LIBER 2869 PAGÉO 920 RECORDED

2000 DEC -41P 4:21

NANCY HAVILAND REGISTER OF DEEDS LIVINGSTON COUNTY, MI. 48843

MASTER DEED & SIG

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- U-OU Dianne H. Hardy, Treasurer
Sec. 185 Act 266, 1896 as Amended
HOMESTEAD DENIALS NOT EXAMINED

or appear on the records in this office except as stated.

LIVINGSTON COUNTY TREASURER'S CERTIFICATE I hereby certify that there are no TAX LIENS or TITLES held by the state or any individual against the within description, and all TAXES are same as paid for five years previous to the date of this instrument

CRYSTAL WOOD ESTATE

LIVINGSTON COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 212

THIS MASTER DEED is made and executed as of this ______day of October, 2000, by Crystal Wood Homes LLC, a Michigan limited liability company ("Developer"), whose address is 28530 Orchard Lake Road, Suite 110, Farmington Hills, Michigan 48334.

WITNESSETH:

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

NOW, THEREFORE, upon the recording hereof, Developer establishes Crystal Wood Estate as a Condominium under the 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 the 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 Crystal Wood Estate, Livingston County Condominium Subdivision Plan No 212. The architectural plans and specifications for each Residence of the Condominium will be filed with Marion Township. The number, boundaries, dimensions and volume of each Unit in the Condominium are set forth in the Condominium Subdivision Plan attached as Exhibit B hereto. Each Unit is capable of individual use, having its own access to a Common Element of the Condominium 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 designated by the Master Deed. Co-owners shall have voting rights in the Association (as defined in Article III(b)) as set forth herein and in the Bylaws and Articles of Incorporation of the Association.

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ARTICLE II LEGAL DESCRIPTION

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

Part of the Northeast fractional ¼ of Section 3, T2N-R4E, Marion Township, Livingston County, Michigan, more particularly described as follows: Commencing at the East 1/4 corner of said Section 3; thence along the East line of said Section 3, said line also being the West line of "FOXCROFT", a subdivision as recorded in Liber 23 of Plats, pages 24-27, Livingston County Records, N 02°00'13" W, 1584.56 feet (previously recorded as N 02°00'52" W, 1584.00 feet) to the POINT OF BEGINNING of the Parcel to be described; thence S 89°21'50" W (previously recorded as S 89°21'11" W), 380.53 feet; thence N 00°49'43" W, 316.82 feet; thence S 89°10'17" W, 232.11 feet; thence Westerly on an arc left, having a length of 32.26 feet, a radius of 197.00 feet, a central angle of 09°22'57", and a long chord which bears S 84°28'49" W, 32.22 feet; thence Westerly on an arc right, having a length of 333.33 feet, a radius of 433.00 feet, a central angle of 44°06'24", and a long chord which bears N 78°09'28" W, 325.16 feet; thence Westerly on an arc left, having a length of 192.73 feet, a radius of 367.00 feet, a central angle of 30°05'22", and a long chord which bears N 71°08'57" W, 190.53 feet; thence Westerly on an arc right, having a length of 132.52 feet, a radius of 263.00 feet, a central angle of 28°52'13", and a long chord which bears N 71°45'31" W, 131.12 feet; thence N 57°19'25" W, 200.81 feet; thence along the Easterly Right-of-Way line of said Norton Road (66 foot wide Right-of-Way), N 32°40'35" E, 66.00 feet; thence S 57°19'25" E, 200.81 feet; thence Easterly on an arc left, having a length of 99.26 feet, a radius of 197.00 feet, a central angle of 28°52'13", and a long chord which bears S 71°45'31" E, 98.22 feet; thence Easterly on an arc right, having a length of 227.39 feet, a radius of 433.00 feet, a central angle of 30°05'22", and a long chord which bears S 71°08'57" E, 224.79 feet; thence Easterly on an arc left, having a length of 282.52 feet, a radius of 367.00 feet, a central angle of 44°06'24", and a long chord which bears S 78°09'28" E. 275.59 feet; thence Easterly on an arc right, having a length of 43.07 feet, a radius of 263.00 feet, a central angle of 09°22'57", and a long chord which bears N 84°28'49" E, 43.02 feet; thence N 89°10'17" E, 232.11 feet; thence N 00°49'43" W, 651.19 feet; thence N 89°24'41" E (previously recorded as N 89°24'02" E), 359.32 feet; thence along the East line of said Section 3 and the West line of said "FOXCROFT" subdivision, S 02°00'13" E (previously recorded as S 02°00'52" E), 1,034.00 feet; to the POINT OF BEGINNING; Containing 10.45 acres, more or less, and subject to the rights of the public over the existing Norton Road. Also subject to any other easements or restrictions of record.

ARTICLE III DEFINITIONS

Certain terms used in this Master Deed and the Exhibits hereto, and in the Articles of Incorporation and Bylaws of the Association are defined as follows:

- (a) The "Act" means Act 59 of the Public Acts of Michigan of 1978, as amended.
- (b) "Association" means Crystal Wood Estate Condominium Association, a 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) "Bylaws" means Exhibit A hereto, which are the Bylaws required for the Condominium and also the Bylaws required for the Association.
- (d) "Common Elements" means the portions of the Condominium other than the Condominium Units.
- (e) "Condominium" means Crystal Wood Estate 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, limited liability company, association, trust or other legal entity or any combination thereof who or which owns one or more Units in the Condominium. Developer is a Co-owner as long as Developer owns one or more Units.
- (j) "Developer" means Crystal Wood Homes LLC, a Michigan limited liability company, its successors or assigns. All development rights reserved to Developer herein are assignable in writing; provided, however, that conveyances of Units by Developer, including the conveyance of Units to a "successor developer" pursuant to Section 135 of the Act, shall not serve to assign Developer's development rights unless the instrument of conveyance expressly so states.
- (k) "General Common Elements" means the Common Elements other than the Limited Common Elements.
- (l) "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.
- (m) "Master Deed" means this document to which the Condominium Bylaws and Condominium Subdivision Plan are attached as exhibits.
- (n) "Mortgagee" means the named mortgagee or owner of any mortgage on all or any portion of the Condominium.
- (o) "Open Space Areas" means the General Common Element Open Space Areas shown on the Plan as approved by the Township.

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- (p) "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.
- (q) "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.
- (r) "Residence" means a residential dwelling together with an attached garage constructed within the perimeter of a Unit in accordance with the architectural and building specifications and use restrictions set forth in this Master Deed.
 - (s) "Township" means the Township of Marion, Livingston County, Michigan.
- (t) "Transitional Control Date" means the date on which the Board of Directors of the Association takes office pursuant to an election in which the votes which may be cast by eligible Co-owners unaffiliated with the Developer exceed the votes which may be cast by the Developer.

ARTICLE IV COMMON ELEMENTS

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

(a) The General Common Elements are:

- (1) The land (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 II hereof, including any roads, drives, parking areas, walks and landscaped areas, except to the extent any of the foregoing are designated herein or in the Plan as Limited Common Elements;
- (2) The roads throughout the Condominium, so long as neither the Developer nor the Association has dedicated the roads to public use through the acceptance of such dedication by the Township of Marion or any other governmental entity; Developer intends to dedicate the roads in the Condominium to public use as soon as practicable after the recordation of this Master Deed, and Developer has reserved the right and power to dedicate the roads in Article VII of this Master Deed;
- (3) The storm water drainage system throughout the Condominium, including below-ground and above-ground systems, and the electrical, gas, storm sewer, telephone, plumbing and cable television (if any) networks or systems throughout the Condominium, including that contained within Units to the extent that the portion within the Unit is a utility 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) All beneficial utility and drainage easements; and

- (5) Such other elements of the Condominium not herein designated as Limited Common Elements which are not enclosed within the boundaries of a Unit.
 - (b) No Limited Common Elements currently exist.
- (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 any landscaped areas in the roads (the landscaped areas in the entrance way located in the roads shall be maintained by the Association even if the roads are publicly dedicated) 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) Separate Residences will be built in the Units depicted on the Plan. Except as otherwise expressly provided, the responsibility for, and the costs of maintenance, decoration, repair and replacement of a Residence and all other improvements within each Unit shall be borne by the Co-owner of the Unit which is served thereby. A Residence and other improvements within each Unit shall conform in all respects to the architectural and building specifications and use restrictions provided in the Bylaws, this Master Deed, the rules and regulations, if any, of the Association and applicable ordinances of the Township.

The Association shall administer any repair or replacement of Limited Common Elements, on the signed petition of a majority of the Owners to whom the Limited Common Element is appurtenant, by obtaining bids for any required work and notifying the Owners of the appurtenant Limited Common Elements of the amount of the special assessment that shall be imposed for such work. The Association has no obligation to cause any repair or replacement work on the Limited Common Elements to be performed until the special assessment (or the first installment thereof, if the Association determines an installment plan is appropriate and fiscally sound) is paid in full by the Owners of the Units to which the Limited Common Elements at issue is appurtenant. Any costs or special assessments imposed by the Association on any Unit in the Condominium pursuant to this Article IV(c)(5) shall be a lien on the Units assessed as provided in Article II of the Bylaws. The affirmative vote of a majority of the Owners of the Units to which such Limited Common Element is appurtenant is required to impose any such special assessments.

(3) 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.

ARTICLE V USE OF PREMISES

Each Unit shall only be used for single family residential purposes. No more than one (1) Residence shall be constructed on a Unit. All Residences and other improvements constructed in the Unit shall comply with the terms, provisions and conditions of this Master Deed and the Condominium Bylaws. No person shall use any Unit or the Common Elements in any manner inconsistent with the purposes of the Condominium or in any manner which will interfere with or impair the rights of any other Co-owner in the use and enjoyment of the Condominium.

ARTICLE VI CONDOMINIUM UNIT DESCRIPTION AND PERCENTAGE OF VALUE

The Condominium consists of twenty-one (21) residential Units. Each Unit is described in this paragraph with reference to the Condominium Subdivision Plan 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 Percentage of 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 of 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 Percentage of Value was to determine that the expenses incurred by the Association in connection with the Units should be equal.

