LIBER 4904 PAGE 0554

RECORDED

2005 SEP -6 A 10:19

SALLY REYNOLDS
REGISTER OF DEEDS
LIVINGSTON COUNTY, MI
48843

/Boss 1994

FIRST AMENDMENT TO THE KNOLLS AT GRASS LAKE CONDOMINIUM MASTER DEED

This Amendment to the Master Deed of The Knolls AT Grass Lake Condominium* is executed on the 2nd day of September, 2005, by Paddock Builders, Inc., a Michigan Corporation, whose address is 10420 Overhill Drive, Brighton, Michigan 48114 and Hamway Homes, Inc., a Michigan Corporation whose address is 7305 Grand River, Brighton, Michigan 48114, in accordance with the Michigan Condominium Act 59 of the Public Acts of 1978, as amended.

* Recorded in L. 4698 P. 364 - LCR

This Amendment is made for the purpose of the following: (NP)

1. Article V, Section F. Livingston County Health Department Restrictions: revise paragraph (8), add paragraph (8a), revise paragraph (10), add paragraph (10a), revise paragraph (11), and revise paragraph (17).
2. Add Article XII DERBYSHIRE FARMS DRAINAGE DISTRICT and attach Exhibit C, a copy of the 433 Agreement as recorded in the Livingston County Register of Deeds at Liber 540, Page 399.
3. Revise Exhibit A, Condominium Bylaws, Article X, Section 1. 6. (l) in regard to drainage through Units 2-4 and 22-26.
4. Add to Exhibit A, Condominium Bylaws, Article X, Section 1. 6. (o) Chart for minimum finish floor elevations and minimum basement elevations.
5. Revise Exhibit A, Condominium Bylaws, Article X, Section 1. 16 in regard to restrictions for decks at Units 23-26 and 2-4

By executing and recording the First Amendment to The Knolls AT Grass Lake Condominium Master Deed, the above-stated additions do not require any revisions to tne recorded Exhibit B to the Master Deed of The Knolls of Grass Lake Condominium.

In witness whereof, the undersigned has duly executed this Amendment to the Master Deed of The Knolls AT Grass Lake Condominium on the 2nd day of September, 2005.

WITNESSES:

Julie Baltrus
Julie Baltrus

PADDOCK BUILDERS, INC.

By: Theodore Paddock II, President

Julie Baltrus
Julie Baltrus

HAMWAY HOMES, INC.

By: William T. Hamway, Secretary/Treasurer

STATE OF MICHIGAN)
)ss
COUNTY OF LIVINGSTON)

The foregoing instrument was acknowledged before me on the 2nd day of September, 2005, by Theodore Paddock II, President of Paddock Builders, Inc., a Michigan Corporation, and William T. Hamway, Secretary/Treasurer of Hamway Homes, Inc., a Michigan Corporation, who executed this instrument on behalf of said Corporations by authority of its Board of Directors, and who acknowledged said instrument to be the free act and deed of said Corporation.

Judith L. Bachman
Judith L. Bachman , a Notary Public
Livingston County, Michigan
My Commission Expires: 2-10-06
Acting in Livingston County

Drafted by and when recorded return to:
DANIEL BOSS
BOSS ENGINEERING COMPANY
3121 E. Grand River
Howell, MI 48843
517-546-4836

g:\01658\docs\amendment1

MASTER DEED
THE KNOLLS AT GRASS LAKE

THIS MASTER DEED has been executed as of September 2, 2005, by Theodore Paddock II, President of Paddock Builders, Inc. whose address is 10420 Overhill Drive, Brighton, Michigan 48114, and by William T. Hamway, Secretary/Treasurer of Hamway Homes, Inc. whose address is 7305 Grand River Avenue, Suite 600, Brighton, Michigan 48114 (the "Developer"), pursuant to the provisions of the Michigan Condominium Act, as amended.

RECITALS:

A. The Developer desires to establish the real property described in Article III below, and all appurtenances to it, together with all improvements at any time located upon that property, as a condominium project under the Act.

B. The Developer has prepared and executed this Master Deed, together with the Condominium Bylaws attached hereto as Exhibit A and the Condominium Subdivision Plan attached hereto as Exhibit B, to accomplish this purpose.

ARTICLE I
DEFINITIONS

When used in any of the Condominium Documents, or in any other instrument pertaining to the Condominium Project or the creation or transfer of any interest in it, the following items shall carry the definitions which follow then unless the context clearly indicates to the contrary:

(a) **Act** means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended.

(b) **Association** means The Knolls at Grass Lake Association, a not-for-profit corporation organized under the laws of the State of Michigan, of which all co-owners shall be members and which shall administer, operate, manage, and maintain the Condominium Project. Any action required of or permitted by the Association shall be exercisable by its Board of Directors unless explicitly reserved to the members by the Condominium Documents or the laws of the State of Michigan and any reference to the Association shall, where appropriate, also constitute a reference to its Board of Directors.

(c) **Bylaws** mean Exhibit A hereto, which are the Bylaws required for the Condominium and also the Bylaws required for the Association.

(d) **Common element** where used without modification, means both the general and limited common elements, as defined in Article V hereof.

(e) **Condominium Documents** mean and include this Master Deed, Exhibits A and B hereto, and the Articles of Incorporation, Bylaws and the Rules and Regulations, if any, of the Association.

(f) **Condominium Premises** means and includes the land described in Article III hereof, and all easements, rights and appurtenances belonging to the Condominium Project, as described below.

(g) **Condominium Project** means The Knolls at Grass Lake Condominium, which is a condominium project established pursuant to the Act.

(h) **Condominium Subdivision Plan** means Exhibit B hereto.

(i) **Condominium unit** or **unit** each means that portion of the Condominium Project designed and intended for separate ownership and use, as described in Article VI hereof and on Exhibit B hereto.

(j) **Co-owner, owner or member** each means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who owns legal or equitable title to a condominium unit (including land contract vendees not in default under the terms of their land contracts) within the Condominium Project and is, therefore, a member of the Association.

(k) **Developer** means Paddock Builders, Inc and/or Hamway Homes, Inc., jointly and separately, or their successors and assigns. The Developer of the Condominium owns the real property dedicated to the Condominium and will develop the Condominium.

(l) **Frontage Area** shall mean the area between the boundary of a unit and the paved portion of the road right-of-way, as shown on the Condominium Subdivision Plan attached hereto as Exhibit B.

(m) **Master Deed** means this Master Deed, including Exhibits A and B hereto, both of which are incorporated by reference and made a part hereof.

(n) **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.

Terms not defined herein, but defined in the Act, shall carry the meanings given them in the Act unless the context clearly indicates to the contrary. Whenever any reference is made to one gender, the same shall include a reference to any and all genders where such a reference would be appropriate; similarly, whenever a reference is made to the singular, a reference shall also be included to the plural where such a reference would be appropriate, and vice versa.

ARTICLE II
DEDICATION

By executing and recording this Master Deed, the Developer establishes The Knolls at Grass Lake as a condominium project under the Act. Once established, the Condominium Project shall

be held, conveyed, encumbered, leased, occupied, improved and in every manner utilized, subject to (i) the provisions of this Master Deed, and (ii) the Act. The provisions of this Master Deed shall run with the land included in the Condominium Project and bind the Developer, and all persons acquiring or owning an interest in the Condominium Project, or in the real estate dedicated to the Condominium Project, and their grantees, successors, assigns, heirs and personal representatives. The remainder of this Master Deed has been set forth in furtherance of the establishment of the Condominium Project.

ARTICLE III
LEGAL DESCRIPTION

The land which is dedicated to the Condominium Project established hereby is legally described as follows.

Part of the Northwest 1/4 of Section 27, T2N-R4E, Marion Township, Livingston County, Michigan, more particularly described as follows: Beginning at the Northwest Corner of said Section 27; thence along the North Line of said Section 27, as monumented, S 89°51'09" E, 1306.53 feet (previously recorded as S 89°59'32" E, 1305.15 feet); thence S 00°11'30" E, 1005.62 feet to Traverse Point "A"; thence continuing along said line, and along the West line of "Derbyshire Farms", a subdivision as recorded in Liber 37 of Plats, pages 41-42, Livingston County Records, S 00°11'30" E, 1040.91 feet (the previous two courses being recorded as S 00°26'29" E, 2042.93 feet); thence along the Westerly Line of the Plat of McClatchey's Triangle Lake Estates No.1", as recorded in Liber 7, Page 15-16, Livingston County Records, on the following two (2) courses: 1) Southwesterly on an arc left, having a length of 316.96 feet, a radius of 273.82 feet, a central angle of 66°19'23", and a long chord which bears S 32°39'56" W, 299.56 feet (previously recorded as having a length of 316.95 feet, a radius of 273.82 feet, a central angle of 66°17'46", and a long chord which bears S 32°24'57" W, 299.56 feet); 2) S 00°29'02" E (previously recorded as S 00°44'01" E), 329.90 feet; thence along the East-West 1/4 Line of said Section 27, as monumented, S 89°11'13" W, 1137.37 feet (previously recorded as S 88°55'21" W, 1136.97 feet), to the West 1/4 Corner of said Section 27; thence along the West Line of said Section 27, N 00°22'21" W (previously recorded as N 00°35'57" W), 994.57 feet to Traverse Point "B", the endpoint of an intermediate traverse line beginning at aforementioned Traverse Point "A" and having the following ten (10) courses: 1) S 75°49'06" W, 147.63 feet; 2) N 75°42'41" W, 198.45 feet; 3) N 56°46'38" W, 190.05 feet; 4) S 55°59'23" W, 240.19 feet; 5) S 87°01'53" W, 190.87 feet; 6) S 32°30'58" W, 156.24 feet; 7) S 03°33'07" E, 159.70 feet; 8) S 34°22'17" W, 296.70 feet; 9) S 46°52'15" W, 149.78 feet; 10) N 64°27'13" W, 49.10 feet to aforementioned Traverse Point "B"; thence continuing along the West Line of said Section 27, N 00°22'21" W (previously recorded as N 00°35'57" W), 1653.57 feet to the POINT OF BEGINNING, containing 76.95 acres, more or less. Including the use of a 66 foot wide Private Easement for Ingress, Egress, and Public Utilities as described in Liber 1295, page 375, Livingston County Records. Also subject to any other easements or restrictions of record.

