

COPY

MASTER DEED

SADDLE CREEK

OAKLAND COUNTY CONDOMINIUM
SUBDIVISION PLAN NO. 1683

Recorded November 18, 2004 in
Liber 34453, Pages 438-510, both
inclusive, Oakland County Records

665014
LIBER 34453 PAGE 438
\$226.00 DEED - COMBINED
\$4.00 REINFORCEMENT
11/18/2004 02:51:20 P.M.
PAID RECORDED - OAKLAND COUNTY
G. WILLIAM CADDELL, CLERK/REGISTER OF DEEDS
RECEIPT# 138256

This Master Deed is made and executed this 26th day of October, 2004 by LYON DEVELOPMENT ASSOCIATES, L.L.C., a Michigan limited liability company (hereinafter referred to as the "Developer"), whose address is 1330 Goldsmith, Plymouth, Michigan 48170.

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 Condominium Act of Michigan.

NOW, THEREFORE, upon the recording hereof, Developer establishes SADDLE CREEK 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 SADDLE CREEK, Oakland County Condominium Subdivision Plan No. 1683. The architectural plans and specifications for the Condominium will be filed with the Charter Township of Lyon, Michigan to the extent required by the ordinances of the Charter Township of Lyon. The Units and other improvements contained in the Condominium, including the number, boundaries and dimensions of each Unit therein, are set forth in the Condominium Subdivision Plan attached as Exhibit B hereto. Each Unit comprises a building site for the construction of a single-family dwelling to be used for residential purposes.

only. Each Unit is capable of individual use, having its own entrance from and exit to a public street or road that is to be dedicated to the Road Commission for Oakland County or such other governmental agency as may be appropriate. Each Co-owner in the Condominium shall have an exclusive right to the Unit owned and shall have undivided and inseparable rights to share with other Co-owners the Common Elements of the Condominium as designated by the Master Deed. Co-owners shall have voting rights in Saddle Creek Association as set forth herein and in the Condominium By-Laws, Corporate By-Laws and Articles of Incorporation of such Association.

ARTICLE II

LEGAL DESCRIPTION

The land included in the Condominium is located in the Charter Township of Lyon, Oakland County, Michigan and is legally described as follows:

A part of the Northeast 1/4 and the Northwest 1/4 of Section 18, Town 1 North, Range 7 East, Lyon Township, Oakland County, Michigan; being more particularly described as commencing at the East 1/4 Corner of said Section 18; thence North 00°56'06" East, 1227.56 feet, along the East line of said Section 18 and the centerline of Pontiac Trail, to the Point of Beginning; thence South 89°23'55" West, 227.41 feet; thence South 59°27'16" West, 61.19 feet; thence South 38°36'17" West, 67.49 feet; thence South 01°40'06" West, 142.88 feet; thence South 67°32'46" West, 154.61 feet; thence 27.01 feet along a curve to the right, said curve having a radius of 390.00 feet, a central angle of 03°58'04", and a chord bearing and distance of South 47°57'23" East, 27.00 feet; thence South 44°01'38" West, 60.00 feet; thence 129.28 feet along a curve to the right, said curve having a radius of 330.00 feet, a central angle of 22°26'44", and a chord bearing and distance of South 34°45'00" East, 128.45 feet; thence South 66°28'22" West, 141.79 feet; thence South 23°31'38" East, 67.65 feet; thence South 13°58'20" West, 144.67 feet; thence South 38°25'45" West, 73.67 feet; thence South 54°43'04" West, 73.67 feet; thence South 71°00'23" West, 73.67 feet; thence South 88°55'42" West, 73.40 feet; thence North 82°45'09" West, 181.84 feet; thence North 85°53'08" West, 185.65 feet; thence North 53°54'12" West, 92.01 feet; thence North 30°36'27" West, 116.10 feet; thence North 61°20'40" West, 101.37 feet; thence North 89°27'29" West, 105.88 feet; thence South 58°26'37" West, 91.35 feet; thence South 34°00'06" West, 65.33 feet; thence South 18°24'17" West, 82.09 feet; thence South 10°11'46" East, 38.43 feet; thence South 82°17'21" West, 183.03 feet; thence South 85°32'55" West, 78.39 feet; thence North 74°38'20" West, 73.41 feet; thence North 57°02'39" West, 73.41 feet; thence North 39°21'25" West, 74.18 feet; thence North 23°52'20" West, 183.39 feet; thence North 51°14'37" East, 102.87 feet; thence North 24°47'28" East, 81.05 feet; thence North 54°31'54" East, 152.58 feet; thence South 44°11'16" East, 90.00 feet; thence North 45°48'44" East, 190.00 feet; thence South 44°11'16" East, 21.20 feet; thence North 45°48'44" East, 130.00 feet; thence North 44°11'16" West, 312.99 feet; thence North 51°07'23" West, 53.22 feet; thence North 45°36'15" East, 66.59 feet; thence North 74°27'13" East, 74.96 feet; thence North 25°43'10" East, 268.30 feet; thence North 01°06'38" East, 562.50 feet; thence

South 88°53'22" East, 1075.54 feet; thence South 00°40'08" West, 459.98 feet; thence South 88°48'54" East, 549.50 feet, to the East line of said Section 18 and the centerline of Pontiac Trail, (said point being South 00°56'06" West, 970.55 feet, from the Northeast Corner of said Section 18); thence South 00°56'06" West, 443.00 feet, along the East line of said Section 18 and the centerline of said Pontiac Trail, to the Point of Beginning. All of the above containing 55.214 acres. All of the above being subject to easements restrictions and right-of-ways of record and the rights of the public in Pontiac Trail.

Tax Parcel Number: Part of 21-18-200-003

ARTICLE III **DEFINITIONS**

Certain terms used in this Master Deed and the Exhibits hereto, and in the Articles of Incorporation and By-Laws of Saddle Creek 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 Saddle Creek Association, a Michigan non-profit 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 Corporate By-Laws required for the Association.