ARTICLE VII EASEMENTS, RESTRICTIONS AND AGREEMENTS

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

- (a) Developer (on its behalf and on behalf of its successors) hereby reserves permanent easements for ingress and egress over the roads and walks in the Condominium and permanent easements to use, tap into, enlarge or extend all roads, walks and utility lines in the Condominium, including, without limitation, all communications, water, gas, electric, storm and sanitary sewer lines, and any pumps, sprinklers or water retention areas, all of which easements shall be for the benefit of any land in the vicinity of the Condominium if now owned or hereafter acquired by Developer, Developer's affiliates or their successors or assigns. These easements shall run with the land in perpetuity. Developer has no financial obligation to support such easements, except that any dwelling unit using the roads, if such unit is not included within the Condominium and if the roads in the Condominium are not public roads, 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 reserves the right and power to grant easements over, or dedicate, portions of any of the Common Elements for utility, drainage, street, safety, conservation or construction purposes, and all persons acquiring any interest in the Condominium, including without limitation all Co-owners and mortgagees shall be deemed to have appointed Developer and its successors as agent and attorney-in-fact to make such easements or dedications. After certificates of occupancy are issued for Residences in all of the Units in the Condominium, the foregoing right and power may be exercised by the Association.
- (c) There shall be easements to and in favor of the Association, and its officers, directors, agents and designees (and the Developer prior to the First Annual Meeting), in, on and over all Units, for access to the Units and the exterior of each of the Residences and appurtenances that are constructed within each Unit to conduct any activities authorized by this Master Deed or the Condominium Bylaws.
- (d) 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, 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.

- Easements for the construction, installation and maintenance of public utilities, and for drainage and retention facilities, are reserved as shown on the Plan. Within all of the foregoing easements, unless the necessary approvals are obtained from the appropriate municipal authority and except for the paving necessary for each Unit's driveway, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of such service facilities and utilities, including underground electrical and telephone local distribution systems, or which may change, obstruct or retard the flow or direction of water in and through drainage in the easements, nor shall any change, which may obstruct or retard the flow of surface water or be detrimental to the property of others, be made by the Owner in the finished grade of any Site once established by the builder upon completion of construction of the Residence thereon. The easement area of each Site and all improvements in it shall be maintained (in a presentable condition continuously) by the Site Owner, except for those improvements for which a public authority or utility company is responsible, and the Site Owner shall be liable for damage to service facilities and utilities thereon, including damage to electric, gas, and telephone distribution lines and facilities therein. Except as may be otherwise provided herein, each Site Owner shall maintain the surface area of easements within the Owner's Site, to keep weeds out, to keep the area free of trash and debris, and to take such action as may be necessary to eliminate or minimize surface erosion.
- (f) Developer intends to, and by recordation of this Master Deed reserves the right and power to, dedicate the sewer and water infrastructure and 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 in behalf of all Co-owners and their mortgagees in any statutory or special assessment proceedings with respect to the dedicated roads. After certificates of occupancy are issued for 100% of the Units in the Condominium, the foregoing rights and powers may be exercised by the Association.
- Subdivision Plan will be maintained (not including snow removal), replaced, repaired, and resurfaced as necessary by the Association. In the event any of the roads are dedicated to the public, the Association will remain responsible for snow plowing such roads. It is the Association's responsibility to inspect and to perform preventive maintenance of the Condominium roadways on a regular basis in order to maximize their useful life and to minimize repair and replacement costs. In the event the Association fails to provide adequate maintenance, repair or replacement of the private roads, the Township may serve written notice of such failure upon the Association. Such written notice shall contain a demand that the deficiencies of maintenance, repair, or replacement be cured within a stated reasonable time period. Following such notice, and an opportunity to be heard before the legislative body, or a designate thereof, the Township may undertake such maintenance, repair, or replacement and the cost thereof, plus a twenty-five (25%) percent administrative fee, may be billed to the Association as a whole and, if not promptly paid, assessed against the Co-owners and collected as a special assessment on the next annual Township tax roll. No public funds of the Township of Marion are to be used to build, repair or maintain the private roads.
- (h) Until such time as the roads have been dedicated to the public, there shall exist for the benefit of the Township or any emergency service agency, an easement over all roads in the Condominium for use by the Township and/or emergency vehicles. Said easement shall be for purposes of ingress and egress to provide, without limitation, fire and police protection, ambulance and rescue

services, and other lawful governmental or private emergency services to the Condominium and Coowners thereof. This grant of easement shall in no way be construed as a dedication of any streets, roads, or driveways to the public.

- (i) All Co-Owners shall refrain from prohibiting, restricting, limiting or in any manner interfering with normal ingress, egress and use by an of the other Co-Owners of the roads within the Condominium. Normal ingress and egress and use shall include use by family, guests, invitees, vendors, tradesmen, delivery persons and others bound to or returning from any of the Units and having a need to use the roads.
- (j) The architectural and building specifications and use restrictions set forth in Article VI of the Bylaws govern the development and use of each Unit in the Condominium along with the provisions of this Master Deed and the Condominium Subdivision Plan. All improvements made within any Unit, including the construction of a Residence and any other structure, and the use and occupancy thereof, shall (i) comply fully with the architectural and building specifications and use restrictions established by Article VI of the Bylaws, (ii) received all necessary Township approvals and (iii) comply with the Township's zoning ordinance. The terms, provisions, restrictions and conditions of Article VI of the Bylaws are incorporated fully herein by this reference.
- (k) In the event any portion of a Residence, 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 minor 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.
- (I) Upon approval by an affirmative vote of not less than 51% of all Co-owners, 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 premises. In the event that a special assessment road improvement project is established pursuant to applicable Michigan law, the collective costs assessable to the condominium premises as a whole shall be borne equally by all Co-owners.
- (m) There shall exist in favor of the Township permanent easements to use, tap into, enlarge or extend all roads, walks and utility lines in the Condominium, including, without limitation, all communications, water, gas, electric, storm and sanitary sewer lines, and any pumps, sprinklers or water retention areas, all of which easements shall be for the benefit of any land in the vicinity of the Condominium. These easements shall run with the land in perpetuity.
- (n) The sanitary sewer and water system within the Condominium is being built by Developer and will dedicated to the Township upon completion and following inspection and approval by the Township. The cost of these systems will be assessed equally to the 104 Units within the Condominium and will be payable over twenty (20) years. Co-owners will have the option of assuming the assessments relating to their particular Unit for a corresponding reduction in cost to the Unit.
- (o) Until and unless dedicated to the public, there shall exist a perpetual, non-exclusive easement for vehicular and pedestrian ingress and egress on, over, across and through Crystal Crossing Drive and Crystal Court for the use of the co-owners, from time to time, of the Crystal Wood Condominium.
- (p) Together with the Crystal Wood Condominium Association ("Neighbor Association"), the Association has jointly assumed responsibility for the snowplowing of both the private and the public

roads throughout the Condominium. The Association shall be responsible for 24/125 of the cost of the snowplowing and the Neighbor Association shall be responsible for 101/125 of the cost of the snowplowing.

(q) <u>Crystal Wood Estate Drain Drainage District.</u>

- (1) Attached as Exhibit A is an Agreement establishing the Crystal Wood (Estate) Drain Drainage District, pursuant to Section 433 of Act No. 40 of the Public Acts of 1956, as amended. A copy of the 433 Agreement is recorded in the Livingston County Register of Deeds at Liber _____ Page
- (2) Those portions of the storm sewer drainage facilities not established as a county drain under the 433 Agreement are not under the jurisdiction of the Drainage District or the Livingston County Drain Commissioner, and any maintenance and improvement of these facilities are the responsibility of the Association as provided in the Master Deed and Bylaws.
- (3) Easements. There shall exist easements over all units and common elements for purposes of construction, maintenance and improvement of storm water drainage as designated in the 433 Agreement. The easements are granted in favor of the Crystal Wood (Estate) Drain Drainage District. The Drainage District shall have the right to sell, assign, transfer or convey this easement to any other governmental unit. The Livingston County Drain Commissioner, and his agents, contractors and designated representatives shall have the right of entry on, and to gain access to, the easement property.
- (4) No unit owner shall disturb the grade or otherwise modify the areas within the easements in any way inconsistent with the Drain. No unit owner shall install, maintain, repair or replace landscaping materials located within the Drain easement areas lying within such unit owner's area in any way inconsistent with the use by the Drainage District. All unit owners shall release Grantee and its successors, assigns or transferees from any and all claims to damages in any way arising from or incidental to the construction and maintenance of the Drain, or otherwise arising from or incidental to the exercise by the Drainage District of its rights under said easements, and all unit owners covenant not to sue the Drainage District for any such damages.
- (5) Assessments for the Crystal Wood (Estate) Drain. All costs relating to the maintenance and improvement of the Crystal Wood (Estate) Drain shall be borne by the Drainage District and assessed to the unit owners pursuant to Act No. 40 of the Public Acts of 1956, as amended.

ARTICLE VIII AMENDMENTS

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

- (b) Amendments may be made and recorded by Developer or by the Association.
- (c) 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 Percentage of Value of the votes of the Co-owners and Mortgagees of the Units (unless a greater majority is specified in the Condominium Bylaws). A Mortgagee shall have one vote for each mortgage held.

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- (d) 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 Bylaws, subject to any restrictions on amendments stated therein;
- (3) To correct arithmetic errors, typographical errors, survey errors, or any similar errors in the Master Deed, Plan or Condominium Bylaws;
 - (4) To clarify or explain the provisions of the Master Deed or its exhibits;
- (5) To comply with the Act or rules promulgated thereunder or with any requirements of any governmental or quasi-governmental agency or any financing institution providing or proposing to provide a mortgage on any Unit or to satisfy the title requirements of any title insurer insuring or proposing to insure title to any Unit;
- (6) To convert the Convertible Areas of the Condominium and to redefine Common Elements and adjust Percentages of Value in connection therewith and to make any other amendment expressly permitted by this Master Deed;
 - (7) To make, define or limit easements affecting the Condominium;
- (8) To record an "as-built" Condominium Subdivision Plan and/or consolidating master deed; and
- (9) To amend the description of land included in the Condominium as set forth in Article II of this Master Deed and on the Plan in the event the roads in the Condominium are dedicated to public use to Livingston County 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.
- (e) Notwithstanding any other provision of this Article VIII, the method or formula used to determine the Percentages of Value for Units in the Condominium, as described above, and any provisions relating to the ability or terms under which a Co-owner may rent a Unit to others, may not be modified without the consent of each affected Co-owner and Mortgagee. A Co-owner's Condominium Unit dimensions or appurtenant Limited Common Elements may not be modified without the Co-owner's consent. The Association may make no amendment which materially changes the rights of Developer without the written consent of the Developer as long as the Developer owns any Units in the Condominium.
- (e) No amendment shall be made which materially changes the rights of the Township without the written consent of the Township.