Together with and subject to easements, restrictions and governmental limitations of record, and easements set forth on the Condominium Subdivision Plan attached as Exhibit B hereto or

as declared and reserved in Article VII below.

ARTICLE IV
TITLE AND NATURE

The Condominium Project shall be known as The Knolls at Grass Lake, Livingston County Condominium Plan No. 327. The improvements contained in the Condominium Project, including the number, boundaries, dimensions and area of each unit, are set forth in the Condominium Subdivision Plan attached hereto as Exhibit B. The Condominium Project contains individual units to be used as building sites for single-family homes. Each unit has been designed and is intended for separate ownership and use, as evidenced by each unit having direct access to a common element of the Condominium Project. Each co-owner in the Condominium Project shall enjoy the exclusive right to occupy his unit and shall have undivided and inseparable rights to share with other co-owners the use and enjoyment of the general common elements of the Condominium as designated by the Master Deed. Co-owners shall have voting rights in the Association (as defined in Article VI as set forth herein and in the Bylaws and Articles of Incorporation of the Association).

ARTICLE V
COMMON ELEMENTS

A. ***General Common Element.*** The general common elements of the Condominium Project and the respective responsibilities for maintenance, decoration, repair or replacement are as follows:

(1) **Land**. The real property described in Article III hereof excluding those portions within the boundaries of any Condominium unit as described in Article VI. A. hereof and shown on Exhibit B hereto, but including easement interests of the Condominium in the property within the boundaries of any unit;

(2) **Clivedon Road and Schippers Court**. The Roads through the Condominium, specifically, Clivedon Road and Schippers Court are intended to be public roads. Developer has reserved the right and power to dedicate the roads in Article VII of the Master Deed. Until the dedication and acceptance of the road as a public road, the Condominium Association shall be responsible for all costs associated with maintaining the roads to the minimum standard required by the Marion Township Zoning Ordinance. The co-owners of any and all of the property using the road shall refrain from prohibiting, restricting, limiting, or in any manner interfering with the normal ingress and egress and use by any of the other owners. 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 properties, and having a need to use the road.

(3) **Storm Water** Drainage. Any storm water discharge and detention system throughout the Condominium Project.

(4) **Gas Distribution Network**. The gas line distribution lines throughout the Condominium Project.

(5) **Sewer and** Water **Lines**. Any water and sanitary sewer distribution lines installed in the common areas of the Condominium Project or which may in the future be installed in the roads or common areas.

(6) **Electrical, Telephone & Cable Television.** The electrical, telephone, cable television and street lighting networks or systems, (if any) throughout the Condominium Project.

(7) **Distribution** Networks. The utility distribution networks as set forth in this Article shall include any portion of such distribution system that is contained within any unit to the extent that the portion contained within any unit is a utility main that also services other units. Leads connecting utility mains to Residences built within Units are not Common Elements.

(8) **Public Dedication.** 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; and Developer reserves the right to assign the distribution networks to local public authorities, public or semi public utilities. Accordingly, such utility lines, systems and mains shall be General Common Elements only to the extent of the co-owner's interest therein, if any, and Developer makes no warranty with respect to the nature or extent of such interest, if any.

(9) **Frontage Area.** All portions of driveways built upon the Frontage Area by any co-owners, provided, however, that each co-owner shall have the right to build a driveway and place a mailbox upon Frontage Area adjoining his unit and when built, the portion of the driveway, but not the ground beneath it, built upon the Frontage Area, shall be as provided in subsection B below, a limited common element.

(10) **Park.** The Park and/or any open space/common areas designed and shown on the Condominium Subdivision Plan.

(11) **Other.** All beneficial and utility and drainage easements, and such other elements of the Condominium Project not herein designated as common elements which are not enclosed within the boundaries of a unit and which are intended for common use or necessary to the existence, upkeep and safety of the Condominium Project as a whole.

B. ***Limited Common Element.*** The limited common elements are those common elements limited in use to the owners of the unit they abut or to which they appertain. The portion of any driveway, but not the ground beneath the driveway, built upon the Frontage Area, once built by the owner of the adjoining unit, shall be limited common elements appurtenant to the unit they serve.

C. ***Upkeep of Common Elements.*** The respective responsibilities for the maintenance, decoration, repair and replacement of the common elements are as follows:

(1) ***Association Obligation.*** The Association shall bear the cost of decorating, maintaining, repairing and replacing all general common elements except (a) to the extent of maintenance, repair or replacement due to the acts or neglects of a co-owner or his agent, guest or invitee, for which such co-owner shall be wholly responsible, unless, and to the extent, any such loss or damage is covered by insurance maintained by the Association; and (b) as provided in subsection (2) of this section. Until dedicated to the public, the roads as shown on the Condominium Subdivision Plan will be maintained (including, without limitation, snow removal), replaced, repaired, and resurfaced as necessary by the Association. It is the Association's responsibility to inspect and to perform preventative maintenance of the Condominium roadways, storm water basins and drainage easements on a regular basis in order to maximize their useful life and to minimize repair and replacement costs.

(2) ***Township Rights.*** In the event the Association fails to provide adequate maintenance, repair or replacement of any road, or storm water distribution system as required by

Article V C (1), Marion 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 designate thereof, the Township may undertake such maintenance, repair, or replacement and the cost thereof, plus a twenty five (25%) per cent 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.

(3) ***Formation of Special Assessment District.*** 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.

(4) ***Unit Co-Owner Obligations.*** Each co-owner shall bear the cost of installing and maintaining landscaping within the Frontage Area adjoining his unit; installing, maintaining, repairing and replacing the portion of the driveway built upon the Frontage Area; and of installing, decorating, maintaining repairing and replacing the mailbox located within the Frontage Area. Except to the extent of maintenance, repair or replacement due to the act or neglect of another co-owner or his agent, guest or invitee, for which such co-owner shall be wholly responsible, the cost of decorating, maintaining, repairing and replacing all improvements, including landscaping, within the boundaries of a unit, and the cost of meeting the obligations set forth in subsection (2) of this section, will be borne by the co-owner of the unit. The appearance of all buildings, garages, patios, decks, porches (whether open or screened), landscaping and all other improvements within a unit or the Frontage Area appurtenant to it, will, at all times, be subject to the approval of the Association, except that the Association may not disapprove the appearance of an improvement maintained as constructed with the approval of the Developer or the Association.

(5) **Co-Owners Failure to Maintain**. Any maintenance, repair or replacement obligation to be borne by a co-owner may, if not performed by the co-owner, be performed by or under the direction of the Association, with the cost assessed against the responsible co-owner. The Association shall not, in such case, be responsible for incidental damage to the unit or the Frontage Area, or any improvement or properly located within the boundaries of the unit or Frontage Area, of the co-owner who failed to fulfill his obligations.

D. **Residual Damage to Units.** Unless provided otherwise in this Master Deed or in the Condominium Bylaws, damage to a unit, or any improvement or property located within the boundaries of the unit, caused by the repair, replacement or maintenance activities of the Association of those common elements which must be maintained by the Association shall be repaired at the expense of the Association.

E. **Use of Units and *Common* Elements.**

(1) ***Condominium Project*** No co-owner shall use his unit or the common elements in any manner (i) inconsistent with the purposes of the Condominium Project or (ii) which will unreasonably interfere with or impair the rights of any other co-owner in the use and enjoyment of his unit or the common elements.

(2) ***Co-Owner Non-Use of Common Elements.*** No co-owner shall be exempt from contributing toward Expenses of Administration (as defined in the Condominium Bylaws) or from the payment of assessments against his unit by reason of nonuse or waiver of use of the common elements or by the abandonment of his unit.

(3) ***Building and Use Restrictions.*** The architectural and building specifications and use restrictions set forth in Article X 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 comply fully with the architectural and building specifications and use restrictions established by Article X of the bylaws. The terms, provisions, restrictions and conditions of Article X of the Bylaws are incorporated fully herein by this reference.

(4) ***Natural Wooded Areas.*** The existing trees located within the rear setback of Units 5 – 12 inclusive are subject to restrictions prohibiting removal unless they are dead and approved for removal by the condominium association. If removed, the condominium may perform such replacement as necessary in accordance with Paragraph C.(5) above.

(5) ***Wetlands.*** No disturbance of the wetlands shall be allowed without the approval of the Michigan Department of Environmental Quality.

F. Livingston County Health Department Restrictions.

(1) No unit shall be used for other than a single-family dwelling.

(2) There shall be no future subdividing of any building unit which would utilize individual onsite sewage disposal and/or water supply systems.

(3) The Knolls at Grass Lake Site Condominium Project has been approved for 36 individual units as described in Boss Engineering site plan Job #01658 last revision dated September 12, 2003. The wells and septics shall be located in the exact area as indicated on the preliminary site plan.

(4) All wells shall be drilled by a Michigan licensed well driller and be drilled to a depth that will penetrate a minimum of 10 ft. impervious clay layer and/or shall maintain a minimum of 50 ft. from the static water level to the bottom of the casing or top of the screen.

(5) The test wells used to determine onsite water supply adequacy have been drilled on Units 8 and 22. If these wells are not intended for the use as a potable water supply, then they must be properly abandoned according to Part 127, Act 368 of the Groundwater Quality Control Act.

(6) There shall be no underground utility lines located within the areas designated as active and reserve septic system areas.

(7) The reserve septic locations as designated on the preliminary plan on file at the Livingston County Department of Public Health must be maintained vacant and accessible for future sewage disposal uses.

(8) The active and reserve septic areas have been prepared in accordance with the information submitted by the engineer on Units 1, 9, 10, 19, 20, 28 and 36. Elevation and design specifications have been submitted to the Livingston County Department of Public Health for review and have been approved. These units have been prepared

APPROVED
Livingston County Department
of Public Health
Name Margaret McClumet
Date 1-14-05

under engineer guidelines and written certification has been provided along with and "as built" drawing depicting the final constructed grades in the cut or filled areas.

(8a) The active field for unit 23 has been prepped. Since the finished grade of the septic field has been lowered a prepped reserve field is not required.

(9) The onsite sewage disposal systems for Units 2-8, 11-18, 21, 22, 24-27 and 29-35 will require the excavation of slow permeable soils to a more permeable soil ranging between 3-10 ft. in depth. Due to the fact that unsuitable soils will be excavated in the area and replaced with a clean sharp sand, the cost of the system may be higher than a conventional sewage disposal system.

