

2. There must be screening fences on both sides of the dumpster.
3. Lighting must be .5 foot candle on the east and north, and 1.0 on the south and west.
4. There will be no truck loading in front parking lot.
5. A hedgerow shall extend along front parking lot to enhance appearance.
6. Subject to Township Engineer approval.
7. Subject to Township Board approval of all site plan and environmental impact assessment.
8. Township staff approval of all signage and permits.
9. Dust control noted.

The motion carried, Cahill, Figurski, and Litogot assented, Burchfield opposed.

OPEN PUBLIC HEARING # 5... Review of change to PUD (Planned Unit Development) agreement for The Landings of Rolling Ridge, Section 5, north of Grand River, west of Latson, east of Golf Club, to modify setback requirements, petitioned by The Selective Group. (PC 01-10)

- **Planning Commission disposition of petition**
 - A. Recommendation regarding modifying PUD agreement:

Mike Boss was present to speak for The Selective Group. He explained that they merely wanted to 'stagger' the buildings to make a more pleasing effect and that the buildings themselves would not change. He said the staggered effect would require a reduction of 6' in the back setback (from 30' to 24') but would actually result in a 6' increase in the front setback.

Moved by Burchfield, seconded by Joseph, to recommend to the Township Board that article 2 para. 2.3 of the PUC concerning the Landings of Rolling Ridge be amended to allow for reduction of the rear setback to 24' from 30' provided the dimensions of the buildings as presented on the original blueprint will remain the same.

The motion passed unanimously.

ROLLING
RIDGE

Administrative Business:

Jeff Purdy discussed the 'conflict of interest' issue briefly, and recommended his letter on the subject to the commissioners.

STATE OF MICHIGAN
COUNTY OF LIVINGSTON
TOWNSHIP OF GENOA

PLANNED UNIT DEVELOPMENT AGREEMENT

THIS PLANNED UNIT DEVELOPMENT AGREEMENT is made and entered into on this _____ day of _____, 1999, by THE SELECTIVE GROUP, 27655 Middlebelt Rd., Suite 130, Farmington Hills, Michigan 48334 (referred to as "Owner") and the TOWNSHIP OF GENOA, a Michigan Municipal Corporation, 2911 Dorr Road, Brighton, Michigan 48116 (referred to as "Township").

RECITATIONS:

The Owner possesses fee title to certain real property situated in the Township of Genoa, County of Livingston, State of Michigan, more particularly described on attached Schedule A (referred to as the "Property").

The Owner has submitted a proposal for a general land use plan for the future development of the Property. Township has reviewed and revised such plan, requiring, among other things, certain intensity of land uses, residential use density, and access points to adjacent properties.

The Township Planning Commission and Township Board, in strict compliance with the Township Zoning Ordinance and with Act 184 of the Public Acts of 1943, as amended, reclassified the Property as Residential Planned Unit Development District, finding that such reclassification properly achieved the purposes of Article 10 of the Genoa Township Zoning Ordinance, including the encouragement of innovation in land use, the preservation of open space, the promotion of efficient provision of public services and utilities, the reduction of adverse traffic impacts, and the provision of adequate housing and employment.

The Township has found and concluded that the uses and future development plans and conditions shown on the approved PUD Concept Plan, attached as Schedule B ("PUD Plan"), are reasonable and promote the public health, safety and welfare of the Township, and that they are consistent with the plans and objectives of the Township and consistent with surrounding uses of land.

NOW, THEREFORE, OWNER AND TOWNSHIP, in consideration of the mutual promises contained in this Agreement, **HEREBY AGREE AS FOLLOWS:**

ARTICLE I. GENERAL TERMS OF AGREEMENT

- 1.1 The Township and the Owner acknowledge and represent that the recitations set forth above are true, accurate and binding.
- 1.2 The Township acknowledges and represents that this Agreement may be relied upon for future land use and development of the Property by Owner's heirs, assigns and transferees.

JUL 14 1999

RECEIVED

- 1.3 The PUD Plan, attached as Schedule B, has been duly approved by Township in accordance with all applicable Township ordinances, and depicts the land uses which will be permitted and which may be developed on the Property. All formal actions necessary or expedient to carry out this Agreement shall be taken by the parties without undue delay.
- 1.4 Except as specifically provided for in this Agreement, final site plans will comply with applicable Zoning Ordinance requirements. However, at the time of review of respective site plans for the development of various portions of the Property, deviations from ordinance regulations may be agreed upon by the Township and the ultimate developers of the Property.
- 1.5 The PUD Plan identifies the location and configuration of the authorized land uses that may be developed on the Property.
 - A. The Owner shall be permitted without further approval of Township to adjust the size or shape of the various parcels provided the adjustment does not alter the land use designation for any area of the Property or increase the intensity and/or density of use, provided, all development shall be subject to Final PUD Site Plan and land division approval. In addition:
 1. The Owner shall not be entitled to make a modification which substantially increases the impact upon adjoining properties or facilities without the approval of Township.
 2. The Owner shall not be entitled to make other substantial changes without the approval of Township.
 - B. The sizes of the various parcels within the land use designations shall be subject to modification under the applicable regulations of the Zoning Ordinance and State Law.
 - C. In those instances in which the Owner desires to obtain a modification of the PUD Plan, Township shall review the proposed change for the purpose of determining whether the change would have a material adverse impact upon surrounding land uses, services, transportation systems and/or facilities, and if such adverse impact would result, the Township may deny or impose mitigating conditions upon the proposed modification.
- 1.6 This Agreement, including the uses approved on the PUD Plan, are for the benefit of the Property, and shall run with the Property, and shall bind and inure to the benefit of the heirs, successors, assigns and transferees of the parties to this Agreement.

ARTICLE II. LAND USE AUTHORIZATION AND STANDARDS

- 2.1 The Planned Unit Development shall include a land use authorization for the following uses, as set forth on the PUD Conceptual Plan:

UR	Urban Residential
MDR	Medium Density Residential
GC	General Commercial

- 2.2 The number of residential units and other components to be permitted on the Property shall be as follows:

UR/Urban Residential District – 98 single family dwelling units similar in architectural style to those being constructed by The Selective group in the adjacent Rolling Ridge Development.

MDR/Medium Density Residential District – 64 single family ranch or 1½ story attached condominium units with not less than 1400 s.f. of living space and attached two car garage.

GC/General Commercial – 2.1± acre sites at the immediate northeast corner of the Grand River entrance to be built out in conformance with the current Genoa Township Zoning Ordinance and in compliance with the Grand River Corridor Study.

- 2.3 Building setbacks for the various land uses shall consist of the following:

UR/URBAN RESIDENTIAL DISTRICT

<u>Front Setback</u>	<u>Side Setback</u>	<u>Rear Setback</u>	<u>Bld. Envelope Width</u>
22 ft.	10 ft.	30 ft. 50 ft – units 37 – 39 units 9 - 10	50 ft.

MDR/MEDIUM DENSITY RESIDENTIAL DISTRICT

<u>Front Setback</u>	<u>Side Setback</u>	<u>Rear Setback</u>
30 ft. from back of curb	10 ft./20ft. between buildings	30 ft.

GC/GENERAL COMMERCIAL – Setbacks to be in conformance with current Genoa Township Zoning Ordinance.

ARTICLE III. CURB CUTS AND OFF-SITE TRANSPORTATION IMPROVEMENTS

- 3.1 The establishment of curb cuts and driveways to public thoroughfares from the PUD property shall be limited and restricted for the purpose of reducing the number of turning movements to and from the property. Therefore, the number and general location of entrances to the site from adjacent public thoroughfares shall be fixed in the manner specified on the PUD Plan.

- 3.2 Off-site Improvements in Public Right of Way

There are no offsite improvements required such as deceleration or acceleration lanes required in the Right of Way of Grand River Ave. No additional signalization, striping, turn-lanes, lighting or bypass lanes will be required in the Right of Way of Grand River Ave. The size and geometry of curb, pavement, drainage and pavement thickness shall be as required by the Michigan Department of Transportation for similar uses and access points to Grand River Avenue.

ARTICLE IV. INTERNAL ROAD NETWORK

- 4.1 An internal system of vehicular thoroughfares shall be planned and established throughout the PUD as shown on the Schedule B.
- 4.2 The internal roads in the UR zoned portion of the Property shall be designated as public and shall be 27 feet from back of curb to back of curb unless otherwise required by the Livingston County Road Commission. The internal roads in the MDR zoned portion of the Property shall be designated as private. These roads shall be constructed to a width of 26 feet from back of curb to back of curb. A private road maintenance agreement, subject to approval by the Township, shall be adopted providing for ongoing maintenance.

ARTICLE V. DRAINAGE

- 5.1 The system of drainage on the Property, including drainage retention, sedimentation and detention, as applicable, shall be designed so as to be coordinated throughout the PUD and shall be subject to review and approval by Genoa Township and the Livingston County Drain Commissioner.

ARTICLE VI. SITE IMPROVEMENTS

- 6.1 There shall be a coordination of site improvements within the overall Property, with the objective of creating site improvements that are integrated and mutually supportive among the respective portions or phases of the development, including the utilities and landscaping.
- 6.2 The pedestrian network will consist of five (5) foot wide pedestrian sidewalks as shown on Schedule B.
- 6.3 Unless the Township reasonably determines that it is not physically or economically feasible, development shall be undertaken with underground electrical, gas, phone and cable T.V. services to the buildings on the Property.
- 6.4 The developer shall install site lighting near the main entrance to Grand River Avenue as depicted on the PUD Conceptual Plan. Such fixtures shall be identical to those placed in the adjacent Rolling Ridge Development. The costs to install and maintain such lighting shall be borne by the developer and subsequent homeowners association.
- 6.5 For the benefit of the residents within the development, the developer shall install a playground area in the location depicted on the PUD Conceptual Plan. The costs to install and maintain this area shall be borne by the developer and subsequent homeowners association.

ARTICLE VII. LANDSCAPING

- 7.1 The landscaping within the PUD shall demonstrate consistency in terms of design and materials.

ARTICLE VIII. UTILITIES

- 8.1 All of the Property is located within the community water district area. Each residential parcel must connect to the community water system. Such

connection shall require payment of all applicable tap fees. The fee for connection to the township water service shall be \$3,000 per R.E.U.