ARTICLE IX CONVERTIBLE AREAS

- (a) Developer reserves the right, but not the obligation to designate the Common Elements and all unsold Units on the Condominium Subdivision Plan as Convertible Areas within which the unsold Units and Common Elements may be modified and within which unsold Units may be expanded, moved, deleted and created as provided in this Article IX. The Developer further reserves the right, but not an obligation, to convert the Convertible Areas.
- (b) The Developer reserves the right, in its sole discretion but subject always to Township approval pursuant to applicable laws, 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 approval of the Township and 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 twenty-one (21) 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 re-recording an entire Master Deed or the Exhibits thereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits hereto. Nothing herein contained, however, shall in any way obligate Developer to convert the Convertible Areas. These provisions give notice to all Co-owners, Mortgagees and other persons acquiring interests in the Condominium that such amendments of this Master Deed may be made and recorded, and no further notice of such amendment shall be required.
- (e) All modifications to Units and Common Elements made pursuant to this Article IX shall be given effect by appropriate amendments to this Master Deed in the manner provided by law, which amendments shall be prepared by and at the discretion of the Developer and in which the Percentages of Value set forth in Article VI hereof shall be proportionately readjusted, if the Developer deems it to be applicable, in order to preserve a total value of 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 <u>any Common Element previously included</u> in the Condominium for any purpose reasonably necessary to achieve the purposes of this Article IX.

ARTICLE X 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.

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IN WITNESS WHEREOF, Developer has signed this Master Deed the day and year first above written.	
WITNESSES:	CRYSTAL WOOD HOMES LLC, a Michigan limited liability company
John M. Breza	By: Kalabat Construction, Inc., a Michigan corporation Its: Member By: Jamal S. Kalabat Its: President
Print Name: Connie M. Faull	
STATE OF MICHIGAN) ss. COUNTY OF Oakland) The foregoing instrument was acknown	wledged before me this 11 day of October, 2000, by

Jamal S. Kalabat the President of Kalabat Construction, Inc., a Michigan corporation, Member of Crystal Wood Homes LLC, a Michigan limited liability company, on behalf of the limited liability company.

Printed Name:

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

CONNIE M. FAULL

Notary Public, Macomb County, Michigan acting in Calcland

My Commission Expires December 03, 2004

THIS INSTRUMENT DRAFTED BY AND WHEN RECORDED RETURN TO:

John M. Breza
Honigman Miller Schwartz and Cohn LLP
2290 First National Building
Detroit, Michigan 48226
(313) 465-7626

CRYSTAL WOOD ESTATE

EXHIBIT A

BYLAWS

ARTICLE I ASSOCIATION OF OWNERS

Crystal Wood Estate, a residential condominium located in Marion Township, Livingston County, Michigan, shall be administered by an Association of Owners which shall be a nonprofit corporation, herein referred to as the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and required by Section 3(8) of the Act and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Owner shall be entitled to membership in the Association and no other person or entity shall be entitled to membership in the Association. The share of an Owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to the Owner's Site. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium available at reasonable hours to Owners, prospective purchasers and prospective mortgagees of Sites in the Condominium. The Association, all Owners in the Condominium and all persons using or entering upon or acquiring any interest in any Site therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the Condominium Documents. All capitalized terms used herein shall have the same meaning as set forth in the Master Deed to which these Bylaws are attached as an Exhibit or as set forth in the Act.

ARTICLE II ASSESSMENTS

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

- Section 1. <u>Taxes Assessed on Personal Property Owned or Possessed in Common.</u> 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 Owners, and personal property taxes based thereon shall be treated as expenses of administration.
- Section 2. <u>Receipts and Expenditures Affecting Administration</u>. Expenditures affecting administration of the Condominium shall include all costs incurred in satisfaction of any liability arising within, caused by or connected with the Common Elements or the administration of the Condominium. Receipts affecting administration of the Condominium shall include all sums received by the Association as proceeds of, or pursuant to, a policy of insurance securing the interests of the Owners against liabilities or losses arising within, caused by or connected with the Common Elements or the administration of the Condominium.

- Section 3. <u>Determination of Assessments</u>. Assessments shall be determined in accordance with the following provisions:
- The Annual Budget and Regular Annual Assessments. 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, including a reasonable allowance for contingencies and reserves. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Owner and the assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Owner shall not affect or in any way diminish the liability of any Owner for any existing or future assessments. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular annual payments as set forth in Section 5 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 (excluding that portion of the budget allocated to the reserve fund itself) on a non-cumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate, the Association should carefully analyze the Condominium 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. The Board of Directors shall annually consider the needs of the Condominium to determine if a greater amount should be set aside in reserve or if additional reserve funds should be established for any other purposes. The regular annual Association assessments provided in this Article II, Section 3(a) shall be levied in the sole discretion of the Board of Directors.
- (b) Special Assessments. Special assessments, in addition to those required in subparagraph (a) above and those described in Article IV(c) of the Master Deed, may be made by the Board of Directors from time to time and approved by the Owners as hereinafter provided to meet other appropriate requirements of the Association. Special assessments referred to in this subparagraph (b) shall be levied only with the prior approval of more than sixty (60%) percent of all Owners in number and in Percentage of Value. 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.
- Section 4. <u>Apportionment of Assessments.</u> Unless otherwise provided herein or in the Master Deed, all assessments levied against the Owners to cover expenses of management, administration and operation of the Condominium shall be apportioned among and paid by the Owners in accordance with the Percentage of Value assigned to each Site in Article VI of the Master Deed.
- Section 5. Payment of Assessments and Penalty for Default. Annual assessments as determined in accordance with Article II, Section 3(a) above shall be payable annually by Owners, commencing with acceptance of a deed to or a land contract vendee's interest in a Site, or with the acquisition of fee simple title to a Site by any other means. Developer shall not pay assessments for the Sites it owns. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. Each assessment in default for ten (10) or more days shall bear interest from the initial due date thereof at the rate of seven (7%) percent per annum until each assessment is paid in full. The Board of Directors may also adopt uniform late charges pursuant to Section 10 of Article VI of these Bylaws. Each Owner (whether one [1] or more persons) shall be, and remain, personally liable for the payment of all assessments (including interest, late charges and costs of collection and enforcement of payment) levied against the Site which may be levied while such Owner is the owner thereof, except a land contract purchaser from any Owner including the

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Developer shall be so personally liable and such land contract seller shall not be personally liable for all such assessments levied up to and including the date upon which, if applicable, such land contract seller actually takes possession of the Site following extinguishment of all rights of the land contract purchaser in the Site. Payments on account of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorneys' fees; second, to any interest and other charges for late payment on such assessments; and third, to installments in default in order of their due dates. An Owner selling a Site shall not be entitled to any refund whatsoever from the Association with respect to any reserve, account or other asset of the Association.

Section 6. <u>Effect of Waiver of Use or Abandonment of Site</u>. An Owner's waiver of the use or enjoyment of any of the Common Elements or abandonment of the Owner's Site shall not exempt the Owner from liability for the Owner's contribution toward the expenses of administration.

Section 7. Enforcement.

- (a) Remedies. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. The Association may also discontinue the furnishing of any utilities or other services to an Owner in default upon seven (7) days' written notice to such Owner of its intention to do so. An Owner in default shall not be entitled to vote at any meeting of the Association so long as such default continues. In a judicial foreclosure action, a receiver may be appointed to and empowered to take possession of the Site (if the Site is not occupied by the Owner) and to lease the Site and collect and apply the rental therefrom. All of these remedies shall be cumulative and not alternative.
- (b) Foreclosure Proceedings. Each Owner, and every other person who from time to time has any interest in the Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the statutory lien that secures payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Owner and every other person who from time to time has any interest in the Condominium shall be deemed to have authorized and empowered the Association to sell or cause to be sold the Site with respect to which the assessment(s) is or are delinquent to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by Michigan law. The Association, acting on behalf of all Owners, may bid at the foreclosure sale, and acquire, hold, lease, mortgage, or convey the Site sold.
- (c) <u>Notice of Action</u>. The Association may not commence proceedings to foreclose a lien for unpaid assessments without recording and serving a notice of lien in the following manner:
 - (i) The notice of lien shall set forth the legal description of the Condominium Site or Sites to which the lien attaches, the name of the Owner of record thereof, the amount due the Association as of the date of the notice, exclusive of interest, costs, attorneys fees and future assessments.
 - (ii) The notice of lien shall be in recordable form, executed by an authorized representative of the Association, and may contain such other information as the Association deems appropriate.

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- (iii) The notice of lien shall be recorded in the office of the register of deeds in the county in which the Condominium is situated and shall be served upon the delinquent Owner by first class mail, postage prepaid, addressed to the last known address of the Owner at least ten (10) days in advance of the commencement of the foreclosure proceedings.
- (d) <u>Expenses of Collection</u>. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, plus any late charges, shall be chargeable to the Owner in default and shall be secured by the lien on the Site.
- Section 8. <u>Liability of Mortgagee</u>. Notwithstanding any other provisions of the Condominium Documents, if the mortgagee of a first mortgage of record or other purchaser of a Condominium Site obtains title to the Condominium Site as a result of foreclosure of the first mortgage, such person, its successors and assigns, is not liable for the assessments by the Association chargeable to the Site which became due prior to the acquisition of title to the Site by such person and the expiration of the period of redemption from such foreclosure. The unpaid assessments are deemed to be common expenses collectible from all of the Condominium Site Owners including such persons, its successors and assigns.
- Section 9. <u>Developer's Responsibility for Assessments</u>. Notwithstanding any other provisions of the Condominium Documents to the contrary, the Developer shall not pay regular annual Association assessments for Sites which are owned by the Developer so long as the Sites are vacant and unoccupied, but the Developer shall at all times pay all expenses of maintaining the Sites that it owns, including the improvements located therein. Developer shall in no event be liable for any assessment levied in whole or in part to purchase any Site 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.
- Section 10. <u>Unpaid Assessments Due on Site Sale: Statement of Unpaid Assessments.</u> Upon the sale or conveyance of a Condominium Site, all unpaid assessments against the Condominium Site shall be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except (a) amounts due the State of Michigan or any subdivision thereof for taxes or special assessments due and unpaid on the Site and (b) payments due under first mortgages having priority thereto. A purchaser of a Condominium Site is entitled to a written statement from the Association setting forth the amount of unpaid assessments outstanding against the Site and the purchaser is not liable for any unpaid assessment in excess of the amount set forth in such written statement, nor shall the Site be subject to any lien for any amounts in excess of the amount set forth in the written statement. Any purchaser or grantee who fails to request a written statement from the Association as provided herein at least five (5) days before the sale, or to pay unpaid assessments against the Site at the closing of the Site purchase if such a statement was requested, shall be liable for any unpaid assessments against the Site together with interest, costs and attorneys' fees incurred in connection with the collection thereof.