(10) Unit 12 will require that the bottom of stone be no deeper than 24 inches below the original grade.

(10a) Unit 13 and 14 will require the bottom of stone be no deeper than elevation 947.00.

(11) Unit 15 will require that the bottom of the stone be no deeper than elevation 946.00.

(12) Units 20 and 36 the active and reserve septic areas shall be prepared according to the information submitted. These systems will require an enlarged system due to the heavy soil structure witnessed on these units. Please refer to the soil conditions on file at LCDPH.

(13) The engineer has provided written certification that any additional grades, filling and/or land balancing that has taken place as part of the construction of the development has not affected the placement for either the active or reserve sewage disposal systems. This includes, but is not limited to all Units 1-36.

(14) A written engineer certification has been provided indicating that all storm drains which are within 50 ft. (greater than 25 ft.) to the proposed active or reserve septics have been sealed with a watertight premium joint material. All septic systems are no less than 50 ft. from any detention/retention pond unless approved by the Livingston County Department of Public Health.

(15) A 2800 sq. ft. area has been designated on each unit for the active and reserve sewage disposal systems to accommodate a typical four bedroom single family home. Proposed homes exceeding four bedroom must show that sufficient area exists for both active and reserve sewage systems which meet all acceptable isolation distances.

(16) There shall be no activity within the regulated wetlands unless permits have been obtained from the Michigan Department of Environmental Quality.

(17) Units 9, 12, 16, 20, 22, 24, 25 and 26 will require a pumped septic system.

(18) It is likely the following units will also require a pumped septic system: 4, 5, 6, 8, 10, 11, 17, 21, 29 and 30.

(19) All restrictions placed on The Knolls at Grass Lake Site Condominium Community by the Livingston County Department of Public Health are not severable and shall not expire under any circumstances unless otherwise amended or approved by the Livingston County Department of Public Health.

APPROVED
Livingston County Department
of Public Health
Name Margaret McCluskey
Date 7-14-05

G. Access to Rubbins Road.

No access from any unit or common area shall be allowed from this development to existing Rubbins Road.

ARTICLE VI
UNIT DESCRIPTION AND PERCENTAGES OF VALUE

A. ***Description.*** The Condominium consists of thirty-six (36) residential Units. A description of each unit, with elevations therein referenced to an official benchmark of the United States Geological Survey sufficient to relocate accurately the space enclosed by the description without reference to the unit itself, is set forth in the Condominium Subdivision Plan. Each unit shall consist of all that space within the unit boundaries, as shown on the Condominium Subdivision Plan and delineated in heavy outlines, but not any common elements contained therein. The dimensions shown on the Condominium Subdivision Plan for each unit have been calculated by Boss Engineering.

B. **Percentages of Value.** The total value of the project is 100 percent (100%). All units are hereby assigned an equal percentage of value because all units are expected to have equal allocable expenses of maintenance. A unit's percentage of value shall be determinative of its proportionate share of the common proceeds and Expenses of Administration, the value of its vote at certain meetings of the Association of co-owners and of its undivided interest in the common elements.

ARTICLE VII
EASEMENTS

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

A. Easements for Construction, Maintenance and Related Matters.

(1) Association. 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.

(2) Encroachments. In the event any portion of a Residence, Unit or Common Element encroaches upon a unit due to survey errors, construction deviations, reconstruction, replacement, renovation or repair, an easement shall exist for the maintenance of the encroachment for so long as the encroachment exists, and for maintenance thereof after rebuilding in the event of any destruction.

(3) Construction and Maintenance. Perpetual easements shall also exist to, through, over, under and across the Condominium Premises, including all units, for the maintenance, repair or replacement of common elements, which easements shall be administered by the Association, and as may be appropriate, for the installation, inspection, maintenance, repair and replacement by the responsible governmental entity or utility company of all utilities in the Condominium Project, including, but not necessarily limited to, light, heat, power and communications. The Association may grant such easements, licenses and rights-of-way over, under and across the Condominium Premises for utility purposes, access purposes or other lawful purposes as may be necessary for connecting a unit to

a utility, or for the benefit of the Condominium Project, subject, however, to the approval of the Developer so long as the Developer holds any unit available for sale or so long as any additional unit may be created in the Condominium.

(4) ***Municipal.*** Until such time as the roads have been dedicated to the public, there shall exist for the benefit of Marion 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 Co-owners thereof. The clear vision easements will be granted to the Livingston County Road Commission upon dedication of the roads as public.

(5) ***Drainage.*** No changes will be made in the grading of any areas used as drainage swales which would alter surface run-off drainage patterns without the prior written consent of Developer. The flooding easement and all drainage easements will be granted to the Livingston County Drain Commissioner as required to establish the drainage district.

(6) ***Hook-Up of Utilities.*** The Developer reserves for the benefit of itself, and its agents, employees, independent contractors, successors and assigns, and for the benefit of any appropriate governmental entity or utility company, perpetual easements to enter upon and cross the Condominium Premises and lay pipes and cables and do all other things reasonably necessary to utilize, tap and tie into, and to construct, extend and enlarge, all utility services or systems now or hereafter located on the property described in Article III hereof to service all or any portion of the Condominium Premises, including any property hereafter contracted out of the Condominium; or any other property in the vicinity of the Condominium Project now owned or hereafter acquired by the Developer in furtherance of any lawful purpose.

(7) ***Utility Lines.*** All electrical service, cable television and telephone lines will be placed underground.

(8) ***Construction*** Easement. Easements for the construction, installation and maintenance of public utilities, and for drainage and retention facilities are reserved as shown on the Plan.

(9) ***Easement for Public Water Supply and Sanitary Sewer.*** There shall exist for the benefit of the Township of Marion and any other governmental body to which its rights herein may be subsequently assigned, an easement over, under and across the Condominium roadways, common areas or other specific delineated easements, for the construction, installation, operation, repair and maintenance of public water supply and/or sewer mains, leads and/or other appurtenances for water supply or for waste water disposal service purposes or other utilities and for the extension and tying in of the Township's Water and Sewer lines to existing lines. Without limitation of the foregoing, the Township of Marion and any governmental body to which its rights herein may be subsequently assigned, shall have such easements for water and sewer lines, and other utilities, as are depicted on Exhibit B hereto as same may be amended from time to time.

(10) ***Landscape/Greenbelt.*** Landscaping within the easement at the rear of units 22-25 and the greenbelt adjacent to Rubbins Road shall be maintained in perpetuity by the Association.

B. ***Easements Retained by Developer***

(1) ***General.*** In addition to all other rights reserved to it hereunder, the Developer reserves for the benefit of itself and its agents, employees, guests, invitees, independent contractors, successors and assigns, a perpetual easement for the unrestricted use of the Right-of-Way now or hereafter located in the Condominium Project for the purpose of:

(a) ingress to and egress from all or any portion of (i) the Condominium Premises; and (ii) any other land in the vicinity of the Condominium Project now owned or hereafter acquired by the Developer, (b) complying with any governmental regulation, or installing and servicing the roads, utilities, or drains, as shown on the Condominium Subdivision Plan attached hereto as Exhibit B, or (c) for any other lawful purpose.

(2) ***Use of Facilities.*** The Developer, and its duly authorized agents, representatives and employees, may maintain offices and other facilities on the Condominium Premises and engage in any acts reasonably necessary to facilitate the development and sale of units in the Condominium Project. In connection therewith, the Developer shall have full and free access to all common elements and unsold units.

(3) ***Additional* Easement *Grants.*** Developer reserves the right and power to grant easements over, or dedicate, portions of any of the Common Elements for utility, drainage, street, safety, or conservation of 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. ***Use of Easements by Co-Owners.*** No structures will be erected within any Unit which will interfere with the rights of ingress and egress provided above. Any fences, paving or plantings which interfere with the rights of ingress and egress provided above may be removed as necessary when installing or servicing the roads, utilities, or drains, and neither Developer nor Developers agents will have liability for such removal. 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 Owners site, to keep weeds out, to keep the area free of trash and debris, and to take such actions as may be necessary to eliminate or minimize surface erosion.

D. Termination of Easements.

(1) ***Termination.*** The Developer reserves the right to terminate and revoke any utility or other easement granted in this Master Deed at such time as the particular easement has become unnecessary. This may occur, by way of example but not limitation, when a utility easement is relocated to coordinate further and future development of the Condominium Project or other projects located in the vicinity of the Condominium Project. No easement for a utility may be terminated at revoked unless and until all units served by it are adequately served by an appropriate substitute or replacement utility on a shared maintenance basis. Any termination or revocation of any such easement shall be effected by the recordation of an appropriate amendment to this Master Deed in accordance with the requirements of the Ad.

(2) ***Road Dedication***. Developer intends to, and by recordation of this Master Deed reserves the right and power to, dedicate all the roads in the Condominium to public use, and all persons acquiring any interest in the Condominium, including without limitation all co-owners and mortgagees, shall be deemed irrevocably to have appointed Developer and its successors as agent and attorney-in-fact to make such dedication and to act 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.

E. Financial Support of Easements. The Association shall financially support all easements described in this Article VII or otherwise pertaining to the Condominium Project, regardless of the rights of others to utilize such easements.

ARTICLE VIII
CONVERTIBLE AREAS

Developer for themselves, their successors and assigns reserve the following conversion rights respect to the Condominium Project.

A. Developer's Right to Convert. 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 VIII. The Developer reserves the right, but not an obligation, to convert the Convertible Areas.

B. Expiration of Developer's Conversion Right. 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 thirty-six (36).

C. Co-Owner Boundary Relocation. If non-Developer co-owners owning adjoining units, or a

non-Developer co-owner and Developer owning adjoining units, desire to relocate the boundaries between those units, then the Board of Directors of the Association shall, upon written application of the co-owners, accompanied by the written approval of all mortgagees of record of the adjoining units, forthwith prepare or cause to be prepared an amendment to this Master Deed duly relocating the boundaries

D. ***Use of Converted Areas.*** 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.

E. ***Conversion without Co-Owner Consent.*** 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 the entire Master Deed or the Exhibits thereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits hereto Nothing herein contained, however, shall in anyway obligate Developer to convert the Convertible Areas. These provisions give notice to all Co-Owners, Mortgagees and other persons acquiring interests in the Condominium that such amendments of this Master Deed may be made and recorded, and no further notice of such amendment shall be required.