(d) "Charter Township" or "Township" means the Charter Township of Lyon, a Michigan municipal corporation, located in Oakland County, Michigan, and its successors, assigns and transferees.

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

(f) "Condominium", "Condominium Project" or "Project" means Saddle Creek 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.

(g) "Condominium Documents," wherever used, means and includes this Master Deed and the Exhibits hereto, the Articles of Incorporation of the Association and any rules and regulations adopted by the Association.

(h) "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.

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

(j) "Conservation Easement" means the "Conservation Easement" entered into by Lyon Development Associates, L.L.C. and the Township for the preservation and maintenance of certain green belts, parks, passive open spaces and private common areas to be located within the Condominium as more specifically described in Article VII, paragraph (n) below.

(k) "Co-owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which owns one or more Units in the Condominium. 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; provided that the Developer or an affiliate of the Developer may elect to retain the rights and obligations of a Co-owner with respect to any Unit sold under land contract by the Developer or an affiliate of the Developer by including such election in the land contract used to sell the Unit. 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 Lyon Development Associates, L.L.C., a Michigan limited liability company, its successors or assigns. All development rights reserved to Developer herein are assignable in writing; provided, however, that conveyances of Units by Developer shall not serve to assign Developer's development rights unless the instrument of conveyance expressly so states.

(m) "Development and Sales Period", for the purposes of the Condominium Documents and the rights reserved to Developer thereunder, shall be deemed to continue for so long as Developer continues to own any Unit in the Condominium, as the same may be expanded pursuant to this Master Deed. For the purposes of the Condominium Documents, the term "Developer" shall not include any successor developer(s) as defined in Section 135 of the Act, unless the Developer affirmatively assigns such rights in writing to such "successor developer(s)", in whole or in part.

(n) "Future Expansion Area" means the property which the Developer has reserved the right to add into the Condominium and to establish additional Units thereon, as more fully set forth in Article IX, below.

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

(p) "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.

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

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

(s) "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.

(t) "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.

(u) "Planned Development Agreement" or "PD Agreement" means that certain "Planned Development Agreement - Saddle Creek Site Single Family Development" with respect to the Planned Development land which has been executed by Lyon Development Associates, L.L.C., as the Developer, and the Township. The Planned Development Agreement is recorded in Liber 34152, Pages 391 through 477, both inclusive, Oakland County Records. The Condominium and the Units established therein are subject to the terms of the Planned Development Agreement.

(v) "Residence" means the single family dwelling constructed within each Condominium Unit in conformance with the provisions of this Master Deed and the attached By-Laws and any and all applicable laws, ordinances, rules and regulations.

(w) "Residential Builder" means any person licensed as a residential builder under Article 24 of the Occupational Code of Michigan, Public Act 299 of 1980, and who acquires title to one or more Units in the Condominium for the purpose of constructing a Residence on the Unit and subsequently reselling the Unit.

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

(y) "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, including any roads, drives, parking areas, sidewalks, pathways, walkways, berms and landscaped areas, except to the extent any of the foregoing are designated herein or in the Plan as Limited Common Elements or part of a Unit.

(2) The roads throughout the Condominium, as designated on the Plan, so long as neither the Developer nor the Association has dedicated the roads to public use through the acceptance of such a dedication by the Road Commission for Oakland County or such other governmental agency as may be appropriate. Developer intends to dedicate the roads in the Condominium to public use as soon as practicable after the recordation of this Master Deed, and Developer has reserved the right and power to dedicate the roads in Article VII of this Master Deed.

(3) The storm water drainage system throughout the Condominium, including below-ground and above-ground systems, and the electrical, gas, water, sanitary sewer, street lighting, telephone, plumbing and cable television (if any) networks or systems throughout the Condominium, including that contained within Units to the extent that the portion within the Unit is a main that also services other Units (leads connecting utility mains to Residences built within Units are not Common Elements). Some or all of the utility lines, systems and mains described above may be owned by the local public authority or by the company that is providing the appurtenant service. Developer intends to dedicate the sanitary sewer and water main systems to public use as soon as practicable after the recordation of this Master Deed, and Developer has reserved the right and power, but not the obligation, to dedicate the sanitary sewer and water main systems to the proper local public authorities in Article VII of this Master Deed. Accordingly, such utility lines, systems and mains shall be General Common Elements only to the extent of the Co-owners' interest therein, if any, and Developer makes no warranty with respect to the nature or extent of such interest, if any. (The General Common Elements shall include the storm water detention and retention basins constructed or installed as part of the storm water drainage system for the Condominium, including such wetland areas as may be used for storm water detention or retention as part of the aforesaid system.)

(4) Common lighting facilities, if any, common sprinkler irrigation systems, if any, and the water and electrical meters and fixtures installed and used in support of those facilities;

(5) The open space areas shown on the Plan, including landscaped open space, signage, natural feature and/or buffer areas, wetlands, woodland habitat areas, and passive and active recreation areas; except for those portions of wetlands, woodland habitat areas and related buffers as may be designated on the Plan as Limited Common Elements or part of a Unit; and

(6) Such other elements of the Condominium that are not designated herein as Limited Common Elements and that are not enclosed within the boundaries of a Unit; including such General Common Elements, if any, as may be created by the Developer pursuant to the rights reserved in Article X below. Such additional General Common Elements may include one or more tot lots, play structures, a community pool and cabana/pool house, walking trails and such entrance signs and/or monuments as may be installed by the Developer at the entrances to the Condominium (and any expansion thereof) from Pontiac Trail.

(b) The Limited Common Elements are the areas, if any, depicted on the Plan as Limited Common Elements and are limited to the use of the Co-owners of the Units to which such Limited Common Elements are assigned on the Plan. There are currently no Limited Common Elements in the Condominium, but Developer has reserved the right to create Limited Common Elements in Article X of this Master Deed.