Section 11. <u>Property Taxes and Special Assessments.</u>

- (a) <u>Compliance</u>: All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.
- (b) Road Improvements: At some time subsequent to the initial development, it may become necessary to pave or improve some or all of the roads within or adjacent to the Condominium premises. The improvement may be financed, in whole or in part, by the creation of a

special assessment district or districts which may include Crystal Wood Estate. Upon approval by an affirmative vote of not less than fifty-one (51%) percent of all Co-owners, the Board of Directors of the Association shall be vested with full power and authority to sign petitions requesting establishment of a special assessment district pursuant to applicable Michigan statutes for improvement of roads within or adjacent to the Condominium premises, 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 petition for improvement of such public roads, the desirability of said improvement shall be approved by an affirmative vote of not less than 51% of all Co-owners. No consent of mortgagees shall be required for approval of said public road improvements.

- (c) <u>Costs of Special Assessment District</u>: In the event that a special assessment road improvement project is established pursuant to applicable Michigan law, the collective costs assessable to the Condominium premises as a whole shall be borne equally by all Co-owners.
- Section 12. <u>Construction Liens</u>. A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

ARTICLE III JUDICIAL ACTIONS AND CLAIMS

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

- Section 1. <u>Board of Directors' Recommendation to Co-owners</u>. The Association's Board of Directors shall be responsible in the first instance for recommending to the Co-owners that a civil action be filed, and supervising and directing any civil actions that are filed.
- Section 2. <u>Litigation Evaluation Meeting</u>. Before an attorney is engaged for purposes of filing a civil action on behalf of the Association, the Board of Directors shall call a special meeting of the Co-owners ("litigation evaluation meeting") for the express purpose of evaluating the merits of the proposed civil action. The written notice to the Co-owners of the date, time and place of the litigation evaluation meeting shall be sent to all Co-owners not less than twenty (20) days before the date of the meeting and shall include the following information copied onto 8-1/2" x 11" paper:
- (a) A certified resolution of the Board of Directors setting forth in detail the concerns of the Board of Directors giving rise to the need to file a civil action and further certifying that:

- (i) it is in the best interests of the Association to file a lawsuit;
- (ii) that at least one (1) member of the Board of Directors has personally made a good faith effort to negotiate a settlement with the putative defendant(s) on behalf of the Association, without success;
 - (iii) litigation is the only prudent, feasible and reasonable alternative; and
- (iv) the Board of Directors' proposed attorney for the civil action is of the written opinion that litigation is the Association's most reasonable and prudent alternative.
- (b) A written summary of the relevant experience of the attorney ("litigation attorney") the Board of Directors recommends be retained to represent the Association in the proposed civil action, including the following information:
 - (i) the number of years the litigation attorney has practiced law; and
 - (ii) the name and address of every condominium and homeowner association for which the attorney has filed a civil action in any court, together with the case number, county and court in which each civil action was filed.
- (c) The litigation attorney's written estimate of the amount of the Association's likely recovery in the proposed lawsuit, net of legal fees, court costs, expert witness fees and all other expenses expected to be incurred in the litigation.
- (d) The litigation attorney's written estimate of the cost of the civil action through a trial on the merits of the case ("total estimated cost"). The total estimated cost of the civil action shall include the litigation attorney's expected fees, court costs, expert witness fees, and all other expenses expected to be incurred in the civil action.
 - (e) The litigation attorney's proposed written fee agreement.
- (f) The amount to be specially assessed against each Unit in the Condominium to fund the estimated cost of the civil action both in total and on a monthly per Unit basis, as required by Section 6 of this Article III.
- Section 3. <u>Independent Expert Opinion</u>. If the lawsuit relates to the condition of any of the Common Elements of the Condominium, the Board of Directors shall obtain a written independent expert opinion as to reasonable and practical alternative approaches to repairing the problems with the Common Elements, which shall set forth the estimated costs and expected viability of each alternative. In obtaining the independent expert opinion required by the preceding sentence, the Board of Directors shall conduct its own investigation as to the qualifications of any expert and shall not retain any expert recommended by the litigation attorney or any other attorney with whom the Board of Directors consults. The purpose of the independent expert opinion is to avoid any potential confusion regarding the condition of the Common Elements that might be created by a report prepared as an instrument of advocacy for use in a civil action. The independent expert opinion will ensure that the Co-owners have a realistic appraisal of the condition of the Common Elements, the likely cost of repairs to or replacement of the same, and the reasonable and prudent repair and replacement alternatives. The independent expert opinion shall be sent to all Co-owners with the written notice of the litigation evaluation meeting.

- Section 4. <u>Fee Agreement with Litigation Attorney</u>. The Association shall have a written fee agreement with the litigation attorney, and any other attorney retained to handle the proposed civil action. The Association shall not enter into any fee agreement that is a combination of the retained attorney's hourly rate and a contingent fee arrangement unless the existence of the agreement is disclosed to the Co-owners in the text of the Association's written notice to the Co-owners of the litigation evaluation meeting.
- Section 5. <u>Co-Owner Vote Required.</u> At the litigation evaluation meeting the Co-owners shall vote on whether to authorize the Board of Directors to proceed with the proposed civil action and whether the matter should be handled by the litigation attorney. The commencement of any civil action by the Association (other than a suit to enforce these Bylaws or collect delinquent assessments) shall require the approval of a majority in number and in value of the Co-owners. Any proxies to be voted at the litigation evaluation meeting must be signed at least seven (7) days prior to the litigation evaluation meeting.
- Section 6. <u>Litigation Special Assessment</u>. All legal fees incurred in pursuit of any civil action that is subject to Section 1 through 10 of this Article III shall be paid by special assessment of the Co-owners ("litigation special assessment"). The litigation special assessment shall be approved at the litigation evaluation meeting (or at any subsequent duly called and noticed meeting) by a majority in number and in value of all Co-owners in the amount of the estimated total cost of the civil action. If the litigation attorney proposed by the Board of Directors is not retained, the litigation special assessment shall be in an amount equal to the estimated total cost of the civil action, as estimated by the attorney actually retained by the Association. The litigation special assessment shall be apportioned to the Co-owners in accordance with their respective percentage of value interests in the Condominium and shall be collected from the Co-owners on a monthly basis. The total amount of the litigation special assessment shall be collected monthly over a period not to exceed twenty-four (24) months.
- Section 7. <u>Attorneys' Written Report</u>. During the course of any civil action authorized by the Co-owners pursuant to this Article III, the retained attorney shall submit a written report ("attorney's written report") to the Board of Directors every thirty (30) days setting forth:
- (a) The attorney's fees, the fees of any experts retained by the attorney, and all other costs of the litigation during the thirty (30) day period immediately preceding the date of the attorney's written report ("reporting period").
- (b) All actions taken in the civil action during the reporting period, together with copies of all pleadings, court papers and correspondence filed with the court or sent to opposing counsel during the reporting period.
- (c) A detailed description of all discussions with opposing counsel during the reporting period, written and oral, including, but not limited to, settlement discussions.
- (d) The costs incurred in the civil action through the date of the written report, as compared to the attorney's estimated total cost of the civil action.
 - (e) Whether the originally estimated total cost of the civil action remains accurate.
- Section 8. <u>Monthly Board Meetings</u>. The Board of Directors shall meet monthly during the course of any civil action to discuss and review:

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(a) the status of the litigation;

- (b) the status of settlement efforts, if any; and
- (c) the attorney's written report.
- Section 9. <u>Changes in the Litigation Special Assessment</u>. If, at any time during the course of a civil action, the Board of Directors determines that the originally estimated total cost of the civil action or any revision thereof is inaccurate, the Board of Directors shall immediately prepare a revised estimate of the total cost of the civil action. If the revised estimate exceeds the litigation special assessment previously approved by the Co-owners, the Board of Directors shall call a special meeting of the Co-owners to review the status of the litigation, and to allow the Co-owners to vote on whether to continue the civil action and increase the litigation special assessment. The meeting shall have the same quorum and voting requirements as a litigation evaluation meeting.
- Section 10. <u>Disclosure of Litigation Expenses</u>. The attorneys' fees, court costs, expert witness fees and all other expenses of any civil action filed by the Association ("litigation expenses") shall be fully disclosed to Co-owners in the Association's annual budget. The litigation expenses for each civil action filed by the Association shall be listed as a separate line item captioned "litigation expenses" in the Association's annual budget.

ARTICLE IV INSURANCE

- Section 1. Extent of Coverage. The Association shall, to the extent appropriate given the nature of the Common Elements of the Condominium, carry fire and extended coverage, vandalism and malicious mischief and liability insurance, and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements and such other insurance as the Board of Directors deems advisable. All 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, and the Owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Owners.
- (b) <u>Insurance of the Common Elements</u>. All Common Elements of the Condominium shall be insured against fire and other perils covered by a standard extended coverage endorsement, if appropriate, in an amount equal to the appropriate percentage of maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association.
- (c) <u>Premium Expenses</u>. All premiums on insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.
- Association shall be received by the Association, held in a separate account and distributed to the Association and the Owners and their mortgagees, as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the

Condominium unless all of the institutional holders of first mortgages on Sites in the Condominium have given their prior written approval.