F. ***Master Deed Amendment Requirement.*** All modifications to Units and Common Elements made pursuant to this Article VIII 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%) 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 re-definitions of General and limited Common Elements as may be necessary to adequately describe and service the Units and Common Elements being modified by such amendments. In connection with any such amendments, Developer shall have the right to change the nature of any Common Element previously included in the Condominium for any purpose reasonably necessary to achieve the purposes of this Article VIII.

ARTICLE IX
AMENDMENT

Except as otherwise expressly provided in this Master Deed, the Condominium Project shall not be terminated, vacated, revoked or abandoned except as provided in the Act, nor may any of the provisions of this Master Deed, including Exhibits A and B, or any other Condominium Document, be amended, except as follows, or as provided in the Condominium Document sought to be amended.

A. Methods and Conditions.

(1) ***Co-Owner Consent Not Required.*** The Condominium Documents may be amended without the consent of co-owners or mortgagees for any purpose if the amendment does not materially alter or change the rights of a co-owner or mortgagee. The Developer, for itself and for the Association of co-owners (and the Board, to the extent permitted by the Condominium and Association Bylaws), hereby expressly reserves the right to amend the Condominium Documents for such a purpose. Amendments which do not materially alter or change the rights of a co-owner or mortgagee include, but are not limited to, amendments modifying the types and sizes of unsold units and their appurtenant common elements, correcting survey or other errors made in the Condominium Documents, or for the purpose of facilitating mortgage loan financing for existing or prospective co-owners and to enable the purchase of insurance of such mortgage loans by any institutional participant in the secondary mortgage market which purchases or insures mortgages.

(2) ***Co-Owner Consent Required.*** This Master Deed, the Condominium Bylaws (subject to the restrictions set forth in Article X thereon, and the Condominium Subdivision Plan may be amended, even if the amendment will materially alter or change the rights of the co-owners or mortgagees, either pursuant to subsection (7) below or by an affirmative vote of two-thirds (2/3) of the votes of the co-owners and two-thirds (2/3) of the first mortgagees. A co-owner will have one vote for each unit owned, including, as to the Developer, all units created by the Master Deed but not yet conveyed. A mortgagee shall have one vote for each first mortgage held. The required votes may be achieved by written consents or by votes at any regular annual meeting or a special meeting called for such purpose, or a combination of votes and consents.

(3) ***Effect of Amendment on Unit Values.*** The method or formula used to determine the percentage of value of units in the Project for other than voting purposes, and any provisions relating to the ability or terms under which a co-owner may rent a unit, may not be modified without the consent of each affected co-owner and mortgagee. A co-owners condominium unit dimensions or appurtenant limited common elements, if any, may not be modified without the co-owners consent.

(4) ***Abandonment of Project.*** In no case, unless (i) all of the first mortgagees, (ii) all co-owners (other than the Developer), and (iii) the Developer (if at the time it owns any units) have given their prior written approval, shall the Association be entitled by any act or omission to seek to abandon or terminate the Condominium Project.

(5) ***Effects on Right of Developer.*** The restrictions contained in this Article IX on Amendments shall not in any way affect the rights of the Developer as set forth elsewhere in this Master Deed.

(6) ***Notice of Proposed Amendment.*** Co-owners and mortgagees of record shall be notified in writing at their addresses reflected on the Condominium records of proposed

amendments not less than ten (10) days before the amendment is recorded.

*(7) **Developer Amendment Right.*** Notwithstanding any contrary provision of the Condominium Documents, Developer reserves the right to amend materially this Master Deed or any of its exhibits for any of the following purposes:

(a) To amend the Condominium Bylaws, subject to any restrictions on amendments stated therein;

(b) To correct arithmetic errors, typographical errors, survey or plan errors, deviations in construction or any similar errors in the Master Deed, Condominium Subdivision Plan or Condominium Bylaws, or to correct errors in the boundaries or locations of improvements;

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

(d) 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 mortgages on units in the Condominium Premises;

(e) To create, grant, make, define or limit easements affecting the Condominium Premises;

(f) To record an "as built" Condominium Subdivision Plan and/or consolidating Master Deed and/or to designate any improvements shown on the Plan as "must be built" subject to any limitations of obligations imposed by the Act,

(g) To terminate or eliminate reference to any right which Developer has reserved to itself herein; and

(h) To make alterations described in Article VIII above, even if the number of units in the Condominium Project would thereby be reduced.

Amendments of the type described in this subsection (7) may be made by the Developer without the consent of co-owners or rnortgagees, and any co-owner or mortgagee having an interest in a unit affected by such an amendment shall join with the Developer in amending this Master Deed.

*(8) **Developer Consent Required.*** The rights reserved to Developer in this Master Deed or in the Condominium Bylaws attached hereto as Exhibit A may not be amended except by or with the consent of the Developer.

*B. **Recording.***

*(1) **Effect of Rerecording.*** An amendment to this Master Deed shall not be effective until the amendment is recorded.

*(2) **Service on Co-Owners.*** A copy of the recorded amendment shall be delivered to each co-owner.

*C. **Costs.*** A person causing or requesting an amendment to the Condominium Documents shall be responsible for the costs and expenses of the amendment, except for amendments based upon a vote of a prescribed majority of co-owners, based upon the Advisory Committee's decision or based upon Article XIV, Section 4, of the Condominium Bylaws, the

costs of which shall be deemed expenses of administration.

D. ***Effect on Township Right.*** No amendment to this Master Deed, pursuant to this or any other Article thereof, shall alter any right granted to or reserved to the Township of Marion in this Master Deed and Condominium Bylaws.

ARTICLE X
CONTROLLING LAW

The provisions of the Act, and of the other laws of the State of Michigan and of the United States, shall be applicable to and govern this Master Deed and all activities related hereto.

ARTICLE XI
ASSIGNMENT

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or bylaws, including the power to approve or disapprove any ad, use or proposed action or any other mailer 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.

ARTICLE XII
DERBYSHIRE FARMS DRAINAGE DISTRICT

A. Attached as Exhibit C is an Agreement adding lands to the Derbyshire Farms 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 540, Page 399.

B. Easements. There shall exist easements over all units and common elements for purposes of construction, maintenance and improvement of the storm water drainage and retention or detention as designated on the attached Exhibit B Documents. The easements are granted in favor of the Derbyshire Farms Drain Drainage District. The Drainage District shall have the right to sell, assign, transfer or convey this easement to any 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.

No unit owner shall disturb the grade or otherwise modify the areas within the easements in any way inconsistent with the Drain. No unit owners 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 or incidental to the exercise of the Drainage District of its rights under said easements, and all unit owners covenant not to sue the Drainage District for any such damages.

C. Assessments for the Derbyshire Farms Drainage District. All costs relating to the maintenance and improvement of the Derbyshire Farms Drain 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.

IN WITNESS WHEREOF, the undersigned has executed this Master Deed as of the date first written above

WITNESSES:

Julie Baltrus
Julie Baltrus

Julie Baltrus
Julie Baltrus

PADDOCK BUILDERS, INC.

By: Theodore Paddock II, President

HAMWAY HOMES, INC.

By: William T. Hamway, Secretary/Treasurer

STATE OF MICHIGAN)
) ss.
COUNTY OF LIVINGSTON)

The foregoing instrument was acknowledged before me this 2nd day of September, 2005, by Theodore Paddock II, President of Paddock Builders, Inc. and William T. Hamway, Secretary/Treasurer of Hamway Homes, Inc.

Judith L. Bachman
Judith L. Bachman , Notary Public
Livingston County, Michigan
My Commission Expires: 2-10-06
Acting in Livingston County

THIS MASTER DEED WAS PREPARED BY:
William T. Hamway, Secretary/Treasurer
Hamway Homes, Inc.
7305 Grand River Ave. Suite 600
Brighton, Michigan 48114

WHEN RECORDED RETURN TO PREPARER

EXHIBIT A

CONDOMINIUM BYLAWS OF THE KNOLLS AT GRASS LAKE

ARTICLE I ASSOCIATION OF CO-OWNERS

Section 1. Organization. The Knolls at Grass Lake, a residential site condominium project located in the Township of Marion, Livingston County, Michigan (the "Condominium"), shall be administered, by an association of co-owners (the "Association") which shall be organized as a not-for-profit corporation under the laws of the State of Michigan. The Association will be responsible for the management, maintenance, operation and administration of the common elements, easements and affairs of the Condominium in accordance with the Master Deed and Bylaws of the Condominium, the Articles of Incorporation, Bylaws, Rules and Regulations of the Association, 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 Non Profit Corporation Act

Section 2. Compliance. All present and future co-owners, mortgagees, lessees and all other persons who may in any manner use, enter upon or acquire any interest in the Condominium Premises, or any unit in the Condominium, shall be subject to and comply with the provisions of the Michigan Condominium Act (Act 59, of the Public Acts of 1978, as amended), and the Condominium Documents including, but not necessarily limited to, any provision thereof pertaining to the use and operation of the Condominium Premises and the property of the Condominium. The acceptance of a deed of conveyance, the taking of a mortgage, the execution of a lease or the act of occupancy of a unit, or presence, in the Condominium shall constitute an acceptance of the provisions of these instruments and an agreement to comply therewith

Section 3. Purpose of Bylaws. These Bylaws govern the general operation, maintenance, administration, use and occupancy of the Condominium, and all such activities shall be performed in accordance with the provisions hereof.

ARTICLE II MEMBERSHIP AND VOTING

Section 1. Membership. Each co-owner of a unit in the Condominium, present and future, shall be a member of the Association during the term of such ownership, and no other person or entity shall be entitled to membership. Neither membership in the Association nor the share of a member in the funds and assets of the Association shall be assigned, pledged or transferred in any manner, except as an appurtenance to a unit in the Condominium.

Section 2. Voting Rights. Except as otherwise provided in the Master Deed and in these Bylaws, the co-owners of each unit shall collectively be entitled to one vote when voting by number and one vote, the value of which shall equal the total percentage assigned to the unit or units owned by them in Article VI.B. of the Master Deed, when voting by value. Voting when required or permitted herein, or elsewhere in the Condominium Documents, shall be by value, except in those instances where voting is specifically required to be both in value and in number, and no accumulation of votes shall be permitted.