(c) Maintenance, repair and replacement of all Common Elements shall be the responsibility of the Association, to be assessed to all Co-owners according to their Percentages of Value, subject to the following provisions:

(1) The Association's obligation to maintain, repair and replace all General Common Elements includes, but is not limited to, the responsibility to maintain, repair, replace and possibly enhance the storm sewers and other storm drainage facilities in the Condominium. The cost of maintenance, repair, replacement and enhancement of the storm water drainage system as described herein shall be borne by the Association. The obligations of the Association with respect to the storm water drainage system shall include the construction and installation of additions and enhancements to the storm water drainage facilities installed within the Condominium to the extent such improvements are reasonably determined by the Township to be necessary.

(2) The Association shall be responsible for maintaining, repairing and replacing such portions of the water systems and sanitary sewer systems installed to serve the Condominium up to the point of lateral connections for Unit service for so long as and to the extent that such maintenance, repair and replacement is required prior to the acceptance of the dedication of those systems by the Township.

(3) The Association shall provide for snow removal from the streets and roads within the Condominium, including those streets or roads dedicated to public use, to the extent that service is not provided by the Township.

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

(d) The Co-owners of each Unit in the Condominium shall be responsible for the maintenance, repair and replacement of the Residence constructed within their respective Units and such other Structures and improvements that are constructed, installed or otherwise placed therein, including, without limitation, all trees and landscaping installed within the Unit. The Co-owners of each Unit shall also be responsible for payment of any and all costs of utilities required to serve their individual Unit, including, without limitation, the cost of public water and sanitary sewer service.

ARTICLE V

USE OF PREMISES

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

ARTICLE VI

CONDOMINIUM UNIT DESCRIPTION AND PERCENTAGE OF VALUE

The Condominium consists of eighty-one (81) Units, each of which comprises a building site for a Residence. Each Unit is described in this paragraph with reference to the Condominium Subdivision Plan attached hereto as Exhibit B as prepared by Seiber, Keast & Associates, Inc. Each Unit shall include all that space contained within the perimeter shown on the Plan and delineated with heavy outlines. For all purposes, individual Units may hereafter be defined and described by reference to this Master Deed and the individual number assigned to the Unit in the Plan. The Percentage of Value assigned to each Unit is set forth below and shall be determinative of the proportionate share of each respective Co-owner in the proceeds and expenses of the Association and the value of such Co-owner's vote at meetings of the Association and the undivided interest of the Co-owner in the Common Elements. The total percentage value of the Condominium is 100%. Each Unit Percentage of value shall be equal and shall be the number obtained by dividing one hundred (100) by the number of Units included in the Condominium. The method and formula used by Developer to determine the foregoing Percentages was to determine that the expenses incurred by the Association in connection with the various Units should be equal.

ARTICLE VII

EASEMENTS, RESTRICTIONS AND AGREEMENTS

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

(a) Developer hereby reserves permanent, nonexclusive easements for ingress and egress over the roads and walks, if any, in the Condominium and permanent easements to use, tap into, enlarge or extend all roads, walks and utility lines in the Condominium, including, without limitation, all communications, water, gas, electric, storm and sanitary sewer lines, and any pumps, sprinklers or water retention areas, all of which easements shall be for the benefit of any other land adjoining the Condominium now owned or hereafter acquired by Developer or its successors, including, without limitation, the Future Expansion Area described in Article IX.

below. These easements shall run with the land in perpetuity. The Developer has no financial obligation to support such easements.

(b) The Developer has reserved the right to construct a community swimming pool, cabana/pool house, and related parking areas (the "Common Recreation Facilities") as part of the General Common Elements of the Condominium for the common use and enjoyment of the Co-owners and their family members, guests, tenants and invitees. The Developer hereby reserves a permanent, non-exclusive easement for the use and enjoyment of all such Common Recreation Facilities by the owners of such dwelling units as may be established and constructed upon the Future Expansion Area and any portions thereof if, and to the extent such Future Expansion Area or any portion thereof is developed separately from the Condominium and not included therein. The beneficiaries of the easement herein reserved shall include the family members, guests, tenants and invitees of any and all owners of dwelling units (the "Other Owners") established on such portions of the Future Expansion Area as may be developed separately from the Condominium and all such Other Owners shall be required to pay a pro-rata share of the costs and expense incurred by the Association in the operation, maintenance, repair and replacement of the Common Recreation Facilities. If portions of the Future Expansion Area are developed separately from the Condominium, the Association shall establish and maintain a separate budget and record of the cost and expense of operating, maintaining, repairing and replacing the Common Recreation Facilities. The Association shall also establish a separate committee to oversee the operation, maintenance, repair and replacement of the Common Recreation Facilities, with the number of representatives serving on said committee being respectively appointed by the Association on behalf of the Co-owners and by the appropriate homeowners or condominium association on behalf of the Other Owners in proportion to the number of Units then established within the Condominium and the number of dwelling units then established on such portions of the Future Expansion Area as have been developed separately from the Condominium. The aforesaid separate committee shall have the right to establish rules for the use and enjoyment of the Common Recreation Facilities by all of the parties entitled to use them pursuant to this provision.

(c) The Developer hereby reserves a permanent, non-exclusive easement for itself and its employees, contractors, agents, successors and assigns for ingress and egress over and across the roads within the Condominium, the General Common Element land therein, and the building set-back areas within the Units established therein, for the purpose of and to the extent required in the discretion of the Developer to remedy environmental conditions existing within the Future Expansion Area and portions thereof, including such conditions as may exist as a result of the extraction of natural gas from portions of the Future Expansion Area. Any property damaged as a result of the exercise of this reserved easement shall be restored in a timely manner by the party that exercised this reserved easement.