- Section 2. <u>Authority of Association to Settle Insurance Claims</u>. Each Owner, by ownership of a Site in the Condominium, shall be deemed to appoint the Association as the Owner's true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Common Elements, with such insurer as may, from time to time, be designated to provide such insurance for the Condominium. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the 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 Owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.
- Responsibilities of Owners. Each Owner shall be obligated and responsible for Section 3. obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to the Site owned together with the Residence and all other improvements therein, for the Owner's personal property located therein or thereon or elsewhere on the Condominium. All such insurance shall be carried by each Owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs. Each Owner also shall be obligated to obtain insurance coverage for personal liability for occurrences within the Site owned the and improvements located therein in amounts designated by the Association from time to time. The Association shall be named as an additional insured. Each Owner shall deliver certificates of insurance to the Association from time to time to evidence the continued existence of all insurance required to be maintained by the Owner hereunder. In the event of the failure of an Owner to obtain such insurance or to provide evidence thereof to the Association, the Association may obtain such insurance on behalf of such Owner and the premiums therefor shall constitute a lien against the Owner's Site which may be collected from the Owner in the same manner that Association assessments may be collected in accordance with Article II hereof. Each Owner shall be obligated to obtain any other personal insurance coverage that the Owner wishes to carry. 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.
- Section 4. <u>Waiver of Right of Subrogation</u>. The Association and all Owners shall use their best efforts to cause all property and liability insurance carried by the Association or any Owner to contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Owner or the Association.

ARTICLE V RECONSTRUCTION OR REPAIR

- Section I. <u>Responsibility for Reconstruction or Repair</u>. If any part of the Condominium is damaged, the determination of whether or not it shall be reconstructed or repaired, and the responsibility therefor, shall be as follows:
- (a) <u>Common Elements</u>. If the damaged property is a Common Element, the damaged property shall be rebuilt or repaired unless by a determination to the contrary is made by all Owners and first mortgagees of Sites in the Condominium.

- (b) <u>Site or Improvements Therein</u>. If the damaged property is a Site or any improvements therein, the Owner of such Site alone shall determine whether to rebuild or repair the damaged property, subject to the direction and determination of any mortgagee of such Site and the rights of any other person or entity having an interest in such property, and the Owner shall be solely responsible for such any reconstruction or repair that the Owner elects to make. The Owner shall in any event remove all debris and restore the Owner's Site and the improvements therein to a clean and sightly condition satisfactory to the Association as soon as reasonably possible following the occurrence of the damage.
- Section 2. <u>Repair in Accordance with Master Deed</u>. 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 Site unless the Owners unanimously decide otherwise.
- Section 3. Association Responsibility for Repair and Reconstruction. Immediately after a casualty causing damage to property for which the Association has the responsibility of repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to 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, assessments shall be made against all 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. Assessments pursuant to this Article V, Section 3 may be made by the Association without a vote of the Owners.
- Section 4. <u>Timely Reconstruction and Repair</u>. Subject to Section 1(a) of this Article V, if damage to the Common Elements adversely affects the appearance of the Condominium, the Association shall proceed with replacement of the damaged property without delay.
- Section 5. <u>Eminent Domain</u>. The following provisions shall control upon any taking by eminent domain:
 - (a) The provisions of Section 133 of the Condominium Act of Michigan shall apply.
- (b) In the event the Condominium continues after a taking by eminent domain, the remaining portion of the Condominium shall be re-surveyed and the Master Deed amended accordingly by the Association.
- (c) In the event any Site 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 Sites in the Condominium.
- Section 6. Notices to Certain Mortgagees. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC"), or in the event any mortgage is held by or insured by the United States Department of Housing and Urban Development ("HUD"), the Association shall give FHLMC and HUD written notice at such address as it may from time to time direct of any loss to or taking of the Common Elements of the Condominium, or any loss to or taking of any Site, or part thereof, if the loss or taking exceeds Ten Thousand (\$10,000) Dollars in amount.

Section 7. <u>Priority of Mortgagees in Proceeds</u>. Nothing contained in the Condominium Documents shall be construed to give an Owner or any other party priority over any rights of first mortgagees of Condominium Sites pursuant to their mortgages in the case of a distribution to Condominium Site owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Sites and/or Common Elements.

ARTICLE VI RESTRICTIONS

Section 1. <u>Uses Permitted</u>. No Site shall be used for other than single family residential purposes and construction of a Residence and other permitted structures therein in conformance with the Condominium Documents. No 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 Control.

- (a) <u>Purpose of Architectural Control</u>. The Developer intends and desires that all structures within the Condominium be architecturally harmonious and architecturally 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 Site Owner may only construct, install or place on a Site those structures that have been approved in writing by the Developer in the manner set forth herein. Developer may construct or authorize any improvements on a Site that Developer in its sole discretion elects to make without the necessity of prior consent from the Association or any other person or entity, subject only to the express limitations in the Condominium Documents. Before constructing any Residence or making any exterior improvement, change, or elevation change upon any Site, an Owner shall receive (i) the written approval of the Developer and (ii) all necessary approvals from the Township. No application for a building permit or application for any other governmental approval or construction shall be filed until written approval of the Developer is received. The Developer shall approve in advance the licensed residential builder engaged by the Owner to construct a Residence and any other improvements in the Owner's Site. The Developer may require that such builder or Owner furnish to the Association adequate security, in the Developer's sole discretion, to protect the Association against costs and expenses which it might incur in connection with the failure to complete construction in a timely and diligent manner in accordance with the approved plans and specifications for the Residence and other improvements. No structure may be erected, installed, or placed upon or in any Site unless the Owner of such Site has submitted the following documentation to the Developer, and the Developer has approved all of such documentation in writing:
 - (i) <u>Survey</u>. A topographic survey of the Site 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 Site.

- (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 Site.
- (iii) <u>Specifications</u>. Specifications for each structure prepared and certified by a licensed architect or engineer setting forth the type and quality of all materials and workmanship and including a detailed finish schedule for all exterior materials, products and finishes, with actual samples of all exterior materials.
- (iv) <u>Construction Schedule</u>. A construction schedule specifying the commencement and completion dates of construction of the Structures, as well as such other dates as the Developer may specify for completion of stages of the structures.

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

- (c) Assignment of Developer's Approval Rights. Developer's rights under this Article VI, Section 2 may, in Developer's sole discretion, be assigned to the Association or other successor to Developer. There shall be no surrender of this right prior to the issuance of certificates of occupancy of Residences in one hundred (100%) percent of the Sites 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. <u>Building Restrictions</u>. Except as otherwise permitted herein, no structure may be constructed, installed, or placed on a Site except for one detached Residence which shall not exceed the Zoning Ordinance height limitation of the municipality in which the structure is located and which Residence shall include appropriate driveway and parking areas.
- (a) <u>Site Boundary Lines. In no event shall a structure be placed, erected, installed or located on any Site nearer to the front, side or rear Site boundary line than is permitted at the time the structure is installed by the ordinances of the municipality in which the Site is located.</u>
- (b) Completion of Construction and Landscaping. The exterior of all Residences and other structures must be completed as soon as practical after construction commences, except where such completion is impossible or would result in great hardship to the owner or builder due to strikes, fires, national emergency or natural calamities. All Sites shall be sodded and/or seeded and appropriately landscaped within ninety (90) days of closing with the end purchaser, or the date of occupancy, whichever is sooner. If, however, closing or occupancy of the Residence occurs after October 1 of any year, then the Site shall be sodded and/or seeded and appropriately landscaped by June 1 of the following year.
- (c) <u>Garages</u>. 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.

- (d) Roofs. Flat roofs are prohibited.
- (e) <u>Driveway</u>. All driveways shall be paved with concrete or asphalt and shall be completed prior to occupancy, if weather permits.
- be placed in or attached to a window or wall in the front of any Residence. No external air conditioning unit shall be placed in or attached to any window or wall of any Residence without the prior written approval of the Board of Directors. No compressor or other component of a central air conditioning system (or similar system, such as a heat pump) shall be so located upon any Site so as to be visible from the street on which such Site fronts, and, to the extent reasonably possible, all such external equipment shall be located on the Site so as to minimize the negative impact thereof on any adjoining Site, in the terms of noise and appearance. In general, such equipment shall be located in strict compliance with Township ordinances, shall have suitable evergreen screening so that it is not visible from any street, shall be set back at least fifteen (15') feet from the closest Site boundary line and 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.
- (g) <u>Public Utilities</u>. All public utilities such as 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.
- Public Utility and Drainage Easement Areas. Easements for the construction, (h) installation and maintenance of public utilities, and for drainage and retention facilities, are reserved as shown on the Plan. Within all of the foregoing easements, unless the necessary approvals are obtained from the appropriate municipal authority and except for the paving necessary for each Residence's driveway, no Structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of such service facilities and utilities, including underground electrical and telephone local distribution systems, or which may change, obstruct or retard the flow or direction of water in and through drainage in the easements, nor shall any change, which may obstruct or retard the flow of surface water or be detrimental to the property of others, be made by the Owner in the finished grade of any Site once established by the builder upon completion of construction of the Residence thereon. The easement area of each Site and all improvements in it shall be maintained (in a presentable condition continuously) by the Site Owner, except for those improvements for which a public authority or utility company is responsible, and the Site Owner shall be liable for damage to service facilities and utilities thereon, including damage to electric, gas, and telephone distribution lines and facilities therein. Except as may be otherwise provided herein, each Site Owner shall maintain the surface area of easements within the Owner's Site, to keep weeds out, to keep the area free of trash and debris, and to take such action as may be necessary to eliminate or minimize surface erosion.
- Section 4. Activities. No noxious or offensive activity shall be performed upon any Site, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the other Sites or Site owners. There shall not be maintained any animals 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 Sites 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 Owner shall do or permit anything to be done or keep or permit to be kept in the Owner's Site, Residence or on the Common Elements anything that will

increase the rate of insurance on the Condominium without the written approval of the Association, and each 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 Owner in the manner provided in Article II hereof.

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 Site 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 Site Owner to prevent the development of any unclean, unsightly or unkempt conditions of buildings or ground on the Owner's Site which shall tend to substantially decrease the beauty of the Condominium as a whole or any specific area thereof. The yard area within each Site and surrounding each Residence shall not 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) Site in the Condominium, no building materials, landscaping materials or firewood shall be stockpiled on any Site.

Section 6. Animals or Pets. No animals or fowl (except household pets) shall be kept or maintained on any Site. Only two (2) household pets may be kept on a Site 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, defend and hold harmless the Association for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the Condominium property.