- 8.2 All of the residential buildings constructed on the Property shall be connected to and be served by public sanitary system. The Township represents that there has been reserved for owner adequate municipal wastewater treatment capacity to service the Property, and the adequacy of wastewater treatment capacity shall not limit the type of use or density of the reasonable development of the Property. Connection to the sanitary system shall require payment of all applicable tap fees. The fee for connection to the township sanitary sewer system shall be \$3,100 per R.E.U.

ARTICLE IX. SITE PRESERVATION

- 9.1 As a benefit to open space planning and the PUD Concept, a considerable effort has been placed on tree preservation. As such, the development plan will incorporate Preservation Zones as depicted on the attached PUD Conceptual Plan. Such Preservation Zones shall be restricted as follows:

PRESERVATION ZONE A – The areas illustrated as Preservation Zone A is outside of the building areas and control of private ownership. In this area, any clearing, trimming or grubbing of trees or other existing vegetation shall be strictly prohibited. This area shall remain in a natural state as it currently exists.

PRESERVATION ZONE B – The areas illustrated as Preservation Zone B is intended to provide a transitional area between development zones and the areas to remain in a natural state. These areas generally lie outside of the buildable area but in areas which would be considered as rear yards. In this area, clearing of trees greater than 10 inches in diameter shall be prohibited, except those which are dead or impose a safety hazard.

- 9.2 As the proposed site encompasses portions of open water contiguous to Earl Lake, riparian rights to this body of water are available to the development. However, in a effort to preserve the natural characteristics of the site. The proposed PUD will offer no access of any kind to Earl Lake to its residents.

ARTICLE X. MISCELLEANOUS

- 10.1 This Agreement may not be modified, replaced, amended or terminated without the prior written consent of the parties to this Agreement. The Owner and the Township shall be entitled to modify, replace or amend this Agreement without the consent of any other person or entity, regardless of whether such person or entity now or hereafter has any interest in any part of the Property, including subsequent purchasers, or their tenants, mortgagees, or others.
- 10.2 In the event of any direct conflict between the terms and provisions of this Agreement (including the attached PUD Plan) and the provisions of the zoning Ordinance, or other township ordinances, rules or regulations, the provisions of this Agreement shall control.
- 10.3 The undersigned parties acknowledge that the conditions imposed upon the development of the property are reasonable conditions necessary to ensure that public services and facilities affected by the proposed land use or activity will be capable of accommodating increased service and facility loads caused by the land use or activity, to protect the natural environment and conserve natural

resources and energy, to ensure compatibility with adjacent uses of land, and to promote the use of land in a socially and economically desirable manner. Further, it is acknowledged that the conditions meet all of the requirements of MSA 5.2963(16d)(2)(a)(b) and (c).

APPROVED by Owner on this _____ day of _____, 1999.

WITNESSES:

OWNER:

On this _____ day of _____, 1999, before me, a notary public in and for Livingston County, personally appeared _____, known to be the person(s) described in and who executed the Planned Unit Development Agreement, set forth above, and who acknowledged the same to be of his/her free act and deed.

Notary Public
Livingston County, Michigan
My Commission Expires: _____

APPROVED BY THE TOWNSHIP BOARD FOR THE TOWNSHIP OF GENOA on the _____ day of _____, 1999, at a meeting duly called and held.

WITNESSES:

TOWNSHIP OF GENOA:

By: _____

By: _____

On this _____ day of _____, 1999, before me, a notary public in and for Livingston County, personally appeared _____ and _____ to me known to be the Supervisor and Clerk, respectively, who were duly authorized by the Genoa Township Board to sign this Agreement on behalf of Genoa Township and who acknowledged the same to be their free act and deed.

Notary Public
Livingston County, Michigan
My Commission Expires: _____

EXHIBIT A

Legal Description

Parcel A:

Part of the Northwest fractional 1/4 of Section 5, T2N-R5E, Genoa Township, Livingston County, Michigan, more particularly described as follows: Commencing at the North 1/4 corner of said Section; thence along the North-South 1/4 line of Section 5, S 02°10'44" W (previously recorded as S 00°11' E), 990.40 feet to the Point of Beginning of the Parcel to be described; thence continuing along said Section line S 02°10'44" W, 415.00 feet; thence N 81°13'25" W, 746.75 feet; thence N 61°51'54" W, 611.83 feet; thence S 87°06'15" W, 200.37 feet; thence N 66°01'18" W, 396.77 feet; thence N 47°49'09" W, 453.04 feet; thence N 02°20'19" E, 26.67 feet to a point later referred to as Traverse Point "A", said point lying S 02°20'19" W, 227 feet, more or less, of the Southerly water's edge of Earl Lake; thence continuing from said Traverse Point "A", N 02°20'19" E, 363.33 feet; thence S 86°50'24" E, 1106.02 feet to Traverse Point "B", said point lying S 86°50'24" E, 890 feet, more or less, of the Easterly water's edge of Earl Lake, said point also being the end of a meandering Traverse Line which lies N 74°53'45" E, 1159.21 of Traverse Point "A"; thence continuing from Traverse Point "B" S 86°50'24" E, 100.00 feet; thence S 02°10'44" W (previously recorded as S 00°11' E), 728.40 feet; thence S 87°48'00" E (previously recorded as S 89°29' E), 1000.00 feet to the Point of Beginning; containing 27.94 acres, more or less, and subject to any easements or restrictions of record.

Parcel B:

Part of the Northwest fractional 1/4 of Section 5, T2N-R5E, Genoa Township, Livingston County, Michigan, more particularly described as follows: Commencing at the North 1/4 corner of said Section; thence along the North-South 1/4 line of Section 5, S 02°10'44" W (previously recorded as S 00°11' E), 1405.40 feet to the Point of Beginning of the Parcel to be described; thence continuing along said Section line S 02°10'44" W, 552.98 feet; thence N 88°44'39" W, 1147.21 feet (previously recorded as S 89°01' W, 1145.07 feet); thence along the centerline of an Easement for Ingress and Egress as recorded in Liber 595, Page 595, Livingston County Records S 02°04'43" W (previously recorded as S 00°11' E), 528.61 feet; thence continuing along said Easement centerline S 19°19'37" W (previously recorded as S 17°04' W), 5.78 feet; thence S 88°44'42" E, 1148.00 feet (previously recorded as N 89°01' E, 1146.78 feet); thence along aforementioned North-South 1/4 line of Section 5, S 02°10'44" W, 501.63 feet (previously recorded as S 00°11' E, 500.00 feet) to the Center of Section 5; thence along the East-West 1/4 line of said Section, N 88°35'24" W, 1402.96 feet (previously recorded as S 89°01' W, 1395.26 feet) to the intersection of said East-West 1/4 line with the centerline of Grand River Avenue; thence along said centerline N 60°39'00" W, 233.71 feet (previously recorded as 230.19 feet); thence N 16°55'53" E, 603.46 feet (previously recorded as N 13°05'43" E, 603.02 feet); thence N 60°12'44" W (previously recorded as N 64°03'15" W), 350.00 feet; thence N 60°14'12" W, 500.17 feet (previously recorded as N 62°23' W, 500.00 feet); thence N 02°20'19" E (previously recorded as North), 1297.87 feet; thence S 47°49'09" E, 453.04 feet; thence S 66°01'18" E, 396.77 feet; thence N 87°06'15" E, 200.37 feet; thence S 61°51'54" E, 611.83 feet; thence S 81°13'25" E, 746.75 feet to the Point of Beginning; Containing 66.59 acres, more or less, and subject to the rights of the public over the existing Grand River Avenue. Also subject to and including the use of a 66 foot wide Easement for Ingress and Egress as recorded in Liber 595, Page 595 and 599, Livingston County Records. Subject to easements or restrictions of record, if any.

MASTER DEED
OF
ROLLING RIDGE

A SINGLE FAMILY RESIDENTIAL CONDOMINIUM
LIVINGSTON COUNTY CONDOMINIUM
SUBDIVISION PLAN NO. _____

This Master Deed is made and executed this _____ day of _____, 1996, by ROLLING RIDGE LAND DEVELOPMENT COMPANY, a Michigan corporation (hereinafter referred to as the "Developer"), whose address is 27655 Middlebelt Road, Suite 130, Farmington Hills, Michigan 48334.

WITNESSETH:

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

NOW, THEREFORE, upon the recording hereof, Developer establishes Rolling Ridge 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 Rolling Ridge, Livingston County Condominium Subdivision Plan No. _____. The architectural plans and specifications for each Residence of the Condominium will be filed with the Township of Genoa. The number, boundaries, dimensions and volume of each Unit in the Condominium are set forth in the Condominium Subdivision Plan attached hereto as Exhibit B. Each Unit is capable of individual use, having its own access to a Common Element of the Condominium or directly to a public road. 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 designed by the Master Deed. Co-owners shall have voting rights in the Rolling Ridge Association as set forth herein and in the By-Laws and Articles of Incorporation of such Association.

ARTICLE II

LEGAL DESCRIPTION

The land which comprises the Condominium established by this Master Deed is a parcel of land in the Township of Genoa, Livingston County, Michigan, described as follows:

[insert legal description of phase 1 here]

All of the above containing _____ acres. All of the above being subject to easements, restrictions and right-of-ways of record, including the easements, restrictions, exceptions and agreements set forth in Article VII below.

ARTICLE III

DEFINITIONS

Certain terms used in this Master Deed and the Exhibits hereto, and in the Articles of Incorporation and By-Laws of Rolling Ridge 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 Rolling Ridge Association, the Michigan nonprofit corporation, of which all Co-owners shall be members, which Association shall administer, operate, manage and maintain the Condominium. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Condominium Documents or the laws of the State of Michigan.

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

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

(e) "Condominium" means Rolling Ridge 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.

(f) "Condominium Documents", wherever used, means and includes this Master Deed and the Exhibits hereto and the Articles of Incorporation of the Association.

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

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

(j) "Developer" means Rolling Ridge Land Development Company, a Michigan corporation, and its successors or assigns. All development rights reserved to Developer herein are assignable in writing; provided, however, that conveyances of Units by Developer, including the conveyance of Units to a "successor developer" pursuant to Section 135 of the Act, shall not serve to assign Developer's development rights unless the instrument of conveyance or other documentation expressly so states.

(k) "Development and Sales Period" means the period beginning on the date this Master Deed is recorded and continuing for as long as Developer holds for sale any Unit within the Project, as it is currently constituted and as said Project may be expanded pursuant to Article X hereof.

(l) "Future Expansion Area" means the land described in Article X, below, some or all of which may be added to the Condominium in one or more amendments of this Master Deed.