(d) Developer intends to, and by recordation of this Master Deed reserves the right and power to, dedicate all or part of the roads and all or part of the sidewalks, pathways and walkways in the Condominium to public use, and all persons acquiring any interest in the Condominium, including without limitation all Co-owners and mortgagees, shall be deemed irrevocably to have appointed Developer and its successors as agent and attorney-in-fact to make such dedication and to act in behalf of all Co-owners and their mortgagees in any statutory or special assessment proceedings with respect to the dedicated roads. After certificates of

occupancy are issued for 100% of the Units in the Condominium, the foregoing rights and powers may also be exercised by the Association if those rights and powers have not been previously assigned to the Association by the Developer. Upon approval by and affirmative vote of not less than 51% 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 or for such other lawful purpose. In the event that a special assessment road improvement project or other special assessment project is established pursuant to applicable Michigan law, the collective costs assessable to the Condominium as a whole shall be borne equally by all Co-owners.

(e) Developer also reserves the right and power to grant easements over, or dedicate, portions of any of the Common Elements for utility, drainage, safety, conservation 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 as agent and attorney-in-fact to make such easements or dedications. The right and power reserved in this paragraph (e) to establish easements shall also include the right and power to establish easements for utilities, drainage and services over such portions of the Units as comprise building setback areas as shown on the Plan. After certificates of occupancy are issued for 100% of the Units in the Condominium, the foregoing right and power may also be exercised by the Association.

(f) In order to assure that storm water drainage is properly maintained, all storm water drainage facilities in the Condominium have been designated General Common Elements in Article IV, subparagraph (a)(3) of this Master Deed. Accordingly, the Association shall maintain, repair, replace and possibly enhance the storm water drainage systems and related areas in the Condominium in compliance with Article IV, subparagraph (c)(1) above and the applicable provisions of the Planned Development Agreement for the benefit of all Co-owners, the cost of which will be an expense of administration of the Condominium.

(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 Common Elements and Units (but not the interior of Residences or Structures), as may be necessary to develop, construct, market and operate any Units within the land described in Article II hereof, and also to fulfill any responsibilities of 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, including, without limitation, tapping into the exterior water spigot serving any Unit for landscape and lawn maintenance and/or any other purpose as may be necessary to fulfill said maintenance, decoration, repair, replacement or upkeep responsibilities. There shall also exist a permanent, non-exclusive easement in favor of the Township on and over all Common Elements in the Condominium for inspection, maintenance and repair of said Common Elements in accordance with this provision. None of the Developer, the Association, the Township or any such public or private utility shall be liable to the Co-owner of any Unit or any other person, in trespass or any other form of action, for the exercise of rights pursuant to this provision or any other provision of the Condominium Documents which grant such easements, rights of entry or other means of access. No failure by the Developer, the Association, the Township or any public or private utility

to take any such action shall be deemed a waiver of its right to take any such action at a future time. This easement is granted to the Township solely in order that the Township from time to time may inspect, and, upon thirty (30) days' prior notice by the Township to the Association specifying in reasonable detail the corrective action to be taken and the failure of the Association to do so, to perform the Association's responsibilities for the maintenance and repair of the Common Elements or any portion thereof. The Association shall promptly reimburse the Township for all actual costs incurred by the Township to maintain or repair any of the Common Elements within the Condominium plus, if so provided by Township ordinance or by agreement with the Association, a reasonable administrative fee therefore, promptly after receipt of a demand therefore supported by reasonable evidence of the actual costs so incurred by the Township; and, upon the failure or refusal of the Association to do so, the Township shall have the right to assess the unpaid amount pro rata among all Units in the Condominium and to obtain a lien against the Units for the payment thereof. All costs incurred by the Association or the Developer to perform any responsibilities required in the first instance to be borne by any Co-owner shall be assessed against such Co-owner and shall be due and payable with his installment of the annual assessment next falling due, and a lien for nonpayment shall attach as in all cases of regular assessments and may be enforced by the use of all means available to the Association under the Condominium Documents and by law for the collection of regular assessments including, without limitation, legal action and foreclosure of the lien securing payment.

(h) In the event any portion of a Unit or Common Element encroaches upon another Unit or Common Element due to shifting, settling, or moving of a building, or due to survey errors or construction deviations, reconstruction or repair, reciprocal easements shall exist for the maintenance of such encroachment for as long as such encroachment exists, and for maintenance thereof after rebuilding in the event of any destruction. The foregoing easement shall not, however, be construed to permit any encroachment by a Common Element or Unit upon another Unit or upon the airspace and subsurface contained in the other Unit as shown in the Condominium Subdivision Plan. There shall be easements to, through and over Units for the installation, maintenance and servicing of all utilities in the Condominium, including, but not limited to, lighting, heating, power, sewer, water and communications including telephone and cable television lines, and no such easements for utilities shall be construed to be encroachments upon a Unit.

(i) There shall exist for the benefit of the Co-owners, the Township, any emergency service agency, and other governmental units, an easement over all roads in the Condominium for use by the Township, the United States Postal Service and emergency or other governmental service vehicles. Said easement shall be for purposes of ingress and egress to provide, without limitation, mail delivery, fire and police protection, ambulance and rescue services and all other lawful governmental and private emergency services to the Condominium and all Co-Owners. This grant of easement shall in no way be construed as a dedication of any streets, roads, or driveways to the public; provided, however, that this easement shall not be of no further force or effect with respect to any roads or streets that are dedicated to public use once such dedication has been completed.

(j) A portion of the General Common Element land adjacent to the right of way of Pontiac Trail is encumbered by a 16-foot wide easement for the benefit of Michigan Bell Telephone as shown on the Condominium Plan.