Section 7. Vehicles, Motorcycles and Snowmobiles. No trailers, boats, aircraft, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, 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 sport utility vehicles, shall be parked or maintained on any Site unless in a suitable private attached garage. Motorcycles are allowed on the roads in the Condominium, but motorcycles and all other motorized off-road vehicles are prohibited in all other General Common Element areas. Snowmobiles are prohibited in all General Common Element areas in the Condominium. 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 Site, unless parked in a garage as provided above, except while making deliveries or pickups in the normal course of business. As used herein, vehicles that promote a commercial enterprise or which are used in connection with such an enterprise are deemed to include, but are not limited to, vehicles with commercial plates or any kind of signage (whether permanent or temporary) on the vehicle that promotes a commercial enterprise.

Section 8. <u>Signs, Advertising and Mailboxes</u>. No commercial signs, except "for sale" signs of a normal and usual size, shape and material, shall be erected or maintained on any Site 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 reserves 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 9. <u>Rules and Regulations.</u> Reasonable regulations consistent with all laws and the Condominium Documents concerning the use of the Common Elements or the rights and responsibilities of the 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 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 Owners.
- Section 10. <u>Landscaping</u>. No Owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Elements unless approved by the Board of Directors in writing or unless permitted by the Master Deed or the regulations of the Association.
- Section 11. <u>Television Antenna and Similar Devices</u>. No outside television antenna or other antenna, or aerial, saucer, dish, receiving device, signal capture and distribution device or similar device shall be placed, constructed, altered or maintained on any Site or Residence, unless: (a) the device is a so called "mini dish" (not to exceed eighteen [18"] inches in diameter) located in a location that is fully screened from view and approved by the Board of Directors; or (b) the Board of Directors determines in its sole discretion that the absence of an outside antenna causes substantial hardship with respect to a particular Site. The provisions of this Paragraph shall not apply to those devices covered by 47 C.F.R. §1.4000, promulgated pursuant to the Telecommunications Act of 1996, Pub. L. No. 104. 110, §207 Stat. 56 (1996).
- Section 12. <u>Dog Kennels and Similar Shelters</u>. No dog kennels or runs or other enclosed shelters for permitted animals shall be maintained on any site.
- Section 13. Outbuildings and Other Structures. No structure of a temporary character shall be placed upon any Site 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 by a building 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 buildings of any kind shall be brought on any Site or in the Condominium. No accessory buildings shall be permitted on any Site. 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 Site at any time, either temporarily or permanently. Plans for a swimming or bath house must be specifically approved by the Developer as provided in Section 2 of this Article VI.
- Section 14. Decks. Decks built on any Site shall not encroach into the rear yard setback area applicable to the Site, as such setback area is established by the Township.
- Section 15. Swimming Pools. Until the Transition Control Date, no above ground swimming pools shall be erected or maintained on or in any Site. After such date, no swimming pool shall be erected or maintained on or in any Site without the prior written approval of the Board of Directors. All permitted swimming pools must be approved by the Board of Directors as to size, location, materials and type of construction, including the design of any fencing required by the Township. The maximum height and linear footage of any fencing permitted by this Section shall not exceed the minimum allowed by the municipality in which the Site is located. All permitted hot tubs shall be located in the rear of the Residence, shall extend no more than twelve (12') feet beyond the rear of the Residence, and shall be fully screened with evergreen landscaping from the view of other Sites. All approved swimming pool and hot tub mechanical equipment shall be placed in the rear yard of the Residence, without any projection into

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the side yard, and shall be concealed from view from adjoining Sites with landscape screening and such insulation as is required to avoid noise impacts on nearby Sites. The maximum height and linear footage of any fencing permitted by this Section shall not exceed the minimum allowed by the municipality in which the Site is located. Chain-link fences of any kind or nature are expressly prohibited.

Section 16. Fences. Until the Transition Control Date, no fence or wall of any kind shall be erected or maintained on any site. After such date, no fence or wall of any kind shall be erected or maintained on any Site without the express prior written consent of the Board of Directors, which shall have the sole and absolute discretion to determine the suitability of the locations, design, shape, height, size and materials for any such fence or wall. Permitted fences shall not exceed forty-eight (48") inches in height and shall be of a uniform material, color, height and appearance as approved by the Board of Directors. No fence, wall or hedge shall be located nearer to any front lot line than is permitted pursuant to the Marion Township Zoning Ordinance. 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 17. Owner Maintenance. Each Owner shall maintain the Site owned, the Residence constructed therein and any Limited Common Elements appurtenant thereto for which the Owner has maintenance responsibility in a safe, clean and sanitary condition. All vacant and unimproved Sites must remain free of debris, litter, and trash and be cleaned up regularly. All grass and weeds on any vacant and unimproved Site must be moved at least once monthly or more often if required by the Developer. Each 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 Site which are appurtenant to or which may affect any other Site. Each 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 Owner or the 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 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 Owner in the manner provided in Article II hereof.

Section 18. Reserved Rights of Developer.

- (a) Prior Approval by Developer. Until certificates of occupancy are issued for Residences in one hundred (100%) percent of the Sites in the Condominium, no Residences, 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) <u>Developer's Rights in Furtherance of Development and Sales.</u> 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 Sites 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 Sites 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 Owners and all persons having interests in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then 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 to do any landscaping required by these Bylaws and to 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 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 Site 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 Site 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 Developer or the Association to mow, clear, cut, or prune any Site nor to provide garbage or trash removal services. Developer and the Association shall have the right to charge the costs of activities conducted pursuant to this Section 18(d) to the Owner and such costs shall be a lien upon the site.

Section 19. <u>Drainage and Grading Plan for Condominium and Surface Water Drainage</u>. The grade of any Site in the Condominium may not be changed from the Drainage and Grading Plan prepared by Boss Engineering, whose address is 3121 E. Grand River Avenue, Howell, Michigan 48843 (which Drainage and Grading Plan may be subsequently amended from time to time as conditions require), without the written consent of the Board of Directors and any governmental authority having jurisdiction. It shall be the responsibility of each Owner to maintain the surface drainage grades of the Owner's Site as established by the Developer. Each Owner covenants not to change the surface grade of the Owner's Site in a manner which will materially increase or decrease the storm water flowing onto or off of the Owner's Site and will not block, pond or obstruct surface water. The Board of Directors of the Association shall enforce this covenant and may enter upon any of the Sites in the Condominium to correct any violation of this covenant and shall charge the costs of the correction to the Owner and such costs shall be a lien upon the Site.

- Section 20. <u>Alterations and Modifications of the Common Elements</u>. No Owner shall make changes in any of the Common Elements, limited or general, without the express written approval of the Developer. The Developer may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium as provided herein and in any rules and regulations of the Association.
- Section 21. <u>Common Elements.</u> The Common Elements shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No 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 22. <u>Weapons</u>. No 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 23. <u>Leasing and Rental</u>. Owners, including Developer, may rent any number of Sites at any time for any term of occupancy not less than thirty (30) days subject to the following:
- (a) <u>Disclosure of Lease Terms to Association</u>. An Owner, including the Developer, desiring to rent or lease a Site 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 Sites before the Transitional Control Date, it shall notify either the Advisory Committee or each Owner in writing.
- (b) <u>Compliance with Condominium Documents</u>. 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) <u>Procedures in the Event of Non-Compliance with Condominium Documents</u>. If the Association determines that the tenant or non-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:
 - (i) The Association shall notify the Owner by certified mail advising of the alleged violation by the tenant.
 - (ii) The Owner shall have thirty (30) days (or such additional time as may be granted by the Association if the 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 thirty (30) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Owners on behalf of the Association, if it is under the control of the Developer, an action for eviction against the tenant or non-owner occupant and simultaneously for money damages in the same action against the Owner and tenant or non-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and the Owner liable for any damages to the Common Elements caused by the Owner or tenant in connection with the Site or Condominium.
- (d) Notice to Owner's Tenant Permitted Where Owner in Arrears to the Association for Assessments. When an 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 Owner's Site under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not constitute a breach of the rental agreement or lease by the tenant.
- Section 24. <u>Maintenance of Certain Landscaping Areas</u>. The landscaping and greenbelting shown on the final approved site plan shall be maintained by the Association in accordance with the final approved site plan of the Condominium in perpetuity.

ARTICLE VII MORTGAGES

- Section 1. <u>Notice to Association</u>. Any Owner who mortgages its Site 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 Sites". The Association may, at the written request of a mortgagee of any such Site, report any unpaid assessments due from the Owner of such Site. The Association shall give to the holder of any first mortgage covering any Site in the Condominium written notification of any default in the performance of the obligations of the Owner of such Site that is not cured within sixty (60) days.
- Section 2. <u>Insurance</u>. 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. <u>Notification of Meetings</u>. Upon request submitted to the Association, any institutional holder of a first mortgage lien on any Site in the Condominium shall be entitled to receive written notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

ARTICLE VIII VOTING

- Section 1. <u>Vote</u>. Except as limited in these Bylaws, each Owner shall be entitled to one vote for each Condominium Site owned when voting by number and one vote, the value of which shall equal the Percentage of Value percentage allocated to the Sites owned by such Owner as set forth in the Master Deed, when voting by value. Voting shall be by value unless otherwise expressly required by the Condominium Documents or by law. In the case of any Site owned jointly by more than one Owner, the voting right appurtenant to that Site may be exercised jointly as a single vote or may be split if all the joint Owners of the Site so agree in writing.
- Section 2. <u>Eligibility to Vote</u>. No Owner, other than the Developer, shall be entitled to vote at any meeting of the Association until the Owner has presented evidence of ownership of a Site in the Condominium to the Association. Except as provided in Article XI, Section 2 of these Bylaws, no 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 Owner may be cast only by the individual representative designated by such Owner in the notice required in Section 3 of this Article VIII or by a proxy given by such individual representative.
- Section 3. <u>Designation of Voting Representative</u>. Each 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 Owner. Such notice shall state the name and address of the individual representative designated, the number or numbers of the Condominium Site or Sites owned by the Owner, and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the Owner. Such notice shall be signed and dated by the Owner. The individual representative designated may be changed by the Owner at any time by filing a new notice in the manner herein provided. At any meeting the filing of such written notice as a prerequisite to voting may be waived by the chairman of the meeting.
- Section 4. <u>Annual Meeting</u>. There shall be an annual meeting of the Owners commencing with the First Annual Meeting held as provided in Article IX, Section 2 hereof. Other meetings shall be

held as provided for in Article IX hereof. Notice of the time, place and subject matter of all meetings shall be given by mailing the same to each individual representative designated by the respective Owners.