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

(n) "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.

(o) "Limited Common Element Yard Area" means the area immediately surrounding a Unit as designated on the Condominium Subdivision Plan, which is limited in use to the Unit which it immediately surrounds.

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

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

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

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

(t) "Residence" means a residential dwelling together with an attached garage constructed within the perimeter of a Building Envelope on a Unit in accordance with the architectural and building specifications and use restrictions set forth in this Master Deed.

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

(v) "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 (excluding any part thereof included in the Units described in Article VI below and on the Plan) and beneficial easements, if any, described in Article VII hereof, including any walking trails, sidewalks located within the road right-of-way, and landscaped and open areas, except to the extent any of the foregoing are designated herein or in the Plan as Limited Common Elements or are dedicated to the appropriate governmental agency having jurisdiction thereover.

(2) The roads throughout the Condominium, 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 Livingston County Road Commission, or any other governmental entity. Developer intends to dedicate the roads in the Condominium to public use as soon as practical 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 the below-ground and above-ground systems, and the electrical, gas, water, if any, sanitary sewer, storm sewer, telephone, plumbing and cable television, if any, networks or systems throughout the Condominium, including the portion of such networks or systems 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. 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.

(4) The wetland areas and detention basin areas, as shown on the Plan.

(5) All beneficial utility and drainage easements.

(6) All lighting located on General Common Elements.

(7) The entrance areas to the Condominium, boulevards and cul-de-sac islands (to the extent not dedicated to the Livingston County Road Commission or other appropriate governmental agency).

(8) Any sprinkler system(s) installed by the Developer to serve general common lawn areas.

(9) The location of all sidewalks will be within the General Common Element Areas and/or the road right-of-way, as determined by the Developer, in accordance with the approved site plan for the Project, as the same may be amended from time to time. The Developer will install a portion of the sidewalks to be located adjacent to open areas and/or other areas which are not abutting Units or Limited Common Element Yard Areas. The remainder of the sidewalks will be installed by the builders of the Residences within the Units, in connection with and at the same time as each Residence is constructed. No walkways installed within a Unit or a Limited Common Element Yard Area will be considered as a General Common Element.

(10) Such other elements of the Condominium not herein designated as Limited Common Elements which are not enclosed within the boundaries of a Unit or the Limited Common Element Yard Area.

(b) The Limited Common Elements are the areas 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. Each Unit in Phase 1 has a Limited Common Element Yard Area, as shown on the Condominium Subdivision Plan, which is limited in use to the Unit which it immediately surrounds.

(c) The respective responsibilities for the maintenance, repair and replacement of all Common Elements shall be as follows:

(1) The Association shall maintain, repair and replace all General Common Elements, and the expense thereof shall be assessed to the Co-owners in proportion to the Percentages of Value stated in Article VI hereof, subject to any provision of the Condominium Documents expressly to the contrary.

(2) It is anticipated that separate Residences will be constructed solely within the Units as depicted on the Plan. Various appurtenances to such Residence may extend into the Limited Common Element Yard Areas surrounding the same only with the prior approval of the Developer and/or Association and the Co-owner must also obtain all necessary Township approvals. The responsibility for, and the costs of maintenance, decoration, repair and replacement of a Residence and all other improvements within each Unit and appurtenant Limited Common Element Yard Area shall be borne by the Co-owner of the Unit which is served thereby; provided, however, that the structure, exterior color or appearance of any Residence and any other improvements within a Unit or appurtenant Limited Common Element Yard Area shall not be constructed or changed without the prior written specific approval of such construction or change from the Developer (and/or the Association, as the case may be), as more fully set forth in Article VI of the By-Laws. The Residences and other improvements within each Unit and Limited Common Element Yard Areas shall conform in all respects to the architectural and building specifications and use restrictions provided in the By-Laws, this Master Deed, the rules and regulations, if any, of the Association and applicable ordinances of the Township of Genoa.

(3) Each Co-owner shall maintain, repair and replace all Limited Common Elements and all Limited Common Element Yard Areas, appurtenant to the Co-owner's Unit. In connection with any amendment made by the Developer pursuant to Article IX hereof, Developer may designate additional Limited Common Elements that are to be maintained, decorated, repaired and replaced at Co-owners expense or, in proper cases, at the Association's expense.

(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 cost of maintenance and repair (including snow removal) of any sidewalk(s) bordering each Unit and located in the road right-of-way shall be the responsibility of the Co-owner of each such Unit. Each Co-owner's responsibility for replacement of such sidewalk(s) shall only exist to the extent not undertaken by the Livingston County Road Commission. The

Limited Common Elements are assigned on the Plan. Each Unit in Phase 1 has a Limited Common Element Yard Area, as shown on the Condominium Subdivision Plan, which is limited in use to the Unit which it immediately surrounds.

(c) The respective responsibilities for the maintenance, repair and replacement of all Common Elements shall be as follows:

(1) The Association shall maintain, repair and replace all General Common Elements, and the expense thereof shall be assessed to the Co-owners in proportion to the Percentages of Value stated in Article VI hereof, subject to any provision of the Condominium Documents expressly to the contrary.

(2) It is anticipated that separate Residences will be constructed solely within the Units as depicted on the Plan. Various appurtenances to such Residence may extend into the Limited Common Element Yard Areas surrounding the same only with the prior approval of the Developer and/or Association and the Co-owner must also obtain all necessary Township approvals. The responsibility for, and the costs of maintenance, decoration, repair and replacement of a Residence and all other improvements within each Unit and appurtenant Limited Common Element Yard Area shall be borne by the Co-owner of the Unit which is served thereby; provided, however, that the structure, exterior color or appearance of any Residence and any other improvements within a Unit or appurtenant Limited Common Element Yard Area shall not be constructed or changed without the prior written specific approval of such construction or change from the Developer (and/or the Association, as the case may be), as more fully set forth in Article VI of the By-Laws. The Residences and other improvements within each Unit and Limited Common Element Yard Areas shall conform in all respects to the architectural and building specifications and use restrictions provided in the By-Laws, this Master Deed, the rules and regulations, if any, of the Association and applicable ordinances of the Township of Genoa.

(3) Each Co-owner shall maintain, repair and replace all Limited Common Elements and all Limited Common Element Yard Areas, appurtenant to the Co-owner's Unit. In connection with any amendment made by the Developer pursuant to Article IX hereof, Developer may designate additional Limited Common Elements that are to be maintained, decorated, repaired and replaced at Co-owners expense or, in proper cases, at the Association's expense.

(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 cost of maintenance and repair (including snow removal) of any sidewalk(s) bordering each Unit and located in the road right-of-way shall be the responsibility of the Co-owner of each such Unit. Each Co-owner's responsibility for replacement of such sidewalk(s) shall only exist to the extent not undertaken by the Livingston County Road Commission. The

cost of maintenance and repair (including snow removal) of any sidewalk(s) bordering a General Common Element area and located in the road right-of-way shall be the responsibility of the Association. The Association's responsibility for replacement of such sidewalk(s) shall only exist to the extent not undertaken by the Livingston County Road Commission.

(e) The cost of maintenance, repair and replacement of mailboxes shall be the responsibility of the Association.

ARTICLE V

USE OF PREMISES

Each Unit shall only be used for residential purposes. All Residences, Structures and other improvements constructed in the Unit and appurtenant Limited Common Element Yard Area shall comply with the terms, provisions and conditions of this Master Deed and the Condominium By-Laws. No person shall use any Unit, Limited Common Element Yard Area, 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 initially consists of 83 residential Units. The Developer has reserved the right to expand the Condominium to contain a maximum of up to 163 Units, as more fully set forth in Article X hereof. Each Unit is described in this paragraph with reference to the Condominium Subdivision Plan as prepared by Boss Engineering, a copy of which is attached hereto as Exhibit B. Each Unit shall include all that space contained within the Unit boundaries as 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 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 one hundred (100%) percent. 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 establish the foregoing Percentages was to determine that the expenses incurred by the Association in connection with the Units should be approximately equal.

ARTICLE VII

EASEMENTS, RESTRICTIONS, EXCEPTIONS AND AGREEMENTS

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

(a) Developer (on its behalf and on behalf of its successors or assigns) hereby reserves permanent easements for ingress and egress over the roads and walks in the Condominium and permanent easements to use, tap into, enlarge or extend all roads, walks and utility lines in the Condominium, including, without limitation, all communications, water, gas, electric, storm and sanitary sewer lines, and any pumps, sprinklers or water detention areas, all of which easements shall be for the benefit of the Future Expansion Area described herein, whether or not such Future Expansion Area is hereafter added to the Condominium and for the benefit of any other land adjoining the Condominium (or any expansion thereof) if now owned or hereafter acquired by Developer or its successors or assigns. These easements shall run with the land in perpetuity, and shall survive the six (6) year period for adding the Future Expansion Area to the Condominium. Developer has no financial obligation to support such easements, except that any unit using the roads, if such unit is not included within the Condominium, shall pay a pro rata share of the expense of maintenance, repair, or replacement of the portion of the road which is used, which share shall be determined pro rata according to the total number of dwelling units using such portion of the road.

(b) Developer intends to, and by recordation of this Master Deed reserves the right and power to, dedicate all the roads in the Condominium to public use, and all persons acquiring any interest in the Condominium, including without limitation all Co-owners and Mortgagees, shall be deemed irrevocably to have appointed Developer and its successors as agent and attorney-in-fact to make such dedication and to act on 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 Residences in one hundred (100%) percent of the Units in the Condominium, including all Units located within any portion of the Future Expansion Area added to the Condominium, the foregoing rights and powers may be exercised by the Association.

(c) Upon approval by and affirmative vote of not less than fifty one (51%) percent of all Co-owners, in number and in value, the Association shall be vested with the power and authority to sign petitions requesting establishment of a special assessment district pursuant to provisions of applicable Michigan statutes for improvement of roads within or adjacent to the Condominium. In the event that a special assessment road improvement 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.

(d) Developer also reserves the right and power to grant easements over, or dedicate portions of any of the Common Elements for utility, drainage, street, safety or construction purposes, and all persons acquiring any interest in the Condominium, including without limitation

all Co-owners and Mortgagees shall be deemed to have appointed Developer and its successors as agent and attorney-in-fact to make such easements or dedications. After certificates of occupancy are issued for Residences in one hundred (100%) percent of the Units in the Condominium, the foregoing right and power may be exercised by the Association.