(k) The Developer and the Township have entered into the Planned Development Agreement identified in Article III, paragraph (u) above with respect to the development and use of the Condominium and the Future Expansion Area. The Planned Development Agreement has been recorded as described above and the terms and conditions of that document shall be binding upon the Developer, the Association, and all Co-owners of Units in the Condominium, as the same may be expanded. If and to the extent that it is determined that any provision in the Planned Development Agreement is in conflict with any provision in this Master Deed or the By-Laws, the provision of the Planned Development Agreement shall control. The Condominium and all of the Units established therein and within any expansion thereof shall also be subject to such agreements as may be entered into by the Township and the Developer for the establishment of one or more special assessment districts ("SAD's") for the extension of public water and sanitary sewer service to the Condominium and the Units created therein. All Units established within the Condominium and any expansion thereof shall be subject to such special real property tax assessments as may be imposed by the Township in connection with the establishment of such SAD's, without the consent of any Co-owner or mortgagee being required for the imposition or collection of such special tax assessments so long as they are imposed and collected in compliance with Section 131 of the Condominium Act. Pursuant to the Planned Development Agreement, the extension of public water and sanitary sewer service to the Condominium is to be financed through the creation of an SAD as allowed by the laws of the State of Michigan and the bonding capacity of the Township.

(l) Pursuant to the Planned Development Agreement referenced in paragraph (k) above, the Developer hereby discloses that the Condominium, the Units located therein, and the Future Expansion Area may be located in the vicinity of a farm or farm operation. Generally accepted agricultural and management practices may be utilized by the farm or farm operation and may generate usual and ordinary noise, dust, odors and other associated conditions, and these practices are protected by the Michigan Right to Farm Act. The Seller of any Unit or any portion of the Future Expansion Area is not required to disclose whether a farm or farm operation is actually located in the vicinity of the Condominium, the Units located therein, or the Future Expansion Area or whether generally accepted agricultural and management practices are being utilized.

(m) A portion of the Condominium and the Future Expansion Area is traversed by Davis Creek, which comprises a portion of the Novi-Lyon County Drain, which is under the jurisdiction of the Oakland County Drain Commissioner. With the recording of this Master Deed, the Developer reserves a perpetual and permanent easement in favor of the Oakland County Drain Commissioner and the Novi-Lyon Drain Drainage District (collectively referred to as the "Drainage Authorities") and to the successors, assigns and transferees of the Drainage Authorities, in, over, under and through the land included in the Condominium and designated on the attached Condominium Subdivision Plan as being subject to a storm water drainage easement for the Novi-Lyon County Drain, which easement may not be amended or revoked except with the written approval of grantee, and which easement contains the following terms and conditions and grants the following rights:

(1) The easement shall be for the purposes of developing, establishing, constructing, repairing, maintaining, deepening, cleaning, widening, and performing any associated construction activities and grading in connection with any type of drainage facilities, storm drains or related appurtenances, in any size, form, shape or capacity.

(2) The Drainage Authorities shall have the right to sell, assign, transfer or convey this easement to any other governmental unit.

(3) No Co-owner in the Condominium shall build or convey to others any permission to build any permanent structures on said easement.

(4) No Co-owner in the Condominium shall build or place on the area covered by the easement any type of structure, fixture, or object or engage in any activity or take any action, or convey any property interest or right, that would in any way either actually or threaten to impair, obstruct, or adversely affect the rights of the Drainage Authorities under this easement.

(5) The Drainage Authorities and their agents, contractors and designated representatives shall have right to entry on, and to gain access to, the easement property as shown on the Plan.

(6) All Co-owners in the Condominium release the Drainage Authorities from any and all claims to damages in any way arising from or incident to the construction and maintenance of a drain or sewer or otherwise rising from or incident to the exercise by the drainage authorities of their rights under said easement, and all owners covenant not to sue the drainage authorities for any such damages.

The rights granted to the Drainage Authorities under this paragraph (m) of Article VII may not be amended without the express written consent of the Drainage Authorities. Any purported amendment or modification of the rights granted hereunder to the Drainage Authorities shall be void and without legal effect unless agreed to in writing by the Drainage Authorities, their successors or assigns.

(n) Portions of the Condominium, as the same may be expanded, shall be subject to a Conservation Easement entered into by the Developer and the Township to provide for the protection and maintenance of certain green belts, parks, passive open spaces and private common areas as shown on the Condominium Subdivision Plan. The Conservation Easement does not grant or convey to the Township or the public any rights of ownership or possession in the encumbered areas, but it does permit access to the encumbered areas by the Township and its employees and agents for purposes of inspecting those areas to determine if they are being maintained in compliance with the terms and conditions of the Conservation Easement. The Conservation Easement provides that the Developer, as the grantor of the easement, may assign responsibility for the maintenance of the green belts, parks, passive open spaces and private common areas encumbered by the Conservation Easement to such association as may be established to administer the common affairs of the Condominium. Pursuant to that provision, the Developer hereby assigns responsibility for the maintenance and monitoring of all green belts, parks, passive open spaces and private common areas encumbered by the

Conservation Easement to the Association, with such assignment to be effective immediately upon the recording of this Master Deed. The Conservation Easement is subject to the rights held by and granted to the Drainage Authorities (including the Oakland County Drain Commissioner) with respect to the Novi-Lyon Drain Drainage District as described in paragraph (m) above to the extent that the Conservation Easement encumbers areas traversed by the Novi-Lyon Drain and the related 100-foot wide easement granted to the Drainage Authorities as shown on the Condominium Subdivision Plan. There shall be permanent signs or monuments installed as reasonably necessary to mark the limits of the specific easement areas established and described in the Conservation Easement and said signs shall state "Conservation Area - Subject to Protection".