- Section 5. Quorum. The first meeting of the members of the Association shall have no quorum requirement. Thereafter, the presence in person or by proxy of more than thirty-five (35%) percent in value of the 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 such person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.
- Section 6. Voting. Votes may be cast only in person or by a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.
- Section 7. <u>Majority</u>. Unless otherwise required by law or by the Condominium Documents, any action which could be authorized at a meeting of the members shall be authorized by an affirmative vote of more than fifty (50%) percent in value. The foregoing statement and any other provision of the Master Deed or these Bylaws requiring the approval of a majority (or other stated percentage) of the members shall be construed to mean, unless otherwise specifically stated, a majority (or other stated percentage) in value of the votes cast by those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the Owners duly called and held.

ARTICLE IX MEETINGS

- Section 1. <u>Place of Meeting</u>. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Roberts Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Condominium Documents or the laws of the State of Michigan.
- Section 2. First Annual Meeting. The First Annual Meeting of members of the Association may be convened only by the Developer. The First Annual Meeting may be called at any time in the Developer's discretion after the first conveyance of legal or equitable title of a Site in the Condominium to a non-developer Owner. As provided in Article XI, Section 2 hereof, the First Annual Meeting shall be held on or before one hundred twenty (120) days after the conveyance of legal or equitable title to non-developer Owners of seventy-five (75%) percent in number of the Sites that may be created in the Condominium or fifty-four (54) months after the first conveyance of legal or equitable title to a non-developer Owner of a Site in the Condominium, whichever first occurs. The Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting of members and no such meeting shall be construed as the First Annual Meeting of members. The date, time and place of such meeting shall be set by the Board of Directors, and at least ten (10) days' written notice thereof shall be given to each Owner.
- Section 3. <u>Annual Meetings.</u> Annual meetings of members of the Association shall be held on the third Tuesday of March each succeeding year (commencing the third Tuesday of March of the calendar year following the year in which the First Annual Meeting is held) at such time and place as shall be determined by the Board of Directors. The Board of Directors, with sixty (60) days notice to the members, may designate a different date for the annual meeting of the members. At such meetings there

shall be elected by ballot of the Owners a Board of Directors in accordance with the requirements of these Bylaws. The Owners may also transact at annual meetings such other business of the Association as may properly come before them.

- Section 4. <u>Special Meetings</u>. It shall be the duty of the President to call a special meeting of the Owners as directed by resolution of the Board of Directors or upon a petition signed by one-third (1/3) of the Owners presented to the Secretary of the Association, but only after the First Annual Meeting has been held. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.
- 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 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 Owner at the address shown in the notice required by Article VIII, Section 3 of these Bylaws to be filed with the Association shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.
- Section 6. <u>Adjournment</u>. If any meeting of Owners cannot be held because a quorum is not in attendance, the Owners who are present may adjourn the meeting to a time not less than ten (10) days from the time the original meeting was called, and notice of the meeting shall be provided as set forth in Section 5 of this Article IX.
- 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) determination of whether quorum is present; (c) proof of notice of meeting or waiver of notice; (d) reading of minutes of preceding meeting; (e) reports of officers; (f) reports of committees; (g) appointment of inspectors of election (at annual meetings or special meetings held for the purpose of electing Directors or officers); (h) election of Directors (at annual meeting or special meetings held for such purpose); (i) unfinished business; and (j) new business. Meetings of members shall be chaired by the most senior officer of the Association present at such meeting. For purposes of this Section, the order of seniority of officers shall be President, Vice President, Secretary and Treasurer.
- 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 of this Article IX for the giving of notice of meetings of members. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt, within the time period specified in the solicitation, of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of votes or total percentage of approvals which equals or exceeds the number of votes or percentage of approvals which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

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

ARTICLE X ADVISORY COMMITTEE

An advisory committee of non-developer Owners shall be established either one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Owners of one-third (1/3) of the Sites that may be created, or one year after the initial conveyance of legal or equitable title to a non-developer Owner of a Site in the Condominium, whichever occurs first. The advisory committee shall meet with the Board of Directors for the purpose of facilitating communication and aiding the transition of control to the association of Owners. The advisory committee shall cease to exist when a majority of the Board of Directors of the Association is elected by the non-developer Owners.

ARTICLE XI BOARD OF DIRECTORS

Section 1. Number and Qualification of Directors. The Board of Directors shall consist of three 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. After the First Annual Meeting, the number of directors may be increased or decreased by action of the Board of Directors, provided that the Board of Directors shall be comprised of at least five (5) members.

Section 2. <u>Election of Directors.</u>

- (a) <u>First Board of Directors</u>. 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 Owners to the Board. Elections for non-developer Owner directors shall be held as provided in subsections (b) and (c) below.
- Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Owners of twenty-five (25%) percent of the Sites that may be created, at least one director and not less than twenty-five (25%) percent of the Board of Directors shall be elected by non-developer Owners. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Owners of fifty (50%) percent of the Sites that may be created, not less than thirty-three and one-third (33 1/3%) percent of the Board of Directors shall be elected by non-developer Owners. When the required percentage of conveyances has been reached, the Developer shall notify the non-developer Owners and request that they hold a meeting and elect the required director. Upon certification by the 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 the director is removed pursuant to Section 7 of this Article XI or the director resigns or becomes incapacitated.

(c) <u>Election of Directors at and After First Annual Meeting.</u>

(i) Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Owners of seventy-five (75%) percent of the Sites that may be

created, and before conveyance of ninety (90%) percent of such Sites, the First Annual Meeting shall be called and the non-developer Owners shall elect all directors on the Board of Directors, except that the Developer shall have the right to designate at least one (1) director as long as the Developer owns and offers for sale at least ten (10%) percent of the Sites in the Condominium or as long as ten (10%) percent of the Sites remain that may be created.

- (ii) Notwithstanding the formula provided in subsection (i), fifty-four (54) months after the first conveyance of legal or equitable title to a non-developer Owner of a Site in the Condominium, if title to at least seventy-five (75%) percent of the Sites that may be created has not been conveyed to non-developer Owners, the First Annual Meeting shall be called and the non-developer Owners shall have the right to elect as provided in the Condominium Documents, a number of members of the Board of Directors equal to the percentage of Sites they hold, and the Developer has the right to elect, as provided in the Condominium Documents, a number of members of the board equal to the percentage of Sites 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 as determined in the Condominium Documents.
- (iii) If the calculation of the percentage of members of the Board of Directors that the non-developer Owners have the right to elect under this Section 2, or if the product of the number of members of the Board of Directors multiplied by the percentage of Sites held by the non-developer Owners under this Section 2 results in a right of non-developer 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 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) of this Section 2(c).
- (iv) At the First Annual Meeting one-half (½) of the directors (rounded up if fractional) shall be elected for a term of two (2) years and the remaining 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 number of persons equal to one-half (½) of the number of directors (rounded up if fractional) who receive the highest number of votes shall be elected for terms of two (2) years and the number of persons equal to the remaining directors to be elected who receive the next highest number of votes shall be elected for terms of one (1) year. After the First Annual Meeting, the term of office (except for directors elected at the First Annual Meeting for one year terms) of each director shall be two (2) years. The directors shall hold office until their successors have been elected and hold their first meeting.
- (v) Once the Owners have acquired the right hereunder to elect a majority of the Board of Directors, annual meetings of Owners to elect directors and conduct other business shall be held in accordance with the provisions of Article IX, Section 3 hereof.
- (vi) As used in this section, the term "Sites that may be created" means the maximum number of Sites which may be included in the Condominium in accordance with any limitation stated in the Master Deed or imposed by law.

- Section 3. <u>Powers and Duties.</u> The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things necessary thereto subject always to the Condominium Documents and applicable laws.
- Section 4. Other Duties. In addition to the foregoing duties imposed by these Bylaws or any further duties which may be imposed by resolution of the members of the Association, the Board of Directors shall be responsible specifically for the following:
- (a) To manage and administer the affairs of and to maintain the Condominium and the Common Elements thereof.
- (b) To levy and collect assessments against and from the members of the Association and to use the proceeds thereof for the purposes of the Association.
 - (c) To carry insurance and collect and allocate the proceeds thereof.
 - (d) To rebuild improvements after casualty.
- (e) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium.
- (f) To own, maintain, improve, operate and manage, and to buy, sell, convey, assign, mortgage or lease (as Landlord or Tenant) any real or personal property (including any Site in the Condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.
- (g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association.
- (h) To make rules and regulations in accordance with Article VI, Section 10 of these Bylaws.
- (i) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committees any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board.
 - (j) To enforce the provisions of the Condominium Documents.
- Section 5. <u>Management Agent.</u> 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, in which the maximum term is greater than 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. <u>Vacancies</u>. 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 Owner elected directors which occur prior to the Transitional Control Date may be filled only through election by non-developer 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 in number and in value of all of the Owners and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal quorum set forth in Article VIII, Section 5. Any director whose removal has been proposed by the 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 any time or from time to time in its sole discretion. Likewise, any director selected by the non-developer 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. <u>First Meeting</u>. 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. <u>Regular Meetings</u>. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director personally, by mail, telephone or telegraph, at least ten (10) days prior to the date named for such meeting.
- Section 10. <u>Special Meetings</u>. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each director 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. <u>Waiver of Notice</u>. 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 is 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. All of the actions (including, without limitation, the adoption of these Bylaws and any Rules and Regulations for the Association, and any undertaking or contracts entered into with others on behalf of the Association) of the first Board of Directors of the Association named in its Articles of Incorporation or any successors thereto appointed before the First Annual Meeting of Owners shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the Owners.
- Section 14. <u>Fidelity Bonds</u>. 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 (2) 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, and shall preside at all meetings of the Association and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of the President of an Association, including, but not limited to, the power to appoint committees from among the members of the Association from time to time in the President's discretion as may be deemed appropriate to assist in the conduct of the affairs of the Association.
- (b) <u>Vice President</u>. The Vice President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed by the Board of Directors.
- (c) <u>Secretary</u>. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association and shall have charge of the corporate seal and of such books and papers as the Board of Directors may direct; and shall, in general, perform all duties incident to the office of the Secretary.
- (d) <u>Treasurer</u>. The Treasurer shall have responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, and in such depositories as may, from time to time, be designated by the Board of Directors.
- Section 2. <u>Election</u>. 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 the officer's successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose. No such removal action may be taken, however, unless the matter shall have been included in the notice of such meeting. The officer who is proposed to be removed shall be given an opportunity to be heard at the meeting.
- Section 4. <u>Duties</u>. 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 Board of Directors may adopt a seal on behalf of the Association which shall have inscribed thereon the name of the Association, the words "corporate seal", and "Michigan".