Section 3. Persons Entitled to Vote. For each unit, the co-owners shall file a written certificate designating one individual representative entitled to cast the vote for the unit and to receive all notices and other communications from the Association. The certificate shall be signed by all of the record owners of the unit and filed with the Secretary of the Association. Such certificate shall state the name and address of the individual representative designed, the number or numbers of the unit or units owner,

the name and address of the person or person, firm, corporation, partnership, association, trust, or other legal entity who is the co-owner thereof, and shall be signed and dated by the co-owners of record. All certificates shall be valid unit revoked, until superseded by a subsequent certificate, or until a change occurs in the record ownership of the unit concerned. The Developer shall, at any meeting, be entitled to cast a vote on behalf of each unit it owns without submitting any proof of ownership.

Section 4. Method of Voting. Votes on a specific issue may be cast in person. In addition, any person entitled to vote at any meeting may also appears and vote as provided in Article III, Section 8 of these Bylaws, (either specifically on an issue or by the general designation of a person to cast a vote) by written proxy. Proxies shall be valid only for the particular meeting designated, and any adjournment thereof, and must be filed with the Association before the appointed time of the meeting.

Section 5. Majority. At any meeting of the members at which a quorum is present, fifty-one percent (51%) in value of the co-owners voting, whether in person, by telecommunications or by proxy, on any particular matter, shall constitute a majority for the approval of such matter, except as otherwise required herein, by the Master Deed or by law.

ARTICLE III
MEETINGS

Section 1. Procedure. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the members 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 Articles of Incorporation, these Bylaws, the Mater Deed or the laws of the State of Michigan.

Section 2. First Annual Meeting. The first annual meeting of the members of the Association may be convened only by the Board of Directors. The First Annual Meeting of members of the Association may be called at any time in the Board of Director's discretion after the first conveyance of legal or equitable title of a Site in the Condominium to a non-developer co-owner. In no event, however, shall the first meeting be held later than (a) one hundred twenty (120) days after legal or equitable title to Seventy Five Percent (75%) of the Condominium units has been conveyed to non-developer co-owners; or (b) fifty-four (54) months after the first conveyance of legal or equitable title to a Condominium unit to a non-developer co-owner, which first occurs. The Board of Directors may call meetings of members of the Association for informal or other appropriate purposes prior to the first meeting of members, but no such meeting shall be construed as the first meeting of members. Prior to the first annual meeting, the Developer shall appoint all directors.

Section 3. Annual Meeting. Annual meetings of members of the Association shall be held on the third Wednesday of March in each succeeding year at such time and place as shall be determined by the Board Directors. The Board of Directors, with sixty (60) days notice to members, may designate a different date for the annual meeting of members. At such meetings there shall be elected by ballot of the members a Board of Directors in accordance with the requirements of Article IV of these Bylaws. The members may also transact at annual meetings such other business of the Association as may properly come before them.

Section 4. Special Meetings of Members. It shall be the duty of the President to call a special meeting of the co-owners upon resolution of the board of directors, or upon a petition signed by 1/3 in number of the co-owners and presented to the Secretary of the Association. Notice of any special meeting shall state the time and place of such meeting and purposes thereof and shall be given at least ten (10) days prior to the date of such meeting. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice. It shall be the duty of the Secretary (or other Association officer designated by the President in the Secretary's absence) to serve notice of each annual, special or other meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each member 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 member at the address shown in the notice required to be filed with the Association by Article II, Section 3, of the Condominium Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

Section 6. Adjournment. If any meeting of members cannot be held because a quorum, as defined in these Bylaws, is not in attendance, the members who are present may adjourn the meeting for not more than thirty (30) days.

Section 7. Order of Business. The order of business at all meetings of the members shall be as follows: (1) roll call to determine the voting power represented at the meeting; (2) determination of whether a quorum is present; (3) proof of notice of meeting or waiver of notice; (4) reading of minutes of preceding meeting; (5) reports of officers; (6) reports of committees; (7) appointment of inspectors of election (at annual meetings or special meetings held for the purposes of electing Directors or officers); (8) unfinished business; and (9) 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 a 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 III for giving notice of meeting 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 specified 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. Minutes; Presumption of Notice. Minutes or a similar record of the proceedings of meetings of members, when signed by the President or Secretary, shall be presumed 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 IV
ADMINISTRATION

Section 1. Board of Directors. The business, property and affairs of the Association shall be managed by a Board of Directors consisting of three Directors, 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 of the Board of Directors, 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 three (3) members. Until the initial meeting of members as provided in Article IV Section 7, hereof, the Directors designated by the Incorporator, or their appointed

successors, shall serve. The entire Board of Directors shall be elected or appointed at the first meeting of the Association, each annual meeting of the Association and at any meeting of the Association called by the Board of Directors fort the particular purpose of electing directors in the following manner:

(a) Not later than 120 days after the conveyance of legal or equitable title to non-developer co-owners of 25 percent of the Units that may be created, at least one director and at least ¼ of the board of directors of the association shall be elected by non-developer co-owners.

(b) Not later than 120 days after the conveyance of legal or equitable title to non-developer Co-owners of 50 percent of the Units that may be created, at least 1/3 of the board of directors shall be elected by non-developer Co-owners.

(c) Not later than 120 days after the conveyance of legal or e equitable title to non-developer Co-owners of 75 percent of the Units, the non-developer Co-owners shall elect all directors on the board except that the developer may designate at least one director as long as the Developer owns or offers for sale at least one (1) Unit in the project or as long as two (2) of the units that may be created remain unbuilt.

(d) Notwithstanding the formula in Section 1 (c) above, 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the project, if title to at least 75 percent of the Units that may be created has not been conveyed, the non-developer Co-owners may elect the number of members of the board of directors of the association equal to the percentage of Units they own and the Developer may elect the number of members of the board equal to the percentage of Units that it owns and pays assessments for. This election may increase but not reduce the minimum election and designation rights otherwise established in these Bylaws. The application of this provision does not require a change in the size of the board as stated in these Bylaws.

(e) All the directors not elected by the non-Developer Co-owners pursuant to subsections (a) through (d) inclusive of this Section shall be designated by the Developer

(f) If the calculation of the percentage of members of the board that the non-developer Co-Owners may elect or if the product of the number of members of the board multiplied by the percentage of units held by the non-developer Co-Owners results in a right of non-developer co-Owners to elect a fractional number of members of the board, a fractional election right of 0.5 or more shall be rounded up to the nearest whole number, which shall be the number of members of the board that the non-developer Co-owners may elect. The application of the formula contained in Section 1 (a) through (d) shall not eliminate the right of the Developer to designate at least one member, as provided in these Bylaws.

(g) Whenever the non-Developer members become entitled to elect one or more additional directors pursuant to the above formula, the Board of Directors shall provide due notice of a meeting at which an election of all the directors shall take place. The Board of Directors shall schedule such meeting to occur no later than one hundred twenty (120) days after the non-Developer members become so entitled or, if such meeting would be the first meeting of the Association, as provided in Article III, Section 1, above. A Board of Directors elected pursuant to these provisions shall serve until the earlier of the next annual meeting of the Association or such time as it has been replaced in accordance with the provisions of these Bylaws.

Section 2 Powers and Duties. The Association shall have all powers and duties necessary for the administration of the affairs of the Condominium and may do all things which are not prohibited by law or the Condominium Documents or required thereby to be done by the co-owners. The powers and duties to be exercised by the Association through the Board shall include, but shall not be limited to, the power and duty:

(a) To manage and administer the affairs of and to maintain the Condominium, all appurtenances thereto and the common elements, property and easements thereof

(b) To levy and collect assessments against and from the members of the Association and to use the proceeds therefrom for the purposes of the Association, and to enforce assessments through liens and foreclosure proceedings where, in the judgment of the Directors, appropriate;

(c) To carry insurance and to collect and allocate the proceeds thereof

(d) To restore, repair or rebuild the common elements of the Condominium, or any portion thereof, and any improvements located thereon, after the occurrence of a casualty and to negotiate on behalf of co-owners in connection with the taking of the Condominium, or any portion thereat by eminent domain;

(e) To contract for and employ, supervise, and discharge, persons or business entities to assist in the management, operation, maintenance and administration of the Condominium;

(f) To make and amend reasonable rules and regulations consistent with the Michigan Condominium Act, the Master Deed and these Condominium Bylaws affecting co-owners and their tenants, guests, employees and invitees concerning the use and enjoyment of the Condominium and to enforce such regulations by all legal methods, including, but not limited to, the imposition of fines and late payment charges, eviction proceedings or legal proceedings (copies of all such regulations and amendments thereto shall be furnished to al members and shall become effective ten (10) days after mailing or delivery thereof to the designated voting representative, as provided for in Article ii, Section 3 above, of each member, and any such regulation or amendment may be revoked at any time at any duly convened meeting of the Association by the affirmative vote of more than 50 percent (50%) of all members in number and in value, except that the members may not revoke any regulation or amendment prior to the first meeting of the Association;

(g) To own, maintain and improve, and to buy, sell, convey, assign, mortgage, license, rent or lease (as landlord or tenant) any real or personal property, including, but not limited to, any common elements or unit in the Condominium, easements, rights-of-way or licenses or any other real property, whether or not contiguous to the Condominium, for the purpose of generating revenues, providing benefit to the members of the Association or in furtherance of any other appropriate purposes of the Association;

(h) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge or other lien on property owned by the Association; provided, however, that any such action shall first be approved by the affirmative vote of two-thirds (2/3) of all of the members of the Association in value at a meeting of the members duly called;

(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 Master Deed and Bylaws of the Condominium, and the Articles of Incorporation and such Bylaws, rules and regulations of the Association as may hereafter be adopted, and to sue on behalf of the Condominium or the members and to assert, defend or settle claims on behalf of the members with respect to the Condominium;

(k) To do anything required of or permitted by it as administrator of said Condominium by the Condominium Master Deed or Bylaws or the Michigan Condominium Act, amended;

(l) To provide services to Co-owners;

(m) In general, to enter into any kind of activity; to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of the Condominium and to the accomplishment of any of the purposes thereof not forbidden, and with all powers conferred upon nonprofit corporations by the laws of the State pf Michigan. *Provided, however*, that, except in the case of licenses, leases or rental arrangements having a duration of one (1) year or less, neither the Board nor the Association shall, by act or omission, abandon, partition, subdivide, encumber, sell or transfer the common elements, or any of them, unless at least two-thirds (2/3) of the first mortgages (based upon one (1) vote for each mortgage owned) and two-thirds (2/3) of the members in number and value have consented thereto. The Board may, however, grant easements for public utilities or other public purposes consistent with the intended use of the common elements by the Condominium, and no such grant shall be deemed a transfer for the purposes hereof.