ARTICLE VIII AMENDMENTS

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

- (a) Amendments may be made and recorded by Developer or by the Association.
- (b) If the amendment will materially change the rights of the Co-owners or Mortgagees, then such amendment requires the consent of not less than two-thirds (2/3) in value of the votes of the Co-owners and Mortgagees of the Units (unless a greater majority is specified in the Condominium By-Laws). A Mortgagee shall have one vote for each mortgage held; provided that the types of amendments on which mortgagees are entitled to vote and the procedures for obtaining such votes shall be governed by Sections 90 and 90a of the Condominium Act, as amended by Act 283 of the Public Acts of Michigan of 2002.
- (c) Notwithstanding paragraph (b) above, but subject to the limitations of paragraphs (d) and (e) below, Developer reserves the right to amend this Master Deed or any of its Exhibits for any of the following purposes without the consent of Co-owners or Mortgagees:
 - (1) To 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 Act or rules promulgated thereunder or with any requirements of any governmental or quasi-governmental agency or any financing institution providing or proposing to provide a mortgage on any Unit or to satisfy the title requirements of any title insurer insuring or proposing to insure title to any Unit;

(6) To convert the Convertible Areas of the Condominium and to redefine Common Elements and adjust Percentages of Value in connection therewith;

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

(8) To record an "as-built" Condominium Subdivision Plan and/or consolidating master deed and to depict thereon any walks and other improvements, if any, not shown on the Plan attached hereto.

(d) Notwithstanding any other provision of this Article VIII, the method or formula used to determine the Percentages of Value for Units in the Condominium, as described above, may not be modified without the consent of each affected Co-owner and Mortgagee. A Co-owner's Condominium Unit dimensions or appurtenant Limited Common Elements may not be modified without the Co-owner's consent. The Association may make no amendment which materially changes the rights of Developer without the written consent of the Developer as long as the Developer owns any Units in the Condominium. Any amendment to the provisions in the By-Laws pertaining to the rental of Units shall require the prior written consent of the Developer if such amendment is enacted on or before the Transitional Control Date.

(e) Notwithstanding any other provision of the Condominium Documents to the contrary, any amendment to the Master Deed or the Condominium Subdivision Plan attached hereto as Exhibit B which would be deemed under the applicable Township zoning ordinance to require a variance to conform to the Township-approved Planned Development Plan ("PD Plan") must also be approved in writing by the Township. Such approval shall be conclusively evidenced by the recording in the Oakland County Records of an instrument granting such approval; said instrument having been signed by an appropriate Township official.

ARTICLE IX

EXPANSION OF PROJECT

The Condominium Project established pursuant to this Master Deed of Saddle Creek consists of eighty-one (81) Units. The Developer hereby reserves the right, but undertakes no obligation, to expand the Condominium so that it contains up to a maximum of one hundred and seventy-one (171) additional Units, or a total number of two hundred and fifty-two (252) Units, as determined by the Developer, in its sole discretion, from time to time. Such additional units, if any, will be constructed upon all or portions of the Future Expansion Area, which comprises the following described parcel of land located in the Charter Township of Lyon, Oakland County, Michigan:

A part of the Northeast 1/4 and the Northwest 1/4 of Section 18, Town 1 North, Range 7 East, Lyon Township, Oakland County, Michigan; being more particularly described as commencing at the East 1/4 Corner of said Section 18, for a Point of Beginning; thence North 89°27'29" West, 2640.12 feet, along the East and West 1/4 line of said Section 18, and along an extension of and the Northerly line of "Trotters Pointe", Oakland County Condominium Plan No. 951, master deed recorded in Liber 15880, Page 661 through 747, as amended, to the Center of

said Section 18; thence North 89°30'03" West, 863.25 feet, along the East and West 1/4 line of said Section 18 and the Northerly line and extension thereof of said "Trotters Pointe", (said point being South 89°30'03" East, 660.27 feet, from the West 1/4 Corner of said Section 18); thence North 00°51'48" East, 982.42 feet; thence North 00°20'48" East, 1659.78 feet, to a point on the North line of said Section 18, (said point being North 89°59'20" East, 660.00 feet, from the Northwest Corner of said Section 18); thence North 89°59'20" East, 881.78 feet, along the North line of said Section 18, to the North 1/4 Corner of said Section 18; thence South 00°56'19" West, 492.66 feet, along the North and South 1/4 line of said Section 18; thence South 88°53'22" East, 1012.76 feet; thence South 01°06'38" West, 562.50 feet; thence South 25°43'10" West, 268.30 feet; thence South 74°27'13" West, 74.96 feet; thence South 45°36'15" West, 66.59 feet; thence South 51°07'23" East, 53.22 feet; thence South 44°11'16" East, 312.99 feet; thence South 45°48'44" West, 130.00 feet; thence North 44°11'16" West, 21.20 feet; thence South 45°48'44" West, 190.00 feet; thence North 44°11'16" West, 90.00 feet; thence South 54°31'54" West, 152.58 feet; thence South 24°47'28" West, 81.05 feet; thence South 51°14'37" West, 102.87 feet; thence South 23°52'20" East, 183.39 feet; thence South 39°21'25" East, 74.18 feet; thence South 57°02'39" East, 73.41 feet; thence South 74°38'20" East, 73.41 feet; thence North 85°32'55" East, 78.39 feet; thence North 82°17'21" East, 183.03 feet; thence North 10°11'46" West, 38.43 feet; thence North 18°24'17" East, 82.09 feet; thence North 34°00'06" East, 65.33 feet; thence North 58°26'37" East, 91.35 feet; thence South 89°27'29" East, 105.88 feet; thence South 61°20'40" East, 101.37 feet; thence South 30°36'27" East, 116.10 feet; thence South 53°54'12" East, 92.01 feet; thence South 85°53'08" East, 185.65 feet; thence South 82°45'09" East, 181.84 feet; thence North 88°55'42" East, 73.40 feet; thence North 71°00'23" East, 73.67 feet; thence North 54°43'04" East, 73.67 feet; thence North 38°25'45" East, 73.67 feet; thence North 13°58'20" East, 144.67 feet; thence North 23°31'38" West, 67.65 feet; thence North 66°28'22" East, 141.79 feet; thence 129.28 feet along a curve to the left, said curve having a radius of 330.00 feet, a central angle of 22°26'44", and a chord bearing and distance of North 34°45'00" West, 128.45 feet; thence North 44°01'38" East, 60.00 feet; thence 27.01 feet along a curve to the left, said curve having a radius of 390.00 feet, a central angle of 03°58'04", and a chord bearing and distance of North 47°57'23" West, 27.00 feet; thence North 67°32'46" East, 154.61 feet; thence North 01°40'06" East, 142.88 feet; thence North 38°36'17" East, 67.49 feet; thence North 59°27'16" East, 61.19 feet; thence North 89°23'55" East, 227.41 feet; to the East line of said Section 18 and the centerline of Pontiac Trail, (said point being South 00°56'06" West, 1413.55 feet, from the Northeast Corner of said Section 18); thence South 00°56'06" West, 1227.56 feet, along the East line of said Section 18 and the centerline of said Pontiac Trail, to the Point of Beginning. All of the above containing 121.759 acres. All of the above being subject to easements restrictions and right-of-ways of record and the rights of the public in Pontiac Trail.