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

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

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

(h) Within all reserved easements for construction, installation and maintenance of public utilities, including drainage facilities, as shown on the Plan, unless necessary approvals are obtained from the Township of Genoa, the County of Livingston and any other appropriate governmental authority, and except for the paving necessary for each Residence's driveway, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of such service facilities and utilities, including underground electrical and telephone local distribution systems, or which may change, obstruct or retard the flow or direction of water drainage in and through the easements, nor shall any change, which may obstruct or retard the flow of surface water or be detrimental to the property of others, be made by the occupant in the finished grade of any Unit once established by the builder upon completion of construction of the Residence thereon. The easement area of each Unit and all improvements in it shall be maintained (in a presentable condition continuously) by the Unit Co-owner, except for those improvements for which a public authority

or utility company is responsible, and the Unit Co-owner shall be liable for damage to service facilities and utilities thereon, including damage to electric, gas, and telephone distribution lines and facilities therein. Except as may be otherwise provided herein, each Unit Co-owner shall maintain the surface area of easements within the Co-owner's Unit, to keep weeds out, to keep the area free of trash and debris, and to take such action as may be necessary to eliminate or minimize surface erosion.

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

(j) The Developer hereby conveys a permanent easement to the Township of Genoa for the conservation of the wetland areas and wetland buffer areas designated on the Condominium Subdivision Plan as "Easement for Wetland Preservation". The regulated wetland areas encumbered by said easement shall be preserved in their natural state by the Association.

(k) The right-of-way of Latson Road adjoining the Condominium has been excluded from the land committed to the Condominium by the recording of this Master Deed. The Developer, for itself and its successors or assigns, grants a permanent, non-exclusive easement for ingress and egress across and over the portion of the right-of-way of Latson Road that adjoins the Condominium to all Co-owners and their tenants, guests, and invitees. The Developer has the right to convey and dedicate this easement area to the Michigan Department of Transportation or the County of Livingston Road Commission, or any other appropriate governmental agency, without the necessity of obtaining any consent or approval from the Co-owners, Mortgagees or the Association, and, furthermore, upon such conveyance the easement rights granted herein shall automatically terminate.

(l) The property upon which the Condominium is located is known as the "Lorentzen PUD" and is subject to a Planned Unit Development Agreement, which has been recorded with the Livingston County Register of Deeds in Liber 2038, Page 39, Livingston County Records (the "PUD Agreement"). The PUD Agreement includes certain development restrictions and requirements, which are binding on the Developer and all Co-owners in the Condominium, to the extent applicable.

(m) Certain lands in the Project have been designated for surface water accumulation in connection with the proposed drainage easements and the establishment of a Chapter 18 Drainage District. All such lands shall continue to be used in such a manner so as to facilitate the proper drainage of the Project and shall be subject to a perpetual and permanent easement in favor of the Livingston County Drain Commissioner, the County of Livingston and the _____ Drainage District administered by the Livingston County Drain Commissioner

(collectively referred to as "Grantee"), and Grantee's successors, assigns and transferees, in, over, under and through the drainage easements as shown on the Condominium Subdivision Plan, which easement(s) may not be amended or revoked except with the written approval of Grantee, and which contains the following terms and conditions and grants the following rights:

(1) The Easement shall be for the purpose 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 Grantee shall have the right to sell, assign, transfer or convey this Easement to any other governmental unit;

(3) No Co-owner in the Condominium Project shall build or convey to another any permission to build any permanent structures on the said Easement; No Co-owner in the Condominium Project shall build or place on the area covered by the Easement any other 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 effect the rights of Grantee under said Easement;

(4) The Grantee and its agents, contractors and designated representatives shall have right of entry on and gain access to the Easement property and shall repair and restore, in a timely manner, the Easement property to its condition immediately prior to such entry. Subject to Grantee's obligation to repair and restore the Easement property, all Co-owners in the Condominium Project release Grantee and its successors, assigns and transferees from any and all claims to damages to the Easement property in any way arising from or incident to the construction and maintenance of a drain or sewer or otherwise arising from or incident to the reasonable exercise by Grantee of its rights under the said Easement, and all Co-owners covenant not to sue Grantee for damages consistent with the release provisions contained herein.

The rights granted to the County of Livingston, the Livingston County Drain Commissioner and/or the _____ Drainage District and their successors and assigns, under this paragraph may not be amended without the express written consent of the Grantee hereunder. Any purported amendment or modification of the rights granted hereunder shall be void and without legal effect unless agreed to in writing by the Grantee, its successors and assigns.

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.

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

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

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

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

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

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

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

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

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

(9) To record an "as-built" Condominium Subdivision Plan and/or Consolidating Master Deed;

(10) To amend the description of land included in the Condominium as set forth in Article II of this Master Deed and on the Plan in the event the roads in the Condominium are dedicated to public use to the Livingston County Road Commission, or any other governmental agency or to comply with the requirements of any governmental agency; provided, however, that no such amendment may alter the size of any Unit without the consent of the Co-owner and Mortgagee of the affected Unit; and

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

(e) Any amendment to this Master Deed which materially affects the rights or conditions imposed on the Project by the Township of Genoa shall require the prior written consent of the Genoa Township Board, which consent may not be unreasonably withheld.

ARTICLE IX

CONVERTIBLE AREAS

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

(b) The Developer reserves the right, in its sole discretion, during a period ending six (6) years from the date of recording this Master Deed, to modify the size, location, and configuration of any Unit that it owns in the Condominium, and to make corresponding changes to the Common Elements, subject to the requirements of local ordinances and building authorities. The changes could include (by way of illustration and not limitation) the deletion of Units from the Condominium and the substitution of General and Limited Common Elements therefor. The maximum number of units in the Condominium may not exceed 163 units.

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

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

the foregoing. Such amendments may be effected without the necessity of rerecording an entire Master Deed of the Exhibits thereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits hereto. Nothing herein contained, however, shall in any way obligate Developer to convert the Convertible Areas. These provisions give notice to all Co-owners, Mortgagees and other persons acquiring interests in the Condominium that such amendments of this Master Deed may be made and recorded, and no further notice of such amendment shall be required.

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

ARTICLE X

FUTURE EXPANSION OF CONDOMINIUM

The Condominium is established as an expandable Condominium in accordance with the provisions of this Article.

(a) Developer (on its behalf and on behalf of its successors and assigns, and no other third party, unless assigned in writing by the Developer), reserves the right, but does not undertake any obligation, to expand the Condominium. Except as set forth herein, no other person or entity may exercise the right to expand the Condominium.

(b) There are no restrictions or limitations on Developer's right to expand the Condominium except as stated in this Article X. The consent of any Co-owner shall not be required to expand the Condominium. All of the Co-owners and Mortgagees of Units and persons interested or to become interested in the Condominium from time to time shall be deemed to have irrevocably and unanimously consented to such expansion of the Condominium and any amendment or amendments to this Master Deed to effectuate the expansion and to any reallocation of Percentages of Value of existing Units which Developer may determine necessary in conjunction with such amendment or amendments. All such interested persons irrevocably appoint Developer or its successors as agent and attorney for the purpose of

executing such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be made 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 or the Exhibits hereto. Nothing herein contained, however, shall in any way obligate Developer to enlarge the Condominium and Developer may, in its discretion, establish all or a portion of the Future Expansion Area described below as a rental development, a separate condominium, or any other form of development. These provisions give notice to all persons acquiring interests in the Condominium that such amendments of this Master Deed may be made and recorded, and no further notice of amendment shall be required.

(c) The Developer's right to expand the Condominium shall expire six (6) years after the initial recording of this Master Deed.

(d) The land which may be added to the Condominium (herein referred to as the "Future Expansion Area") is referred to in the Plan as the proposed Future Expansion Area, and is situated in the Township of Genoa, Livingston County, Michigan, being more specifically described as follows:

[Insert legal description of Future Expansion Area]

(e) The Future Expansion Area may be added to the Condominium in its entirety or in parcels, in one amendment to this Master Deed or in separate amendments, at the same time or at different times, all in Developer's discretion. There are no restrictions upon the order in which portions of the Future Expansion Area may be added to the Condominium.

(f) There are no restrictions upon the locations of any improvements that may be made on any portions of the Future Expansion Area, and Developer reserves the right to locate such improvements in Developer's sole discretion subject only to such applicable laws and ordinances which may affect the Condominium, and the approved site plan for the Project, as the same may be amended. By way of illustration, and not as a limitation on Developer, the Developer has the right to create larger units in the Future Expansion Area, which may or may not contain Limited Common Element Yard Areas, and/or to create a portion of the Units as attached units.

(g) The number of Units which Developer reserves the right to construct, all or in part, upon the Future Expansion Area is up to 280 units, for a maximum of up to 363 Units which may be included in the Condominium (including the Units now shown on the Plan).

(h) All land and improvements added to the Condominium shall be restricted exclusively to residential units and to such Common Elements as may be consistent and 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.

(i) The extent to which any structure erected on any portion of the Future Expansion Area added to the Condominium are compatible with structures on land included in the original Master Deed is solely within the discretion of the Developer, subject only to the requirements of local ordinances and building authorities, and is not limited by this Master Deed.

(j) There are no restrictions as to types of Condominium Units which may be created upon the Future Expansion Area except that such Units must comply with state law, local ordinances and the requirements of building authorities.

(k) Developer may create Limited Common Elements upon the Future Expansion Area and designate Common Elements thereon which may be subsequently assigned as Limited Common Elements. The nature of any such Limited Common Elements to be added to the Condominium is exclusively within the discretion of the Developer.

(l) If the Condominium is expanded, it shall be expanded by an amendment to the Master Deed or by a series of successive amendments to the Master Deed, each adding Future Expansion Area and/or improvements to the Condominium.

(m) Any amendment to the Master Deed which alters the number of Units in the Condominium shall proportionately readjust the existing Percentages of Value of Condominium Units to preserve a total value of one hundred (100%) percent for the entire Condominium. Percentages of Value shall be readjusted and determined in accordance with the method and formula described in Article VI of this Master Deed.

(n) Any expansion shall be deemed to have occurred at the time of the recording of an amendment to this Master Deed embodying all essential elements of the expansion. At the conclusion of expansion of the Condominium, not later than one hundred eighty (180) days after completion of construction, a Consolidating Master Deed and plans showing the Condominium "as built" shall be prepared and recorded by the Developer. A copy of the recorded Consolidating Master Deed shall be provided to the Association.