Provided, however, that neither the Board nor the Association shall, by act or omission; abandon, partition, subdivide, encumber, sell or transfer the common elements, or any of them, unless at least two-thirds (2/3) of the mortgages (based upon one vote for each mortgage owned) and two-thirds (2/3) of the members in number and valid have consented thereto. The granting of the easements for public utilities or for other public purposes consistent with the intended use of the common elements by the Condominium shall not be deemed a transfer for these purposes.

Section 3. Managing Agent. The Board may employ, at a compensation established by it, a professional management agent for the Condominium to perform such duties and services as the Board shall authorize, including, but not limited to, the powers and duties set forth, in Section 2 of this Article. A "professional management agent" shall mean a person or organization having proven expertise, either from prior experience or by education, in the operation and management of real property. Prior to the transitional control date, the Developer, or any related person or entity, may serve as professional managing agent if so appointed. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any contract providing for services by the Developer or its affiliates, in which the maximum term is greater than three (3) years or which is not terminable by the Association upon the transitional control date or within ninety (90) days thereafter and upon thirty (30) days' written notice for cause. Upon the transitional control date, or within ninety (90) days thereafter, the Board of Directors may terminate a service or management contract with the Developer or its affiliates. In addition, the Board of Directors may terminate any management contract which extends beyond one (1) year after the transitional control date by providing notice of termination to the management agent at least thirty (30) days before the expiration of the one (1) year.

Section 4. Election; Terms. The first Board of Directors designated in the Articles of Incorporation, and their appointed successors, shall manage the affairs of the Association until a successor Board of Directors is elected at the first meeting of members of the Association convened at the time required by Article IV Section 1 of these Bylaws. Such successor Board of Directors shall be elected by the Developer and by the non-Developer members, as provided by Article IV, Section 1, of these Bylaws. The Directors shall serve one (1) year terms, unless they sooner resign, are removed pursuant hereto or are replaced in accordance with the provisions of the Condominium Bylaws. The Directors shall hold office until their successors have been elected and hold their first meeting.

Section 5. Vacancies. Vacancies in the Board of Directors which occur after the Transitional Control Date caused by any reason other than the removal of a director by a vote of the members of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum, except that the Developer shall be solely entitled to fill the vacancy of any director whom it is permitted in the first instance to designate. Each person so elected shall be a Director until a successor is elected to fill the remainder of the term at the next meeting of the Association.

Section 6 Removal. At any regular meeting of the Association duly called, and at any special meeting of the Association called in whole or in part for such purpose, and subject to the requirements of Article II hereof, any one or more of the Directors may be removed with or without cause by a vote of those members entitled to vote in an election of such Directors replacement, unless the votes cast against the Directors removal would be sufficient to elect the Director if then cumulatively voted in an election in which that Director would be standing for election. At that time, a successor shall then and there be elected to fill the vacancy thus created. A successor director so elected shall serve until the end of the term of the person he was elected to replace. Any Director whose removal has been proposed by the members 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 Co-Owners to serve before the First Annual Meeting may be removed before the First Annual Meeting in the same manner set forth in this paragraph for removal of directors generally.

Section 7. Initial Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days after its 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 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least ten (10) days prior to the date named for such meeting.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director, given personally or 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 one Director.

Section 10. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be deemed a waiver of notice by him of the time and place thereof unless his appearance is for the purpose of protesting the holding of such meeting. 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 11 Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. Directors not in attendance shall be given 24 hours' prior written notice delivered personally setting forth the date, time and location of the adjourned meeting. 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, but no proxies shall be permitted.

Section 12. Actions Prior to First Meeting. Subject to the provisions of Section 2 of this Article IV, all of the actions (including, without limitation, the adoption of these Bylaws, the Association Bylaws, any Rules and Regulations for the Association, and any undertakings or contracts entered into with others on behalf of the Association) of the first Board of Directors of the Association designated by its Incorporator, or their appointed successors, before the first meeting of members, 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 members of the Association at the first or any subsequent meeting of members so long as such actions are within the scope of the powers and duties which may be exercised by any Board of Directors as provided in The Condominium Documents.

Section 13. Insurance. The Board of Directors shall require that all officers of the Association handling or responsible for Association fund shall be insured. The premiums on such insurance shall be expenses of the administration.

Section 14 Advisory Committee. The Developer shall establish an Advisory Committee of non-Developer members upon the passage of (a) one hundred twenty (120) days after legal or equitable title to 1/3 of the Condominium units has been conveyed to non-Developer co-owners; or (b) one (1) year after the initial conveyance of legal or equitable title to a Condominium unit to a non-Developer co-owner, whichever first occur. The Advisory Committee shall meet with the Board of Directors from time to time to facilitate communication with the non-Developer members and to aid in transferring control from the Developer to non-Developer members. The Advisory Committee shall be composed of not less than 2 nor more than 3 non-Developer members, who shall be appointed by the Developer in any manner it selects, and who shall serve at the pleasure of the Developer. The Advisory Committee shall automatically dissolve following the election of a majority of the Board of Directors by non-Developer co-owners. Reasonable notice of such meetings shall be provided to all members of the Committee, and such meetings may be open or dosed, in the discretion of the Board of Directors.

ARTICLE V
OFFICERS

Section 1. Designation. The officers of the Association shall be a President, Secretary and a Treasurer, who shall all be members of the Board of Directors. 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.

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

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

Section 4. President. The President shall be the chief executive officer of the Association. He shall preside at meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the president of a corporation, including, but not limited to, the power to appoint committees from among the members of the Association from time to time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association.

Section 5. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he shall have charge of the corporate seal and of such books and papers as the Board of Directors may direct; and he shall, in general, perform all duties incident to the office of the Secretary.

Section 6. Treasurer. The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements, specifying the operating expenses clearly, in books belonging to the Association. The Treasurer shall be responsible for the deposit of all moneys and other valuable effects in the name and to the credit of the Association, in such depositories as may, from time to time, be designated by the Board of Directors. The Treasurer shall ensure that expenditures for the maintenance and repair of common elements and any other expenses incurred by or on behalf of the Condominium are properly recoded. In accordance with Article VIII, Section 5, of these Condominium Bylaws, the Treasurer shall prepare and distribute to each member at least once per year the Associations financial statement.

Section 7. Other Duties. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Directors.

ARTICLE VI
INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall indemnify every Association director and officer against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him as a consequence of his being made a party to or being threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of his being or having been a director or officer of the Association, except in such cases wherein he is adjudged guilty of willful and wanton misconduct or gross negligence in the performance of his duties or adjudged to have not acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association and its members, and with respect to any criminal action or proceeding, he is adjudged to have had no reasonable cause to believe that his conduct was unlawful; provided that, if a director or officer claims reimbursement or indemnification hereunder based upon his settlement of a matter, he shall be indemnified only if the Board of Directors (with any director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interests of the Association and, if a majority of the members request it, such approval is based on an opinion of independent counsel supporting the propriety of such indemnification and reimbursement. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights such director or officer may have. The Board of Directors shall notify all members that it has approved an indemnification payment at least ten (10) days prior to making such payment.

ARTICLE VII
SEAL

If so determined by the Board of Directors, the Association shall have a seal, which shall have inscribed thereon the name of the Corporation, and the words "Corporate Seal" and "Michigan".

ARTICLE VIII
OPERATION OF THE PROPERTY

Section 1. Fiscal Year. The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the Directors. The commencement date of the fiscal year shall be subject to change by the Directors for accounting reasons or other good cause.

Section 2. Depository. The funds of the Association shall be deposited in such bank as may be designated by the Directors and shall be withdrawn only upon the check or order of officers, employees or agents as are designated by resolution of the Board of Directors from time to time.

Section 3. Personal Property. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the co-owners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 4. Costs and Receipts to Be Common. All costs incurred by the Association in satisfaction of any liability arising within, or caused by or in connection with, the common elements or the administration of the Condominium shall be Expenses of Administration (as defined in subsection 6 below). All sums received as proceeds of, or pursuant to, any policy of insurance carried by the Association securing the interests of the co-owners against liabilities or losses arising within, caused by or connected with the general common elements or the administration of the Condominium shall be receipts of administration.

Section 5. Books of Account. The Association shall keep or cause to be kept detailed books of account showing all expenditures and receipts affecting administration of the Condominium. Such books of account shall specify the maintenance and repair expenses of the common elements and any other expenses incurred by or on behalf of the Association of co-owners and shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours on normal working days at a place to be designated by the Association. The books of account shall be audited at least every three (3) years by independent accountants but such audit need not be a certified audit, nor must the accountants be certified public accountants. The cost of such audit, and all accounting expenses, shall be an Expense of Administration. Any institutional holder of a first mortgage lien on any unit in the Condominium shall be entitled to receive a copy of the audit report within ninety (90) days following the end of the Association's fiscal year upon request therefor. At least once a year, the Association shall prepare and distribute to each co-owner a statement of its financial condition, the contents of which shall be defined by the Association.

Section 6. Regular Assessment. The Board shall establish an annual budget in advance for each fiscal year for the Condominium, and such budget shall contain a statement of the estimated funds required to defray the Expenses of Administration for the forthcoming year, which shall mean all items specifically defined as such in these Bylaws and all other common expenses. The common expenses shall consist, among other things, of such amounts as the Board may deem proper for the operation, management and maintenance of the Condominium Project to the extent of the powers and duties delegated to it hereunder, and in the Master Deed, and shall include, without limitation, amounts to be set aside for working capital of the Condominium, the cost of fulfilling the Associations maintenance repair and replacement responsibilities, management wages, fees and salaries, common area utilities, common areas landscaping maintenance and replacement, common areas cleaning, supplies, snow removal, licenses and permits, banking, legal and accounting fees, insurance, and creation and maintenance of an

appropriate reserve fund. Each purchaser of a Unit in the Condominium is required to pay the Association an amount equal to two (2) months regular assessment as a non refundable working capital contribution. As provided in Section 11 below, an adequate reserve fund for maintenance, repair and replacement of the general common elements must be established in the budget and must be funded by regular assessments rather than by special assessments. The budget shall also allocate and assess all Expenses of Administration against all Co-owners in accordance with the percentage of value allocated to each Unit by the Master Deed, without increase or decrease for the existence of any rights to the use of the common elements.