Parts of Tax Parcel Nos. 21-18-200-003 and 21-18-100-008

Therefore, any other provisions of this Master Deed notwithstanding, the number of units in the Project, may, at the option and discretion of the Developer or its successors or assigns, from time to time, within a period ending not later than six (6) years from the date of recording of this Master Deed, be increased by the addition to the Project of any portion of the Future Expansion Area and the development of Units and Common Elements thereon. The nature, appearance and location of all such additional Units and Common Elements as may be constructed thereon shall be determined by Developer, in its sole judgment. Such increase in size of this Condominium Project 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 discretion of the Developer or its successors or assigns and in which the Percentage of Value set forth in Article VI hereof shall be proportionately readjusted in order to preserve a total value of one hundred (100%) percent for the entire Project resulting from such amendment or amendments to this Master Deed. The precise determination of the readjustments in Percentage of Value shall be within the sole judgment of the Developer. Such readjustments, however, shall reflect a continuing reasonable relationship among Percentages of Value based upon the relative value of the various Units. Such amendment or amendments to the Master Deed shall also contain further definitions necessary to adequately describe and service the additional section or sections being added to the Project by such amendment. In connection with any such amendment(s), Developer shall have the right to change the nature of any Common Element previously included in the Project for any purpose reasonably necessary to achieve the purposes of this Article IX, including, but not limited to the connection of roads, sidewalks and utilities in the Project to any roads, sidewalks and utilities that may be located on or planned for the Future Expansion Area, and to provide access to any unit that is located on, or planned for the Future Expansion Area from the roads and sidewalks located in the Project. Additionally, the Developer shall have the right to create different rules, regulations or restrictions for the new units which may be created in the Future Expansion Area if the Developer decides such differences are necessary or desirable. 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 and, subject to the limitations set forth herein, to any proportionate reallocation of Percentages of Value of existing units which Developer (or its successors and assigns) may determine necessary in connection with such amendment or amendments. All such interested persons irrevocably appoint Developer (or its successors and 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; PROVIDED, HOWEVER, that a Consolidating Master Deed, when recorded, shall supersede the previously recorded Master Deed and all amendments thereto. Nothing herein contained, however, shall in any way obligate Developer to enlarge the Condominium Project beyond the area established by this Master Deed, and Developer (or its successors or assigns) may, in its option and discretion, establish all or any portion of said Future Expansion Area as a rental development, a separate condominium project (or projects) or any other form of development, residential or otherwise; subject to the terms and conditions of the Planned Development Agreement, as amended. There are no restrictions on the election of the Developer to expand

the Project other than as explicitly set forth herein. There is no obligation on the part of the Developer to add to the Condominium Project all or any portion of the Future Expansion Area described in this Article IX, nor is there any obligation to add portions thereof in any particular order, nor to construct particular improvements thereon in any specific locations.

ARTICLE X

CONVERTIBLE AREAS

The Condominium is established as a convertible condominium in accordance with the provisions of this Article:

(a) The General Common Elements and all Units are designated on the Condominium Subdivision Plan as Convertible Areas within which Units and Common Elements may be expanded and modified and within which Limited Common Elements may be created as provided in this Article X; provided that the Developer's right to convert Units pursuant to this Article X shall be limited to Units owned by the Developer. The Developer reserves the right, but not an obligation, to convert the Convertible Areas. The maximum number of additional Units that may be created in the Convertible Areas is zero, although Units may be expanded and modified as provided in this Article X. (The maximum number of Units that may be created on the land described in Article II hereof shall remain 81.) The number of Units in the Condominium may decrease, but shall not increase, as a result of the conversion of 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.

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

(d) The extent to which any structure erected on any portion of the Convertible Areas is compatible with structures included in the original Master Deed is not limited by this Master Deed but lies solely within the discretion of Developer, subject only to the requirements of local ordinances and building authorities.

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

effectuate the foregoing. Such amendments may be effected without the necessity of rerecording the 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.

(f) 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 VI hereof shall be proportionately readjusted, if the Developer deems it to be applicable, in order to preserve a total value of 100% for the entire Condominium resulting from such amendments to this Master Deed. The precise determination of the readjustments in Percentages of Value shall be made within the sole judgment of Developer. Such readjustments, however, shall reflect a continuing reasonable relationship among Percentages of Value based upon the original method and formula described in Article VI of this Master Deed. Such amendments to the Master Deed shall also contain such further definitions and redefinitions of General or Limited Common Elements as may be necessary to 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.

(g) Any modification to the Condominium made pursuant to this Article X that constitutes a change in the site plan approved by the Township for the development of the Condominium shall be subject to prior preliminary site plan review and final approval by the Township as required by the Zoning Ordinance of the Charter Township of Lyon, and may additionally require an amendment to the Planned Development Agreement.