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 rights-of-way shown on the Condominium Plan. 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 rights-of-way as the same are shown on the Condominium Plan. 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 roads and road rights-of-way 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. 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 all roads and road rights-of-way in the Condominium to the Livingston County Road Commission (or other appropriate governmental unit with appropriate jurisdiction).

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

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

ARTICLE XII

ASSIGNMENT

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

(without the consent of any other Co-owner or any mortgagee of any Unit) to take the following actions:

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

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

(4) Amendments to Effectuate Modifications. In any amendment or amendments resulting from the exercise of the rights reserved to Developer above, each portion of the Unit or Units resulting from such 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

ARTICLE XIII

SUBDIVISION, CONSOLIDATION AND OTHER MODIFICATIONS OF UNITS

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

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

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

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

(4) Amendments to Effectuate Modifications. In any amendment or amendments resulting from the exercise of the rights reserved to Developer above, each portion of the Unit or Units resulting from such 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.

(5) Conformity with Laws and Ordinances. All actions taken under this Article XIII must comply with all applicable laws and ordinances, including, without limitation, any approvals required by the Township of Genoa.

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

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

WITNESSES:

SIGNED BY:

ROLLING RIDGE LAND DEVELOPMENT COMPANY, a Michigan corporation

By:

MICHAEL P. HOROWITZ
Its: President

STATE OF MICHIGAN)
 : ss
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me this _____ day of _____, 1996, by MICHAEL P. HOROWITZ, the President of ROLLING RIDGE LAND DEVELOPMENT COMPANY, a Michigan corporation, on behalf of the corporation.

NOTARY PUBLIC
County of Oakland, State of Michigan
My Commission Expires: _____

PREPARED BY AND WHEN RECORDED RETURN TO:

Dean J. Gould, Esq.
JACKIER, GOULD, BEAN, UPFAL,
EIZELMAN & GOLDMAN
1533 N. Woodward Avenue, Suite 250
Bloomfield Hills, MI 48304
(810) 642-0500

condos\rolling\master.dee
November 7, 1996

ROLLING RIDGE

EXHIBIT A

BY-LAWS

ARTICLE I

ASSOCIATION OF CO-OWNERS

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

ARTICLE II

ASSESSMENTS

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

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

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

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

(b) Special Assessments. Special assessments, in addition to those required in subparagraph (a) above, may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other requirements of the Association, including, but not limited to: (1) assessments for additions to the General Common Elements of a cost exceeding Two Thousand (\$2,000.00) Dollars for the entire Condominium Project per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 hereof, or (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subparagraph (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 sixty (60%) percent of all Co-owners. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or of the members thereof.

Section 3. Apportionment of Assessments and Penalty for Default. Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with the percentage of value allocated to each Unit in Article VI of the Master Deed, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit. Annual assessments as determined in accordance with Article II, Section 2(a), above, shall be payable by Co-owners either in twelve (12) equal monthly installments, quarterly or annually, in the discretion of the Board of Directors, subject to Section 7 below, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. A late fee of Twenty Five (\$25.00) Dollars per month shall be imposed on each installment which is in default for ten (10) or more days. 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 one or more persons) shall be, and remain, personally liable for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment) pertinent to his Unit which may be levied while such Co-owner is the owner thereof, except a land contract purchaser from any Co-owner (including Developer), shall be so personally liable and such land contract seller shall not be personally liable for all such assessments levied up to and including the date upon which such land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorneys' fees; second, to any interest charges and fines for late payment on such installments; and third, to installments in default in order of their due dates.

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

Section 5. Enforcement.

(a) Remedies. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against his Unit, the Association shall have the right to

declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of services to a Co-owner in default upon seven (7) days' written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to utilize any of the General Common Elements of the Project and shall not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-owner of ingress or egress to and from his Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him. 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.

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

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

Co-owner(s) of record. Such affidavit shall be recorded in the office of the Register of Deeds of Livingston County prior to commencement of any foreclosure proceedings, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the delinquent Co-owner and shall inform him that he may request a judicial hearing by initiating suit against the Association.

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

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

Section 7. Developer's Responsibility for Assessments. The Developer of the Condominium, although a member of the Association, shall not be responsible at any time for payment of the regular Association assessments. The Developer, however, shall at all times pay all expenses of maintaining the Units that it owns, including the improvements located thereon, together with a proportionate share of all current expenses of administration actually incurred by the Association from time to time, except expenses related to maintenance and use of the Units in the Project and of the improvements constructed within or appurtenant to the Units that are not owned by Developer. For purposes of the foregoing sentence, the Developer's proportionate share of such expenses shall be based upon the ratio of all Units owned by the Developer at the time the expense is incurred to the total number of Units then in the Project. In no event shall 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 residential dwelling 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 residential dwelling" shall mean a residential dwelling with respect to which a temporary or final certificate of occupancy has been issued by Genoa Township. For purposes of this Section 7, the term "Developer" shall also include any successor developer so designated by Developer.

Co-owner(s) of record. Such affidavit shall be recorded in the office of the Register of Deeds of Livingston County prior to commencement of any foreclosure proceedings, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the delinquent Co-owner and shall inform him that he may request a judicial hearing by initiating suit against the Association.

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

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

Section 7. Developer's Responsibility for Assessments. The Developer of the Condominium, although a member of the Association, shall not be responsible at any time for payment of the regular Association assessments. The Developer, however, shall at all times pay all expenses of maintaining the Units that it owns, including the improvements located thereon, together with a proportionate share of all current expenses of administration actually incurred by the Association from time to time, except expenses related to maintenance and use of the Units in the Project and of the improvements constructed within or appurtenant to the Units that are not owned by Developer. For purposes of the foregoing sentence, the Developer's proportionate share of such expenses shall be based upon the ratio of all Units owned by the Developer at the time the expense is incurred to the total number of Units then in the Project. In no event shall 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 residential dwelling 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 residential dwelling" shall mean a residential dwelling with respect to which a temporary or final certificate of occupancy has been issued by Genoa Township. For purposes of this Section 7, the term "Developer" shall also include any successor developer so designated by Developer.

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. 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. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of such Unit shall render any unpaid assessments 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 constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record.

ARTICLE III

ARBITRATION

Section 1. Scope and Election. Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between Co-owners and the Association shall, upon the election and written consent of the parties to any such disputes, claims or grievances and written notice to the Association, be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding. At the exclusive option of the Association, a contract to settle by arbitration shall be executed by the Developer with respect to any claim that might be the subject of a civil action against the Developer, which claim arises out of or relates to the Common Elements of the Condominium Project if the amount of the claim is Ten Thousand (\$10,000.00) Dollars or less. At the exclusive option of a Co-owner, any claim which might be the subject of a civil action against the Developer which involves an amount less than Two Thousand Five Hundred (\$2,500.00) Dollars and arises out of or relates to a Co-owner's Unit or the 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, and common amenities and common areas which may be located outside 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 \$500,000 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 provisions 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 and common amenities or common areas under the control of the Association, 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 Limited Common Elements be created in accordance with Article IX of the Master Deed.

(c) Premium Expenses. All premiums on insurance purchased by the Association pursuant to these Bylaws 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 Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the 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 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 building and all other improvements constructed or to be constructed within the perimeter of his Condominium Unit Area and for his 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 personal liability for occurrences within the perimeter of his Unit or the improvements located thereon (naming the Association and the Developer as insureds), 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 Developer (and

thereafter by the Association) and each Co-owner shall furnish evidence of such coverage to the Association or the Developer annually.

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 Unit 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 Developer (and thereafter the Association). This Section 5 shall not, however, 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 Bylaws.

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 VI of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium of 100%. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner.

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

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

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

Section 7. Notification of FHLMC, FNMA, Etc. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC"), Federal National Mortgage Association ("FNMA"), Government National Mortgage Association ("GNMA"), the Michigan State Housing Development Authority ("MSHDA"), or insured by the Veterans Administration ("VA"), Department of Housing and Urban Development ("HUD"), Federal Housing Association ("FHA") or any private or public mortgage insurance program, then the Association shall give the aforementioned parties written notice, at such address as they may from time to time direct, of any loss to or taking of the Common Elements of the

Condominium if the loss or taking exceeds Ten Thousand and 00/100 (\$10,000.00) Dollars in amount or damage to a Condominium Unit or dwelling covered by a mortgage purchased, held or insured by them.

ARTICLE VI

RESTRICTIONS

Section 1. Uses Permitted. No Unit shall be used for other than residential purposes and construction of a Residence and other permitted Structures therein in conformance with the Condominium Documents. No Co-owner shall carry on any commercial activities anywhere on the premises of the Condominium. Notwithstanding the foregoing, Developer may conduct any of the activities expressly described in the Master Deed or its exhibits.

Section 2. Architectural Controls.

(a) Purpose of Architectural Controls. The Developer intends and desires that all Structures within the Condominium be architecturally harmonious and pleasing and that the design and location of such Structures take into account the preservation of trees and the natural environment of the Condominium. In order to insure that such goals are accomplished, the Developer shall, in its sole discretion, have the right to approve or disapprove the appearance, construction, materials, proposed location, design, specifications and any other attribute of any Structure.

(b) Prior Approval of Proposed Structures. Except as otherwise expressly provided herein, the Developer shall have exclusive jurisdiction over the rights of approval and enforcement set forth in the Condominium Documents. A Co-owner may only construct, install or place on a Unit (or appurtenant Limited Common Element Yard Area) those Structures that have been approved in writing by the Developer in the manner set forth herein. Developer may construct or authorize any improvements on a Unit (or appurtenant Limited Common Element Yard Area) that Developer, in its sole discretion, elects to make without the prior consent of the Association or any other person or entity, subject only to the express limitations in the Condominium Documents. Before constructing any Residence or making any exterior improvement, change, or elevation change upon any Unit (or appurtenant Limited Common Element Yard Area), a Co-owner shall receive the written approval of the Developer. No application for a building permit or any other governmental approval of construction shall be filed until written approval of the Developer is received. The Developer shall approve in advance the licensed residential builder engaged by the Co-owner to construct a Residence and any other improvements upon the Co-owner's Unit (or appurtenant Limited Common Element Yard Area). The Developer may require that such builder or Co-owner furnish to the Association adequate security, in the Developer's sole discretion, to protect the Association against costs and expenses it might incur in connection with the failure of the builder or Co-owner to complete construction in a timely and diligent manner in accordance with the approved plans and specifications for the Residence and other

improvements. No Structure may be built, installed, or placed upon or in any Unit (or appurtenant Limited Common Element Yard Area) unless the Co-owner of such Unit has first obtained the Developer's written approval of the following documentation:

(i) Survey. A topographic survey of the Unit prepared and certified by a licensed engineer or architect showing existing and proposed grades, the location of all trees in excess of three (3") inches in diameter, and the proposed location of each Structure located or to be located upon the Unit.