The Board shall advise each non-Developer Co-Owner in writing of the amount of common charges payable by him and shall furnish copies of each budget on which such common charges are based to all Co-owners; although failure to deliver a copy of the budget to each Co-owner shall not affect the liability of any Co-owner for any existing or future assessments. All assessments levied in accordance with the foregoing provisions of this Section 6 shall be payable by the non-developer Co-owners in twelve (12) equal monthly installments, commencing with acquisition of legal or equitable title to a Unit by any means. The Board may, in its sole discretion, elect to collect the regular assessments on a quarterly basis. Should the Board at any time determine, in its sole discretion, that the assessments levied are or may proved to be insufficient (1) to pay the costs of operation and management of the Condominium; (2) to provide for the maintenance, repair or replacement of existing common element, (3) to provide additions to the general common elements not exceeding Two Thousand Five Hundred and No/100 dollars ($2,500.00) annually, or (4) to provide for emergencies, the Board shall have the authority to increase the general assessments or to levy such additional assessment or assessments as it shall deem to be necessary. Such assessments shall be payable when and as the Board shall determine.

Any sums owed to the Association by any individual Co-owner may be assessed to and collected from the responsible Co-Owner as an addition to the regular assessment installment next coming due. The discretionary authority of the Board to levy assessments pursuant to this Section will rest solely with the Board for the benefit of the Association and the members thereof and will not be enforceable by any creditors of the Association or its members.

Section 7. Special Assessments. Special assessments, in addition to those provided for in Section 6 above, may be levied by the Board from time to time, following approval by the Co-owners as hereinafter provided, to meet other needs, requirements or desires of the Association, including but not limited to, (1) assessments for capital improvements for additions to the general common elements at a cost exceeding Two Thousand Five Hundred and No/100 dollars ($2,500.00) per year, (2) assessments to purchase a unit on foreclosure of the lien for assessments as described in Section 8 hereof; or (3) assessments for any other appropriate purposes not elsewhere herein described. Special assessments referred to in this Section 7 shall not be levied without the prior approval of sixty percent (60%) of all members in value and in number, which approval shall be granted only by a vote of the Co-owners taken at a meeting of the Co-owners called in accordance with the provisions of Article III hereof. The discretionary authority of the Board to levy assessments pursuant to this Section will rest solely with the Board for the benefit of the Association and the members thereof and will not be enforceable by any creditors of the Association or its members.

Section 8. Collection of Assessments. When used in this Section 8 and Section 14 below, and wherever else appropriate in these Condominium Bylaws, the term "assessment" shall include all regular monthly and special assessments referred to in Sections 6 and 7 above and, in addition, all other charges whatsoever levied by the Association against any co-owner. This Section 8 is designed to provide the Association with a vehicle for collection.

Each Co-owner, whether one or more persons, shall be and shall remain personally obligated for the payment of all assessments levied with regard to his unit during the time that he is the owner thereof. If any Co-owner defaults in paying an assessment, interest at the maximum legal rate shall be charged on

such assessment from the due date and further penalties or proceedings may be instituted by the Board in its discretion. The payment of an assessment shall be in default if such assessment is not paid in full on or before the due date established by the Board for such payment. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against his unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association may also discontinue the furnishing of any services to a Co-owner in default upon seven (7) days' written notice to such Co-owner of its intent to do so. A Co-owner in default on the payment of any assessment shall not be entitled to vote at any meeting of the Association so long as such default continues. The Board may, but need not, report such a default to any first mortgagee of record; provided, however, that if such. Default is not cured within sixty (60) days, the Association shall give the notice required by Section 2 of Article XIII of these Bylaws. Any first mortgagee of a unit in the Condominium may consider a default in the payment of any assessment a default in the payment of its mortgage. When a Co-owner is in arrearage to the Association for assessments, the Association may give written notice of arrearage to any person occupying his unit under a lease or rental agreement, and such person, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not be a breach of the rental agreement or lease by the occupant.

Unpaid assessments shall constitute a lien upon the Unit superior to all other liens except unpaid ad valorem real estate taxes and special assessments imposed by a governmental entity and sums unpaid on a first mortgage of record. The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the lien that secures payment of assessments. Each Co-owner, and every other person, except a first mortgagee, 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 such lien 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. The Association is hereby granted what is commonly known as a "power of sale." Further, each Co-owner and every other person, except a first mortgagee, who from time to time has any interest in the Condominium shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment is delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner acknowledges that at the time of acquiring title, to his Unit, he was notified of the provisions of this section and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject unit.

Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after the mailing of a written notice that an assessment, or any part thereof levied against his Unit is delinquent, and the Association may invoke any of its remedies hereunder if the default is not cored within ten (10) days after the date of mailing. Such notice shall be mailed by certified mail, return receipt requested, and postage prepaid, and shall be addressed to the individual representative of the delinquent co-owner designated in the certificate filed with the Association pursuant to Section 3 of Article 11 above, at the address set forth in such certificate or at his last known address. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorneys' fees and future assessment), (iv) the legal description of the subject Unit, and (v) the name of the Co-owner of record. Such affidavit shall be recorded in the Office of the Register of Deeds for the County in which the Condominium Project is located prior to the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the

ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the individual representative designated above and shall inform such representative that he may request a judicial hearing by bringing suit against the Association. The expenses incurred in collection unpaid assessments, including interest, costs, actual attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on his Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner therefor any persons claiming under him, and each Co-owner hereby consents to the appointment of such a receiver. The Association may purchase a Unit at any foreclosure sale hereunder.

If the holder of a first mortgage on a Unit in the Condominium obtains title to the Unit as a result of foreclosure of the mortgage, deed in lieu of foreclosure or similar remedy, or any other remedy provided in the mortgage, such person, and its successors and assigns, or other purchaser at a foreclosure sale shall not be liable for unpaid assessments chargeable to the Unit which became due prior to the acquisition of title to the Unit by such person; provided, however, that such unpaid assessments shall be deemed to be common expenses collectible from all of the Unit owners including such person, its successors and assigns, and that all assessments chargeable to the Unit subsequent to the acquisition of title shall be the responsibility of such person as hereinbefore provided with respect to all co-owners.

Section 9. Obligations of the Developer. The Developer will maintain the units it owns and will initially provide snow removal and road and detention basin maintenance. The Developer, although a Co-owner and a member of the Association, will not be responsible at any time for payment of any regular or special assessment. In no case shall the Developer be responsible for paying any assessment levied in whole or in part to finance any litigation or other claims against the Developer, any cost of investigating and preparing such claim, or any similar or related cost.

Section 10 Access; Maintenance and Repair. The Association or its agent shall have access to each Unit, except any residence constructed thereon, from time to time during reasonable working hours, upon notice to the occupant thereof for the purpose of maintenance, repair or replacement of any of the general common elements located therein or accessible therefrom. The Association or its agent shall also have access to each Unit, including any residence located thereon, at all times without notice for making emergency repairs necessary to prevent damage to other units, the common elements, or both.

It shall be the responsibility of each Co-owner to provide the Association means of emergency access to the residence and other structures located within his Unit during all periods of absence, and in the event of the failure of such Co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to the residence or other structure caused thereby or for repair or replacement of any doors or windows damaged in gaining such access, all of which shall be the responsibility of such Co-owner.

Each Co-owner shall repair, replace, decorate and maintain his unit and any limited common elements appurtenant thereto in a safe, clean and sanitary condition, and shall install and maintain landscaping on the Frontage Area. Each Co-owner shall also use due care to avoid damaging any of the common elements or any improvements located on or within a common element which is appurtenant to or which may affect any other unit. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the common element by him, or his guests, agents or invitees, unless such damages or costs are actually reimbursed from insurance carted by the Association, in which case there shall be no such responsibility. (If full reimbursement to the Association is excluded by virtue of a deductible provision, the responsible co-owner shall bear the expense to the extent of the deductible amount, anything else in these Bylaws to the contrary notwithstanding.)

The provisions of this Section 10 shall be subject to those of Article IX, Sections 1-3, inclusive, in the event of repair or replacement on account of a casualty loss.

Section 11. Taxes. Subsequent to the year in which the Condominium is established, all governmental special assessments and property taxes shall be assessed against the individual Units and not upon the total property of The Condominium or any part thereof. Taxes and governmental special assessments which have become a lien against the property of the Condominium in the year of its establishment (as provided in Section 13 of the Act) shall be Expenses of Administration and shall be paid by the Association. Each Unit shall be assessed a percentage of the total bill for such taxes and assessments equal to She percentage of value allocated to it in The Master Deed, and the owner thereof shall reimburse the Association for his units share of such bill within ten (10) days after he has been tendered a statement therefor.

Section 12. Documents to Be Kept. The Association shall keep current copies of the approved Master Deed, and all amendments thereto, and other Condominium Documents available at reasonable hours to co-owners, mortgagees, prospective purchasers and prospective mortgagees of units in the Condominium.

Section 13. Reserve for Major Repairs and Replacement. The Association shall maintain a reserve fund for major repairs and replacement of common elements in an amount equal to at least ten percent (10%) of the Association's current annual budget on a non cumulative basis. Moneys in the reserve fund shall be used only for major repairs and replacement of common elements. The minimum standards required by this section may prove inadequate for a particular project. The Association of co-owners should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes.

Section 14. Statement of Unpaid Assessments. Pursuant to the provisions of the Act, the purchaser of any Unit may request a statement from the Association as to the outstanding amount of any unpaid assessments thereon, whether regular or special or resulting from unpaid charges. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds a right to require a Unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of such Unit shall render any unpaid assessments and the lien securing the same fully enforceable against such purchaser and the Unit itself.