ARTICLE XI

CONTRACTION OF CONDOMINIUM

(a) As of the date this Master Deed is recorded, the Developer intends to dedicate to public use the roads and road right-of-ways shown on the Condominium Plan. Developer has also reserved the right to dedicate all or part of the sidewalks, pathways and walkways in the Condominium to public use. Developer therefore reserves the right to withdraw from the Condominium that portion of the land described in Article II that consists of the Condominium roads and road right-of-ways as the same are shown on the Condominium Plan (including any proposed rights-of-way for Pontiac Trail) and any and all sidewalks, pathways and walkways constructed within the General Common Elements. 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 such roads and road right-of-ways, sidewalks, pathways and walkways as may be dedicated to public use.

(b) 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, sidewalk, pathway or walkway. The withdrawal of such land pursuant to this Article XI shall be effected by an amendment of the Master Deed as provided in paragraph (d) below and by a single conveyance of the interior roads and road right-of-ways in the Condominium to the Township (or other appropriate governmental unit with appropriate jurisdiction).

(c) Apart from satisfying any governmental conditions to dedication of the road and road right-of-ways, sidewalks, pathways or walkways, there are no restrictions on Developer's right to contract the Condominium as provided in this Article XI.

(d) Developer unconditionally reserves the right to contract the Condominium by withdrawing from the Condominium any portion of the land described in Article II that is designated in this Master Deed as a General or Limited Common Element or a Unit when and if Developer in its sole discretion determines the development of the Condominium would be best served by so contracting the Condominium.

(e) The consent of any Co-owner shall not be required to contract the Condominium or to dedicate the roads and road right-of-ways, sidewalks, pathways or walkways 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, 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 the Developer to dedicate the roads and road right-of-ways, sidewalks, pathways or walkways in the Condominium to public use and/or to contract the Condominium as herein provided, nor shall any provision of this Master Deed be deemed to obligate the Township to accept the dedication to public use of any improvement, including any road, road right-of-way, sidewalk, pathway or walkway. 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 XII

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) Until the Transitional Control Date, 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) Subdivide or re-subdivide any Units which it owns and in connection therewith to install utility conduits and connections and any other improvements reasonably necessary to effect the subdivision, any or all of which may be designated by the Developer as General or Limited Common Elements; provided that such installation shall not disturb any utility connections serving Units other than temporarily. Such subdivision or re-subdivision 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 Developer, its successors or assigns.

(2) 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.

(3) 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.

(b) 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 subdivision, 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.

(c) All actions taken under this Article XII must comply with all applicable laws and ordinances, including, without limitation, any approvals required by the Charter Township of Lyon. The subdivision or re-subdivision of any Unit shall require the prior written approval of the Charter Township of Lyon.

(d) Limited Common Elements shall be subject to assignment and reassignment in accordance with Section 39 of the Act and in furtherance of the rights to subdivide, consolidate or relocate boundaries described in this Article XII.

ARTICLE XIII FLOOD PLAIN

Portions of the Condominium are located within a flood plain, the limits of which have been determined by Atwell-Hicks, Inc., as shown on the Condominium Subdivision Plan. The flood plain accepts water overflow from Davis Creek, which traverses the northwest corner of the Condominium and extends across the northerly portion of the Future Expansion Area. (Davis Creek comprises part of the Novi-Lyon County Drain described in Article VII, paragraph (m) above.) No construction activity or disturbance of the areas lying within the flood plain can take place without first obtaining any and all required permits, including, without limitation, such permits as may be required by the Michigan Department of Environmental Quality ("MDEQ") and/or Oakland County.

ARTICLE XIV

SECURITY

The Developer does not undertake any obligation to provide security for the Co-owners of the Condominium, including, without limitation, security or guard service at the entranceway off of Pontiac Trail. If the Developer, in its sole discretion, elects to provide security or guard service, the cost thereof will become a cost of administration of the Project and reflected in the Association's budget.

ARTICLE XV ASSIGNMENT

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

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

WITNESS:

LYON DEVELOPMENT ASSOCIATES, L.L.C.,
a Michigan limited liability company

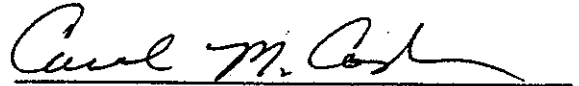
By:

Adriano Paciocco, Trustee of the Adriano
Paciocco Revocable Inter-Vivos Trust
u/a/d 2/4/97, Member

[Notary contained on the next page.]

STATE OF MICHIGAN)
) ss.
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me this 26 day of October, 2004, by Adriano Paciocco, Trustee of the Adriano Paciocco Revocable Inter-Vivos Trust u/a/d February 4, 1997, Member of LYON DEVELOPMENT ASSOCIATES, L.L.C., a Michigan limited liability company, on behalf of the company.



Notary Public

CAROL M. CASH
Notary Public, Wayne County, MI
My Commission Expires May 23, 2008

acting in County of Oakland, State of Michigan
My Commission Expires: 5/23/2008

DRAFTED BY AND WHEN RECORDED RETURN TO:

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

J:1841172.3100029270.WPDIVERS5

SADDLE CREEK

EXHIBIT A

BYLAWS

ARTICLE I ASSOCIATION OF CO-OWNERS

Saddle Creek, a residential condominium located in the Charter Township of Lyon, Oakland County, Michigan, shall be administered by an Association of Co-owners which shall be a nonprofit corporation, herein referred to as the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium in accordance with the Condominium Documents and the laws of the State of Michigan. These By-Laws shall constitute both the By-Laws referred to in the Master Deed and required by Section 3(8) of the Act and the By-Laws provided for under the Michigan Nonprofit Corporation Act. Each Co-owner shall be entitled to membership and no other person or entity shall be entitled to membership. The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to the Co-owner's Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium. The Association, all Co-owners in the Condominium and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the Condominium Documents. 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 II ASSESSMENTS

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

Section 1. Taxes Assessed on Personal Property Owned or Possessed in Common. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and personal property taxes based thereon shall be treated as expenses of administration.

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