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

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

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

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

(c) Assignment of Developer's Approval Rights. Developer's rights under this Article VI, Section 2 may, in Developer's sole discretion, be assigned to the Association, a "Successor Developer" (as defined in Section 135 of the Act), or other successor to Developer. There shall be no surrender of this right prior to the issuance of certificates of occupancy of Residences in all of the Units in the Condominium, except in a written instrument in recordable form executed by Developer and specifically assigning to the Association or other successor(s) to Developer the rights of approval and enforcement set forth in this Section 2 of Article VI. From and after the date of such assignment or later expiration of Developer's exclusive powers, the Board of Directors of the Association shall exercise all such powers, and Developer shall have no further responsibilities with respect to any matters of approval or enforcement set forth herein.

Section 3. Building Restrictions. Except as otherwise permitted herein, no Structure may be constructed, installed or placed on a Unit and/or appurtenant Limited Common Element

Yard Area, except for one detached Residence which shall not exceed the zoning ordinance height limitations of the Township of Genoa and which Residence shall include an attached two-car garage and appropriate driveway and parking areas, subject further to the following restrictions:

(a) Minimum Residence Size. All Residences built in the Condominium shall contain the minimum square footage required at the time of construction by the Township of Genoa. In addition, each Residence shall contain, at a minimum, the following "livable floor areas":

(i) A one story Residence shall have a minimum livable floor area of 1,200 square feet.

(ii) A one and one-half story Residence shall have a minimum livable floor area of 1,400 square feet.

(iii) A two story Residence shall have a minimum livable floor area of 1,400 square feet.

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

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

ALL RESIDENCES MUST BE CONSTRUCTED WHOLLY WITHIN THE BOUNDARIES OF THE UNITS AND NO ENCROACHMENTS INTO THE LIMITED COMMON ELEMENT YARD AREAS SHALL BE PERMITTED WITHOUT THE PRIOR WRITTEN APPROVAL OF THE DEVELOPER, THE ASSOCIATION, AND, IF REQUIRED BY LAW, GENOA TOWNSHIP.

(c) Completion of Construction and Landscaping. Construction of a Residence must commence within six (6) months after acquisition of a Unit, unless a different time period is approved by Developer, in its sole discretion. The exterior of all Residences and other Structures must be completed as soon as practical after construction has commenced, except where such completion is impossible or would result in great hardship to the owner or builder due to strikes, fires, national emergency or natural calamities. All Units shall be sodded and appropriately landscaped within 90 days of occupancy. If, however, occupancy of the Residence occurs after October 1, then the Unit shall be sodded and appropriately landscaped by June 1 of the following year.

(d) Garages. All garages shall be attached to the Residence. Developer shall have the sole and conclusive authority to determine whether a proposed garage design is attached to the Residence. Front entry garages will be permitted; provided, however, that front entry garages shall not extend more than two (2') feet beyond the front porch.

(e) Roofs. Flat roofs are prohibited.

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

(g) Front Porches. A minimum of sixty (60%) percent of the Residences in the Condominium will be required to have front porches of a size not less than sixty (60) square feet (the "Extended Front Porches"). Nothing contained herein shall limit the construction of more than sixty (60%) percent of Extended Front Porches in the Condominium Project. All Extended Front Porches must be covered.

(h) Varied Front Elevations. No substantially similar front elevation in style and color of any Residence shall be duplicated on any Unit as follows: For residences on the same side of the street as the Residence, no substantially similar front elevation in style and color will be permitted within a distance of less than three residences on either side of the Residence. For residences across the street from the Residence, no substantially similar front elevation in style and color will be permitted directly across the street from the Residence or within one residence on either side thereof. The Developer may, in its sole discretion, waive this requirement, and any waiver shall not be construed as conferring upon any other Co-owner the right to a waiver of this restriction.

(i) Air Conditioners and Similar Equipment. No external air conditioning unit shall be placed in or attached to a window or wall in the front of any Residence. No external air conditioning unit shall be placed in or attached to any window or wall of any Residence without the prior written approval of the Board of Directors. No compressor or other component of a central air conditioning system (or similar system, such as a heat pump) shall be so located upon any Unit so as to be visible from the street on which such Unit fronts, and to the extent reasonably possible, all such external equipment shall be located on the Unit so as to minimize the negative impact thereof on any adjoining Unit in terms of noise and appearance. In general, such equipment shall be located only in the rear yard (not in any side yard area), within five (5') feet of the rear wall of the Residence.

(j) Tree Protection and Preservation. Trees located upon Units shall be preserved if required by any applicable ordinances of the Township of Genoa. In addition, trees measuring six (6") inches or more in diameter at forty-two (42") inches above ground level may not be removed without the written approval of the Developer. Prior to commencement of construction, each Co-owner shall submit to the Developer a plan for the preservation of trees in connection with the construction process. The Co-owner shall not commence construction unless such plan is approved by the Developer.

It shall be the responsibility of each Co-owner to maintain and preserve all large trees within his or her Unit, which responsibility includes welling trees, if necessary.

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

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

Section 4. Activities. No noxious or offensive activity shall be performed upon any Unit, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the occupants or Co-owners's of other Units. There shall not be maintained any animal or device or thing of any sort whose normal activities or existence is in any way noxious, noisy, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the reasonable enjoyment of other Units in the Condominium. The Board of Directors of the Association shall be the final arbiter of whether a particular animal, device or thing is in violation of the foregoing restrictions. No Co-owner shall do or permit anything to be done or keep or permit to be kept in the Co-owner's Unit, Residence or on the Common Elements anything that will increase the cost of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition

even if approved, which increased cost may be assessed to and collected from the Co-owner in the manner provided in Article II hereof. Neither this Section 4 or any other provision of these Bylaws shall be deemed to prohibit or limit the easement reserved to the Developer and its designee for exploration for and the extraction of minerals from the land committed to the Condominium.

Section 5. Aesthetics. The Common Elements shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in the Master Deed or in duly adopted rules and regulations of the Association. All rubbish, trash, garbage and other waste shall be regularly removed from each Unit and shall not be allowed to accumulate therein. Trash receptacles shall at all times be maintained inside each individual garage and shall not be permitted to remain elsewhere except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. It shall be the responsibility of each Co-owner to prevent the development of any unclean, unsightly or unkempt condition of buildings or grounds on the Co-owners's Unit. No lawn ornaments, sculptures or statues shall be placed or permitted to remain on any Unit without the prior written permission of the Board of Directors. No unsightly condition shall be maintained upon any courtyard, deck, patio or porch and only furniture and equipment consistent with ordinary courtyard, deck, patio or porch use shall be permitted to remain there during seasons when the same are reasonably in use and no furniture or equipment of any kind shall be stored on decks, patios or porches during seasons when the same are not reasonably in use. Neither the Unit nor the Limited Common Element Yard Area surrounding each Unit shall be used in any way for the drying, shaking, or airing of clothing or other fabrics. Except by the Developer so long as Developer owns and offers for sale at least one (1) Unit in the Condominium, no building materials, landscaping materials or firewood shall be stockpiled on any Unit or appurtenant Limited Common Element Yard Area. In general, no activity shall be carried on nor condition maintained by a Co-owner, either within a Unit or appurtenant Limited Common Element Yard Area or upon the Common Elements, which is detrimental to the appearance of the Condominium.

Section 6. Animals or Pets. No animals or fowl (except household pets) shall be kept or maintained on any Unit at any time. Any pets kept in the Condominium shall have such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions. No savage or dangerous animal shall be kept. No animal may be permitted to run loose upon the Common Elements, and any animal shall at all times be attended by a responsible person while on the Common Elements. Any person who causes or permits an animal to be brought or kept on the Condominium property shall indemnify the Association and hold it harmless for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the Condominium property.

Section 7. Vehicles. No trailers, boats, aircraft, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobile trailers, jet skis , jet ski trailers or other recreational vehicles, or any other vehicles, other than passenger cars, passenger vans, pick-up trucks and so-called "Blazer"-type vehicles shall be parked or maintained on any Unit unless in a suitable private garage built in accordance with the restrictions set forth in the Condominium Documents. No vehicle that is used to promote a commercial enterprise, or used in connection

with such an enterprise, shall be parked in the Condominium, or on any Unit, unless parked in a garage as provided above, except while making deliveries or pickups in the normal course of business. Use of motorized vehicles of any kind in the areas designated as "parks" on the Condominium Subdivision Plan is expressly prohibited.

Section 8. Basketball Hoops and Play Areas. Basketball hoops and play areas are permitted subject to strict compliance with the following restrictions:

(a) No florescent or bright colors shall be permitted for either the post or the backboard. The ground mounted post shall be painted black and the backboard of the basketball hoop shall be clear.

(b)

Section 9. Signs, Advertising and Mailboxes. No commercial signs, except "for sale" signs of a normal and usual size, shape and material, shall be erected or maintained on any Unit or Limited Common Element Yard Area except with the written permission of the Board of Directors or except as may be required by legal proceedings. If such permission is granted, the Board of Directors shall have the right to restrict size, color and content of such signs. All mailboxes, delivery receptacles and the like shall be of a standard color, size and style determined by the Board of Directors and shall be erected only in areas designated by the Board of Directors.

Section 10. Rules and Regulations. Reasonable regulations consistent with all laws and the Condominium Documents concerning the use of the Common Elements or the rights and responsibilities of the Co-owners and the Association with respect to the Condominium or the manner of operation of the Association and of the Condominium may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors (or its successors) prior to the Transitional Control Date. Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-owners or posted on a General Common Element. Any such regulation or amendment may be revoked at any time by the affirmative vote of a majority of the Co-owners.

Section 11. Public Road Access Restriction. The sole means of access for every Unit in the Condominium to and from Latson Road shall be over the Condominium roads depicted on the Condominium Subdivision Plan. Direct access to Latson Road from any Unit is prohibited. This provision may not be amended without the prior written approval of the Township of Genoa or the Livingston County Road Commission, as the case may be.