ARTICLE XIV FINANCE

- 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 Owners. Such accounts and all other Association records shall be open for inspection by the Owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each 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 Site 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. <u>Fiscal Year</u>. The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the Board. The commencement date of the fiscal year shall be subject to change by the Board for accounting reasons or other good cause.
- Section 3. <u>Bank.</u> Funds of the Association shall be initially deposited in such bank or savings association as may be designated by the Board 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 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 attorneys' fees, incurred by or imposed upon the director or officer in connection with any proceeding to which the director or officer may be a party, or may become involved, by reason of the director or officer being or having been a director or officer of the Association, whether

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or not a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of such director's or officer's duties; 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 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

These Bylaws may be amended by the Association or by the Developer in the manner provided in the Master Deed. Any amendment to these Bylaws shall become effective upon recordation in the office of the register of deeds in the county in which the Condominium is located. A copy of each amendment to these Bylaws shall be made available to every member of the Association after adoption; provided however, that any amendment adopted in accordance with this Article shall be binding upon all persons who have an interest in the Condominium irrespective of whether such persons actually receive a copy of the amendment. These Bylaws may not be amended in any manner to eliminate or conflict with any mandatory provision of the Act or any applicable law or any provision of the Master Deed; nor may they be amended to materially reduce or eliminate the rights of any first mortgagees without the consent of the mortgagees affected. These Bylaws may not be amended to reduce or eliminate the rights of the Township without the consent of the Township.

ARTICLE XVII COMPLIANCE

The Association and all present or future Owners, tenants, future tenants, or any other persons acquiring an interest in or using the Condominium in any manner are subject to and shall comply with the Act, as amended, and the mere acquisition, occupancy or rental of any Site or an interest therein or the utilization of or entry upon the Condominium 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 REMEDIES

Section 1. <u>Default by an Owner</u>. Any default by an Owner shall entitle the Association or another Owner or Owners to the following relief:

(a) <u>Legal Action</u>. Failure to comply with any of the terms or provisions of the Condominium Documents or the regulations of the Association shall be grounds for relief, which may include without limitation 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 Owner or Owners.

- (b) Recovery of Costs. In any proceeding arising because of an alleged default by any 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. In no event shall any Owner be entitled to recover such attorneys' fees.
- Section 2. No Waiver. The failure of the Association or of any 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 Owner to enforce such right, provision, covenant or condition in the future.
- Section 3. <u>Cumulative Rights, Remedies and Privileges</u>. All rights, remedies and privileges granted to the Association or any Owner or Owners pursuant to any terms, provisions, covenants or conditions of the Condominium Documents shall 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 4. <u>Enforcement of Provisions of Condominium Documents</u>. An Owner may maintain an action against the Association and its officers and directors to compel such persons to enforce the provisions of the Condominium Documents. An Owner may maintain an action against any other Owner for injunctive relief or for damages or any combination thereof for noncompliance with the Condominium Documents or the Act.

ARTICLE XIX 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 the Owners and the Association, upon the election and written consent of the parties to any such disputes, claims or grievances (which consent shall include an agreement of the parties that the judgment of any circuit court of the State of Michigan may be rendered upon any award pursuant to such arbitration), and upon written notice to the Association, shall be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding, provided that no question affecting the claim of title of any person to any fee or life estate in real estate is involved. 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. <u>Judicial Relief.</u> In the absence of the election and written consent of the parties pursuant to Section I above, no Owner or the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances.
- Section 3. <u>Election of Remedies.</u> Such election and written consent by 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 XX SEVERABILITY

In the event that any of the terms, provisions or covenants of these Bylaws 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.

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LIVINGSTON COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 2/2

EXHIBIT B TO THE

MASTER DEED OF

THE CONDOMNUM SUBUNTSION PLAN MAMBER MUST BE ASSENDED IN CONSECUTING SECURICY. WHEN A NUMBER HAS BEEN ASSENDED TO THIS PROJECT, IT MUST BE PROPERTY SHOWN IN THE TITLE ON THIS SHEET, AND THE SURVEYOR'S CERTIFICATE ON SHEET 2.

ATTENTION: COUNTY REGISTER OF DEEDS

CRYSTAL WOOD ESTATE

MARION TOWNSHIP, LIVINGSTON COUNTY, MICHICAN

UEVELOPEK:

CRYSTAL WOOD HOMES LL.C. 28530 ORCHWO LAXE RD. — SUITE 110 FARMAGTON HILLS, MICHRAN 48334

CONDOMINIUM BOUNDARY

Part of the Northeast fractional 1/4 of Section 3, T2N-Ref., Moriton formsthp, Livingston County, Michigan, more porticularly described as follows: Commencing at the East 1/4 corner of soid Section 3, said fine does being the West line of "FOUCKOFT", a subdivision or serverided in User 23 of Plats, pages 24-27, Livingston County Records, N COVID'S "1, 1824-55 field (previously recorded as N COVID'S" (1, 1824-55 field (previously recorded as N COVID'S"). ISSUED 1845, the first theories Self-1017 "N, 2021 feet; there westerly on on are first horizon (1, 1824-56). The control of the control only of 6972/37", and a long chord which bears S 6972/11" (1), 305.03 feet; there westerly on on are first, horizon as playfin of 1922 feet, a redisc of 357.00 feet, a central only of 6972/37", and a long chord which bears S 6972/19" (1), 302.21 feet; there westerly on on are first, horizon as of 555.00 feet, a central only of 1970-52" (1), 302.61 feet; there westerly on on are first, horizon as of 555.00 feet, a central only of 1970-52" (1), 302.61 feet; there westerly on on are first, horizon as of 555.00 feet, a central only of 1970-52" (1), 302.61 feet; there westerly on on an are first, horizon as of 555.00 feet, a central only of 1970-52" (1), 302.61 feet; there westerly on on an are first, horizon a length of 1922 feet, a central only of 1972-52" (2), 303.61 feet; there follows the first of 1970-52" (1), 302.61 feet, and the second of 1970-64 feet, a central only of 1972-52" (2), 302.61 feet, and are first, horizon a length of 1972-52" (2), 302.61 feet, and are first, horizon of 1972-52" (2), 302.61 feet, there were soil only of 1972-52" (2), 302.61 feet, and are first, horizon of 1972-52" (2), 302.61 feet, and a long chord which bears S 7145-53" (2), 202.61 feet, and a long chord which hear S 7145-53" (2), 302.61 feet, and a long chord which hear S 7145-53" (2), 302.61 feet, and a long chord which hear S 7145-53" (2), 302.61 feet, and a long chord which hears S 7145-53" (2), 302.61 feet, and a long chord with hear S 714

EASEMENT FOR SANITARY AND WATER MAIN

Part of the Kortheast fractional 1/4 of Section 3, 12N-PAE, Marian Township, Likhingston County, Michigan, more porticularly described as follows: Communicing of the East 1/4 counts of said Section 3, 340 films along the East films of 100 films of 100

EASEMENT CENTERLINE FOR 20' WIDE STORM SEWER DRAIN EASEMENT

Part of the Northeast fractional 1/4 of Secilon 3, 12N-R4E, Markon Township, Livingston County, Michigan, more porticularly described as follows: Commanding at the East 1/4 count of sold Section 3, benite doing the East fine of sold Section 3, said line does being the West line of 1700/00071 of Section 3, said line does being the West line of 1700/00071 recorded on the 273 of 1741s, pages 24-27, Livingston County Records, N 0270137 W, 1584.55 feet (previously recorded on N 02700727 W, 1584.00 feet), thence S 89271507 W (previously recorded as S 89271517 W), 1044.55 feet, to the Powl OF EEGNINKO of the canterine of the Ecomman to be described, thence along sold contentine on the Marining four (4) courses: 1) S 00736507 E, 100.00 feet, 2) S 6927557 W, 2000 feet, 3) S 00736507 E, 100.00 feet, 20 S 6927557 W, 2000 feet, 3) S 00736507 E, 100.00 feet, 20 S 6927557 W, 2000 feet, 3) S 00736507 E, 100.00 feet, 20 S 6927557 W, 2000 feet, 3) S 00736507 E, 100.00 feet, 20 S 6927557 W, 2000 feet, 3) S 00736507 E, 100.00 feet, 20 S 6927557 W, 2000 feet, 3) S 00736507 E, 100.00 feet, 20 S 6927557 W, 2000 feet, 3) S 00736507 E, 100.00 feet, 20 S 6927557 W, 2000 feet, 3) S 00736507 E, 100.00 feet, 20 S 6927557 W, 2000 feet, 3) S 00736507 E, 100.00 feet, 20 S 6927557 W, 2000 feet, 3) S 00736507 E, 100.00 feet, 20 S 6927557 W, 2000 feet, 3) S 00736507 E, 100.00 feet, 20 S 6927557 W, 2000 feet, 3) S 00736507 E, 100.00 feet, 20 S 6927557 W, 2000 feet, 3) S 00736507 E, 100.00 feet, 20 S 6927557 W, 2000 feet, 3) S 00736507 E, 100.00 feet, 20 S 6927557 W, 2000 feet, 3) S 00736507 E, 100.00 feet, 20 S 6927557 W, 2000 feet, 3) S 00736507 E, 100.00 feet, 20 S 69275507 W, 2000 feet, 3) S 00736507 E, 100.00 feet, 20 S 6927507 W, 2000 feet, 3) S 00736507 E, 100.00 feet, 20 S 6927507 W, 2000 feet, 3) S 00736507 E, 100.00 feet, 3) S 007

NATIONAL STATEMENT OF VALVE LINE	•	
SITE & UTILITY PLAN	(JI	
SURVEY PLAN	2	
COVER SHEET	-	
DESCRIPTION	SHEET NO.	
DRAWING INDEX	(

PREPARED BY:

BOSS HOWERS PLANERS

ENGINEERS SURFYORS PLANERS

LANDSCAPE ARCHITECTS

THE LAND METAL SCALE
GOTH-LESS OF GOTH



PROPOSED AS OF DECEMBER 1, 2000





