keith L. Anderson, 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 Dedvukaj
NOTARY PUBLIC
County of Oakland, State of Michigan
My Commission Expires: 01/14/06

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