Section 12. Landscaping. No Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Elements without the prior written approval of the Board of Directors or unless the landscaping or planting are permitted by rules duly adopted by the Association.

Section 13. Television Antenna and Similar Devices. Except for saucer shaped devices no more than eighteen (18") inches in diameter, no outside television antenna or other antenna, aerial, saucer, dish or similar device shall be placed, constructed, altered or maintained on any Unit, unless the Board of Directors determines in its sole discretion that the absence of an outside antenna causes substantial hardship with respect to a particular Unit.

Section 14. Dog Kennels and Similar Shelters. During the Development and Sales Period, no dog kennel, dog run or similar shelter shall be constructed or maintained upon a Unit without prior architectural review and written approval by the Developer. After the Development and Sales Period has elapsed, no such structure shall be constructed or maintained upon a Unit without the prior review and written approval of the Board of Directors of the Association.

Section 15. Outbuildings and Other Structures. No Structure of a temporary character shall be placed upon any Unit at any time. No temporary occupancy shall be permitted in an unfinished Residence. The use of a trailer for materials and supplies to be used in the construction of a Residence and which shall be removed from the premises upon enclosure of the Residence, may be allowed with the written consent of the Board of Directors which shall have the sole discretion to approve or disapprove same. No old or used building of any kind shall be brought on any Unit or into the Condominium. No accessory building shall be permitted on any Unit. No mobile home, trailer, house or camping trailer, tent, shack, tool storage shed, barn, tree house or other similar outbuilding or Structure shall be placed on any Unit at any time, either temporarily or permanently. Plans for a swimming or bath house must be specifically approved by the Developer.

Section 16. Swimming Pools. No above ground swimming pool shall be erected or maintained upon any Unit. No in-ground swimming pool shall be erected or maintained upon or in any Unit without a permit duly issued by the Township of Genoa and the prior written approval of the Board of Directors as to size, location, materials and type of construction, including the design of any fencing required by the Township of Genoa. The maximum height and linear footage of any fencing permitted by this Section shall not exceed the minimum allowed by the Township of Genoa. Chain-link fences of any kind are expressly prohibited.

Section 17. Fences. No fence or wall of any kind shall be erected or maintained on any Unit without the express prior written consent of the Board of Directors, which shall have the sole and absolute discretion to determine the suitability of any such fence or wall. No fence, wall or hedge shall be located nearer to any front lot line than is permitted by the Zoning Ordinance of the Township of Genoa. No fence, wall or hedge shall be maintained or erected which blocks or hinders vision at street intersections. No full yard or chain-link fencing shall be permitted.

Section 18. Co-owner Maintenance. Each Co-owner shall maintain the Unit owned, the Residence constructed therein and any Limited Common Elements appurtenant thereto for which the Co-owner has maintenance responsibility in a safe, clean and sanitary condition. All vacant and unimproved Units must remain free of debris, litter and trash and be cleaned up regularly. All grass and weeds on any vacant and unimproved Unit must be mowed at least

once monthly or more often if required by the Developer. Where a Residence is under construction within a Unit, all debris, construction debris, unusable materials, litter and trash must be cleaned up and removed every Friday afternoon and more often if required by the Board of Directors. Each Co-owner shall also use due care to avoid damaging any of the Common Elements, including but not limited to the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other utilities located in or on any Unit which are appurtenant to or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by the Co-owner or the Co-owner's family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association in which case there shall be no such responsibility, unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount. Any costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

Section 19. Common Elements. The Common Elements shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and absolutely intended. No Co-owner may leave personal property of any description (including by way of example and not limitation: bicycles, vehicles, chairs and benches) unattended on or about the Common Elements. Use of all Common Elements may be limited to such times and in such manner as the Board of Directors shall determine by duly adopted regulations.

Section 20. Alterations and Modifications of the Common Elements. No Co-owner shall make changes in any of the Common Elements, limited or general, without the express written approval of the Board of Directors. The Board of Directors may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium as provided herein.

Section 21. Weapons. No Co-owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his or her family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows, sling shots, or other similar weapons, projectiles or devices anywhere on or about the Condominium.

Section 22. Leasing and Rental. Co-owners, including the Developer, may rent any number of Units at any time for any term of occupancy of not less than six (6) months and covering not less than the entire Unit, subject to the following:

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

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

(c) Procedures in the Event of Noncompliance with Condominium Documents. 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 actions:

(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 thirty (30) days (or such additional time as may be granted by the Association if the Co-owner is diligently proceeding to cure) after receipt of such notice to investigate and correct the alleged breach by the tenant or 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 an action for eviction against the tenant or non-owner occupant and, in the same action sue the Co-owner and tenant or non-owner occupant for money damages for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages to the Common Elements caused by the Co-owner or tenant in connection with the Unit or Condominium. If the Association is under the control of the Developer, individual Co-owners may pursue the judicial relief provided in this subparagraph (c)(iii) derivatively on behalf of the Association.

(d) Notice to Co-owner's Tenant Permitted When Co-owner is in Arrears to the Association for Assessments. When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying the Residence within the 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 further assessments as they fall due and pay them to the Association. The deductions shall not constitute a breach of the rental agreement or lease by the tenant.

Section 23. Condominium Grading Plan and Surface Water Drainage. The grade of any Unit in the Condominium may not be changed from the grading plan established for the Condominium by the Developer and approved by the Township of Genoa without the prior written consent of the Board of Directors and any governmental authority having jurisdiction.

(a) Surface Drainage Grades. It shall be the responsibility of each Co-owner to maintain the surface drainage grades of the Co-owner's Unit as established by the

Developer. Each Co-owner covenants not to change the surface grade of the Co-owner's Unit in a manner which will materially increase or decrease the storm water flowing onto or off of the Co-owner's Unit. Each Co-owner further covenants not to block, pond or obstruct surface water. The Board of Directors of the Association shall enforce these covenants and may enter upon any Unit in the Condominium to correct any violation of these covenants. The Board shall charge the cost of the correction to the Co-owner and such costs shall be a lien upon the Co-owner's Unit.

(b) Footing Drains. It shall be the responsibility of each Co-owner to assure that the footing drains on the Co-owner's Unit, if any, are clear of obstruction and are installed in accordance with the drainage system established for the Condominium. It shall be the responsibility of each Co-owner to maintain the footing drains within the Co-owner's Unit. If any Co-owner shall fail to maintain the footing drains or shall fail to have such drains properly installed as part of the storm water drainage system, the Association may enter upon such Co-owner's Unit and perform all necessary connections, repairs and maintenance of the footing drains. The costs for such connections, repairs and maintenance shall be charged to the Co-owner and shall be a lien upon the Co-owner's Unit.

Section 24. Non-Disturbance of Wetlands. A portion of the land in the Condominium is open space which includes wetland areas protected by the Goemaere-Anderson Wetland Protection Act, Public Act No. 203 of 1979. These areas are shown on the Condominium Subdivision Plan. Under the provisions of the Goemaere-Anderson Wetland Protection Act, activities affecting wetland areas may only be undertaken after a permit has been obtained from the Michigan Department of Natural Resources. Restricted activities include any disturbance of a wetland by depositing material in the wetland, dredging or removing material from the wetland, draining water from the wetland and constructing, operating or maintaining any use or development in the wetland. In order to assure that no inadvertent violations of the Goemaere-Anderson Wetland Protection Act occur, no Co-owner may disturb the wetland areas contained in the areas designated as parks in the Condominium Subdivision Plan. In addition, 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 bordering on the Condominium. The Association may ban fertilizers which may damage any such wetlands from use in the Condominium.

Section 25. Reserved Rights of Developer.

(a) Prior Approval by Developer. Until certificates of occupancy are issued for Residences in all of the Units in the Condominium, no buildings, landscaping, paving, fences, walls, retaining walls, drives, decks, 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 of Residences, until plans and specifications are approved by the Developer as provided in Section 2 of this Article VI.

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

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

(d) Site Maintenance. Developer reserves for itself and for the Association and their respective agents the right to enter upon any Unit for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds or other unsightly growth, which in the opinion of Developer detracts from the overall beauty, setting and safety of the Condominium. Such entrance for the purpose of mowing, cutting, clearing or pruning shall not be deemed a trespass. Developer and the Association and their respective agents may likewise enter upon such land to remove any trash which has collected on such Unit without such entrance and removal being deemed a trespass. The provisions of this paragraph shall not be construed as an obligation on the part of the Developer or the Association to mow, clear, cut, or prune grass or plants on any Unit nor to provide garbage or trash removal services.

Section 26. Special Assessments for Road Improvements. At some time subsequent to the initial development of the Condominium, it may become necessary to pave or improve some or all of the roads within or adjacent to the Condominium. The improvement may be financed, in whole or in part, by the creation of a special assessment district or districts which may include the Condominium. The acceptance of a conveyance or the execution of a land contract by any Co-owner or such purchaser of a Unit shall constitute the agreement by such Co-owner or purchaser, and his or her heirs, executors, administrators and 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 51% of all Co-owners. No consent of mortgagees shall be required for approvals of said public road improvement.

Section 27. Community Water System. All Residences are required to connect to the Genoa Township community water system prior to occupancy. Each Co-owner shall be responsible for paying any tap-in fees or assessments to connect to the community water system as well as to all other public utilities.

Section 28. Township of Genoa Ordinances. All Co-owners shall be required to comply with the minimum requirements contained in the Township of Genoa ordinances, unless stricter requirements are contained in the Master Deed and these Condominium By-Laws, in which event the stricter requirements shall control.

Section 29. PUD Agreement. The property upon which the Condominium is located is known as the "Lorentzen PUD" and is subject to a Planned Unit Development Agreement, which has been recorded with the Livingston County Register of Deeds in Liber 2038, Page 39, Livingston County Records (the "PUD Agreement"). The PUD Agreement includes certain development restrictions and requirements, which are binding on the Developer and all Co-owners in the Condominium, to the extent applicable.

Section 30. Chapter 18 Drainage District. Certain lands in the Project have been designated for surface water accumulation in connection with the proposed drainage easements and the establishment of a Chapter 18 Drainage District. All such lands shall continue to be used in such a manner so as to facilitate the proper drainage of the Project and shall be subject to a perpetual and permanent easement in favor of the Livingston County Drain Commissioner, the County of Livingston and the _____ Drainage District administered by the Livingston County Drain Commissioner (collectively referred to as "Grantee"), and Grantee's successors, assigns and transferees, in, over, under and through the drainage easements as shown on the Condominium Subdivision Plan, which easement(s) may not be amended or revoked except with the written approval of Grantee, and which contains the following terms and conditions and grants the following rights:

(a) The Easement shall be for the purpose 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;

(b) The Grantee shall have the right to sell, assign, transfer or convey this Easement to any other governmental unit;

(c) No Co-owner in the Condominium Project shall build or convey to another any permission to build any permanent structures on the said Easement; No Co-owner in the Condominium Project shall build or place on the area covered by the Easement

any other 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 effect the rights of Grantee under said Easement;

(d) The Grantee and its agents, contractors and designated representatives shall have right of entry on and gain access to the Easement property and shall repair and restore, in a timely manner, the Easement property to its condition immediately prior to such entry. Subject to Grantee's obligation to repair and restore the Easement property, all Co-owners in the Condominium Project release Grantee and its successors, assigns and transferees from any and all claims to damages to the Easement property in any way arising from or incident to the construction and maintenance of a drain or sewer or otherwise arising from or incident to the reasonable exercise by Grantee of its rights under the said Easement, and all Co-owners covenant not to sue Grantee for damages consistent with the release provisions contained herein.

The rights granted to the County of Livingston, the Livingston County Drain Commissioner and/or the _____ Drainage District and their successors and assigns, under this paragraph may not be amended without the express written consent of the Grantee hereunder. Any purported amendment or modification of the rights granted hereunder shall be void and without legal effect unless agreed to in writing by the Grantee, its successors and assigns.

Section 31. Unit Limited Common Element Yard Area. All restrictions to "Units" hereunder and elsewhere in the Condominium Documents shall also include the "Limited Common Element Yard Areas", whether or not specifically stated.

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 sixty (60) days.

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

Section 3. Notification of Meetings. Upon request submitted to the Association, any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to

receive written notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

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

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

ARTICLE VIII

VOTING

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

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

Section 3. Designation of Voting Representative. Each Co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-owner. Such notice shall state the name and address of the individual representative designated, the number or numbers of the Condominium Unit or Units owned by

the Co-owner, and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the Co-owner. Such notice shall be signed and dated by the Co-owner. The individual representative designated may be changed by the Co-owner at any time by filing a new notice in the manner herein provided.

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

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

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

ARTICLE IX

MEETINGS

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

Section 2. First Annual Meeting. The First Annual Meeting of members of the Association may be convened only by the Developer and may be called at any time after more than fifty (50%) percent of the total number of Units that may be created in Rolling Ridge, as it may be expanded, have been sold and the purchasers thereof qualified as members of the Association. In no event, however, shall such meeting be called later than one hundred twenty (120) days after the conveyance of legal or equitable title to non-developer Co-owners of seventy five (75%) percent of the total number of Units that may be created in Rolling Ridge, as it may be expanded, or fifty four (54) months after the first conveyance of legal or equitable title

to a non-developer Co-owner of a Unit in the Project, whichever first occurs. Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting of members and no such meeting shall be construed as the First Annual Meeting of members. The date, time and place of such meeting shall be set by the Board of Directors, and at least ten (10) days' written notice thereof shall be given to each Co-owner.

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

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

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

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

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

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

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

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

ARTICLE X

ADVISORY COMMITTEE

Within one year after conveyance of legal or equitable title to the first Unit in the Condominium to a purchaser or within one hundred twenty (120) days after conveyance to purchasers of one third (1/3) of the total number of Units which may be created in the Condominium as it may be expanded pursuant to Article X of the Master Deed, whichever first occurs, the Developer shall cause to be established an Advisory Committee consisting of at least three (3) non-developer Co-owners. The Committee shall be established and perpetuated in any manner the Developer deems advisable except that if more than fifty (50%) percent of the non-developer Co-owners petition the Board of Directors for an election to select the Advisory Committee, then an election for such purpose shall be held. The purpose of the Advisory Committee shall be to facilitate communications between the temporary Board of Directors and the other Co-owners and to aid in the transition of control of the Association from the Developer to purchaser Co-owners. The Advisory Committee shall cease to exist automatically when the

non-developer Co-owners have the voting strength to elect a majority of the Board of Directors of the Association. The Developer may remove and replace at its discretion at any time any member of the Advisory Committee who has not been elected thereto by the Co-owners.

ARTICLE XI

BOARD OF DIRECTORS

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

Section 2. Election of Directors.

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

(b) Appointment of Non Developer Co-owners to Board Prior to First Annual Meeting. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-owners of twenty five (25%) percent in number of the Units that may be created, one of the five (5) Directors shall be selected by non-Developer Co-owners. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-owners of fifty (50%) percent in number of the Units that may be created, two (2) of five (5) directors shall be elected by non-Developer Co-owners. When the required number of conveyances has been reached, the Developer shall notify the non-Developer Co-owners and request that they hold a meeting and elect the required Director. Upon certification by the Co-owners to the Developer of the Director so elected, the Developer shall then immediately appoint such Director to the Board to serve until the First Annual Meeting of members unless he is removed pursuant to Section 7 of this Article or he resigns or becomes incapacitated.

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

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

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

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

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

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

Section 3. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and

things as are not prohibited by the Condominium Documents or required thereby to be exercised and done by the Co-owners.

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

- (a) To manage and administer the affairs of and to maintain the Condominium Project and the General Common Elements thereof;
- (b) To levy and collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association;
- (c) To carry insurance and collect and allocate the proceeds thereof;
- (d) To rebuild improvements after casualty;
- (e) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium Project;
- (f) To acquire, maintain and improve; and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit in the Condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association;
- (g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of seventy five (75%) of all of the members of the Association in number and in value;
- (h) To make rules and regulations in accordance with Article VI, Section 10 of these By-Laws;
- (i) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committees any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board; and
- (j) To enforce the provisions of the Condominium Documents.

Section 5. Management Agent. The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity

related thereto) at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 3 and 4 of this Article, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any other contract providing for services by the Developer, sponsor or builder, in which the maximum term is greater than three (3) years or which is not terminable by the Association upon ninety (90) days written notice thereof to the other party and no such contract shall violate the provisions of Section 55 of the Act.

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

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

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

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular

meetings of the Board of Directors shall be given to each Director personally, by mail, telephone or telegraph, at least ten (10) days prior to the date named for such meeting.

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

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

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

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

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

ARTICLE XII

OFFICERS

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

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

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

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

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

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

Section 3. Removal. Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called

for such purpose. No such removal action may be taken, however, unless the matter shall have been included in the notice of such meeting. The officer who is proposed to be removed shall be given an opportunity to be heard at the meeting.

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

ARTICLE XIII

SEAL

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

ARTICLE XIV

FINANCES

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

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

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

statutory successors and may also be invested in interest bearing obligations of the United States Government.

ARTICLE XV

INDEMNIFICATION OF OFFICERS AND DIRECTORS

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

ARTICLE XVI

AMENDMENTS

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

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

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

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

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

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

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

ARTICLE XVII

COMPLIANCE

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

ARTICLE XVIII

DEFINITIONS

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

ARTICLE XIX

REMEDIES FOR DEFAULT

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

Section 1. Legal Action. Failure to comply with any of the terms or provisions of the Condominium Documents shall be grounds for relief, which may include, without intending to

limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.

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

Section 3. Removal and Abatement. The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements or into any Unit (but not into any Residence or related garage), where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.

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

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

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

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

ARTICLE XX

ASSESSMENT OF FINES

Section 1. General. The violation by any Co-owner, occupant or guest of any provisions of the Condominium Documents including any duly adopted rules and regulations shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines against the involved Co-owner. Such Co-owner shall be deemed responsible for such violations whether they occur as a result of his personal actions or the actions of his family, guests, tenants or any other person admitted through such Co-owner to the Condominium Premises.

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

(a) Notice. Notice of the violation, including the Condominium Document provision violated, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will place the Co-owner on notice as to the violation, shall be sent by first class mail, postage prepaid, or personally delivered to the representative of said Co-owner at the address as shown in the notice required to be filed with the Association pursuant to Article VIII, Section 3 of these By-Laws.

(b) Opportunity to Defend. The offending Co-owner shall have an opportunity to appear before the Board and offer evidence in defense of the alleged violation. The appearance before the Board shall be at its next scheduled meeting but in no event shall the Co-owner be required to appear less than ten (10) days from the date of the Notice.

(c) Default. Failure to respond to the Notice of Violation constitutes a default.

(d) Hearing and Decision. Upon appearance by the Co-owner before the Board and presentation of evidence of defense, or, in the event of the Co-owner's default, the Board shall, by majority vote of a quorum of the Board, decide whether a violation has occurred. The Board's decision is final.

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

(a) First Violation. No fine shall be levied.

(b) Second Violation. A fine of Seventy-Five Dollars (\$75.00).

(c) Third Violation. A fine of One Hundred Dollars (\$100.00).

(d) Fourth Violation and Subsequent Violations. A fine of One Hundred and Fifty Dollars (\$150.00) for each violation.

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

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

ARTICLE XXI

RIGHTS RESERVED TO DEVELOPER

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the right and power to approve or disapprove any act, use, or proposed action or any other matter or thing, may be assigned by it to any other entity or entities (including, without limitation, a "successor developer", as defined in Section 135 of the Act), or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its acceptance of such powers and rights and such assignee or transferee shall thereupon have the same rights and powers as herein given and reserved to the Developer. Any rights and powers reserved or granted to the Developer or its successors shall terminate, if not sooner assigned to the Association, upon expiration of the Development and Sales Period. The immediately preceding sentence dealing with the termination of certain rights and powers granted or reserved to the Developer is intended to apply, insofar as the Developer is concerned, only to the Developer's rights to approve and control the administration of the Condominium and shall not, under any circumstances, be construed to apply to or cause the termination of any real property rights granted or reserved to the Developer or its successors and assigns in the Master Deed or elsewhere (including, but not limited to, mineral rights, access easements, utility easements and all other interests or easements created, excepted or reserved in such documents which shall not be terminable in any manner hereunder and which shall be governed only in accordance with the terms of their creation, exception or reservation and not hereby).

ARTICLE XXII

SEVERABILITY

In the event that any of the terms, provisions or covenants of these By-Laws or the Condominium Documents are held to be partially or wholly invalid or unenforceable for any

reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or covenants of such documents or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

condosv-ridgebylaws
November 7, 1996