ARTICLE IX
INSURANCE; REPAIR OR REPLACEMENT CONDEMNATION CONSTRUCTION LIENS

Section 1. Insurance. The Association shall, to the extent appropriate given the nature of the common elements, carry vandalism and malicious mischief and liability insurance (including, without limitation, Directors' and Officers' coverage), workers' compensation insurance, if applicable, and such other insurance coverage as the Board may determine to be appropriate with respect to the ownership, use and maintenance of the common elements of the Condominium and the administration of Condominium affairs. Such insurance shall be carried and administered in accordance with the following provisions:

(a) All such insurance shall be purchased by the Association for the benefit of the Association, the co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of insurance with mortgagee endorsements to the mortgagees of co-owners. It shall be each co-owner's responsibility to obtain insurance coverage for his property

located within the boundaries of his unit or elsewhere in the Condominium, including but not limited to, the Frontage Area adjoining his unit, and the Association shall have absolutely no responsibility for obtaining such coverage. The Association and all co-owners shall use their best efforts to see that all property and liability insurance carried pursuant to the terms of this Article IX shall contain appropriate provisions by which the insurer waives its right of subrogation as to any claims against any co-owner or the Association, and, subject to the provisions of Article IX, Section 8, hereof, the Association and each co-owner hereby waives, each as to the other, any right of recovery for losses covered by insurance. The liability of carriers issuing insurance obtained by the Association shall not, unless otherwise required by law, be affected or diminished on account of any additional insurance carried by any co-owner, and vice versa.

(b) The Association may carry fidelity bond insurance in such limits as the Board shall determine upon all officers and employees of the Association who in the course of their duties may reasonably be expected to handle funds of the Association or any co-owners.

(c) Each co-owner will be responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to his residence and all other improvements constructed or to be constructed, and for his personal property located, within the boundaries of his Condominium unit or elsewhere in the Condominium Project, including but not limited to, the Frontage Area adjoining his unit. All such insurance will be carried by each co-owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, and evidenced to the Association in a manner acceptable to the Association. In the event of the failure of a co-owner to obtain such insurance, the Association may obtain such insurance on behalf of such co-owner and the premiums therefor will constitute a lien against the co-owner's unit which may be collected from the co-owner in the same manner that Association assessments are collected in accordance with Article IX. Each co-owner also will be obligated to obtain insurance coverage for his personal liability for occurrences within the boundaries of his unit (including within the residence located thereon), the limited common elements appurtenant to his unit, or on the Frontage Area appurtenant to his unit and also for alternative living expense in the event of fire. The Association will under no circumstances have any obligation to obtain any of the insurance coverage described in this subsection or incur any liability to any person for failure to do so.

(d) All insurance carried hereunder shall, to the extent possible, provide for cross-coverage of claims by one insured against another.

(e) All premiums upon insurance purchased by the Association pursuant to these Bylaws, except pursuant to subsection (c) above, shall be Expenses of Administration.

(f) Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account, and distributed to the Association, the co-owners and their mortgagees as their interests may appear provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Section 3 of this Article, 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 Project unless all pf the holders of first mortgages on units in the Condominium have given their prior written approval.

Section 2. Appointment of Association. Each co-owner, by ownership of a unit in the Condominium, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning insurance pertinent to the Condominium and the common elements thereof. Without limiting the generality of the foregoing, the Association as said attorney shall have full power and

authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such co-owners and the Condominium as shall be necessary or convenient to accomplish the foregoing

Section 3. Reconstruction or Repair. If any part of the Condominium shall be damaged, the determination of whether or not, and how, it shall be reconstructed or repaired shall be made in the following manner

(a) If the damaged property is a general or limited common element, a unit or a residence located within a unit, the property shall be rebuilt or repaired if a residence located within any unit in the Condominium is tenable, unless the Condominium Project is terminated in accordance with subsection 4 of Section A of Article XI of The Master Deed.

(b) If the Condominium is so damaged that no residence located within any unit is tenantable, the damaged property shall not be rebuilt and the Condominium shall be terminated, unless at least two-thirds (2/3) of the first mortgagees and two-thirds (2/3) of the co-owners in value and in number agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

(c) Any reconstruction or repair shall be performed substantially in accordance with the Master Deed and the plans and specifications for the Condominium, and for a residence within any unit, substantially in accordance with the plans and specifications previously approved by the Association or Developer for that unit, to a condition as comparable as possible to the condition existing prior to damage unless two-thirds (2/3) of the co-owners and two-thirds (2/3) of the first mortgagees agree otherwise by a vote or in writing.

(d) If the damage is only to a unit, to a structure or improvement located within a unit, to a limited common element appurtenant to a unit, or to landscaping or a mailbox located within the Frontage Area adjoining a unit, it shall be the responsibility of the co-owner of the unit to repair such damage in accordance with subsection (e) hereof. In all other cases, except as provided in subsection (d) hereof, the responsibility for reconstruction and repair shall be that of the Association.

(e) Each co-owner shall be responsible for the reconstruction and repair of his unit, all structures or improvements, including landscaping, within his unit, the limited common elements appurtenant to his unit, and the landscaping and mailbox located on the Frontage Area.

(f) Except as otherwise provided herein, the Association shall be responsible for the reconstruction and repair of the general common elements. The Association shall receive all insurance proceeds and be responsible for all reconstruction and repair activity to the extent of such proceeds. Immediately after a casualty occurs 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 return the damaged property to a condition as good as that existing before the damage.

(g) Any proceed of casualty insurance for which the Association paid the premium, whether received by the Association or a co-owner, shall be used for the reconstruction or repair when reconstruction or repair is required by these Bylaws. If the proceeds of insurance are not sufficient to pay the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all co-owners for the cost of reconstruction or repair of the

damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. Such assessments shall be levied in the same manner as the assessments described in Article VIII, Section 6, hereof, and shall be payable when and as the Board shall determine.

(h) If damage within the Condominium impairs the appearance of the Condominium, the Association or the co-owner responsible for the reconstruction and repair of the damage will proceed with the repair, reconstruction or replacement of the damaged item without delay, and will complete such repair, reconstruction or replacement within six (5) months after the date of the occurrence which caused the damage.

Section 4. Eminent Domain. The following provisions shall control upon any taking by eminent domain:

(a) The Association acting through its Board of Directors, may negotiate on behalf of all co-owners for any taking of general common elements. Any negotiated settlement shall be subject to the approval of at least two-thirds (2/3) of the co-owners in value and shall thereupon be binding on all co-owners.

(b) If an entire unit is taken by eminent domain, the award for such taking shall be paid to the Association for the benefit of the owner of such unit and the mortgagee thereof as their interests may appear. After acceptance of such award by the co-owner and his mortgagee, they shall be divested of all interest in the Condominium. The undivided interest in the common elements belonging to the co-owner whose unit has been taken shall thereinafter appertain to the remaining units, including those restored or reconstructed under the provisions of this section.

(c) In the event of a partial taking of any unit, any condemnation award shall be paid by the condemning authority to the Association on behalf of the co-owner of the unit and his mortgagee, as their interests may appear If part of the residence located within the unit is taken, the co-owner shall, if practical, and using the award, rebuild the same to the extent necessary to make it habitable or usable. If it is not practical to rebuild the residence within the boundaries of the unit, the entire undivided interest in the common elements appertaining to that Condominium unit shall thenceforth appertain to the remaining Condominium units, being allocated to them in proportion to their respective undivided interests in the common elements. The remaining portion of that Condominium unit shall thenceforth be a common element.

(d) If there is any taking of any portion of the Condominium other than any unit, the condemnation proceeds relative to such taking shall be paid to the Association, and the affirmative vote of at least two-thirds (2/3) of the co-owners in value at a meeting duly called shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate. If no such affirmative vote is obtained, such condemnation proceeds shall be remitted to the co-owners and their respective mortgagees, as their interests may appear, in accordance with their respective percentages of value set forth in Article VI of the Master Deed.

(e) If the Condominium Project continues after a taking by eminent domain, then the remaining portion of the Condominium Project shall be resurveyed and the Master Deed amended accordingly, and, if any unit shall have been taken, then Article VI of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining co-owners based upon a continuing value for the Condominium of one hundred percent (100%). Such amendment may be effectuated by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any co-owners.

(f) If any unit in the Condominium, 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 holder of a first mortgage lien on any of the affected units, if the Association earlier received the notice of mortgage required by Section 1 of Article XIII hereof. If the common elements or any portion thereof are made the subject matter of any condemnation or eminent domain proceeding or are otherwise sought to be acquired by a condemning authority, the Association shall so notify each holder of a first mortgage lien on any of the affected units, if the Association earlier received the notice of mortgage required by Section I of Article XIII hereof.

(g) Votes in the Association of co-owners and liability for future Expenses of Administration appertaining to a Condominium unit taken or partially taken (but which is not practical to rebuild) by eminent domain shall thenceforth appertain to the remaining Condominium units, being allocated to them in proportion to their relative voting strength in the Association.

Section 5. Construction Liens. The following provisions shall control the circumstances under which construction liens may be applied against the Condominium or any unit thereof

(a) Except as provided below, a construction lien for work performed on or beneath a Condominium unit or on the Frontage Area (as defined in Article V of the Master Deed), including that portion of a driveway built thereon, at the request of a co-owner, may attach only to the unit upon or for the benefit of which the work was performed. A construction lien for work performed in constructing a residence or other structure within a unit may attach to the residence or structure constructed.

(b) A construction lien for work authorized by the Developer or principal contractor, except at the request of a co-owner, and performed upon the common elements may attach only to units owned by the Developer at the time the work is performed.

(c) A construction lien for work authorized by the Association of co-owners may attach to each unit only to the proportionate extent that the co-owner of the unit is required to contribute to the Expenses of Administration as provided by the Condominium Documents.

(d) A construction lien may not arise or attach to a unit for work performed on the common elements not contracted for by the Developer or the Association of co-owners, except as provided in subsection (a) above.

If a co-owner is advised or otherwise learns of a purported construction lien contrary to the foregoing, he shall immediately notify the Board of Directors. Upon learning of the purported construction lien, the Board shall take appropriate measures to remove any cloud on the title of units improperly affected thereby.

Section 6. Mortgagees. Nothing contained in the Condominium Documents shall be construed to give a Condominium unit owner, or any other party, priority over any rights of first mortgagees of Condominium units pursuant to their mortgages in the case of a distribution to Condominium unit owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium units, common elements or both.

ARTICLE X
USE AND OCCUPANCY RESTRICTIONS; ENFORCEMENT

Section 1. Establishment of Restrictions. In order to provide for congenial occupancy of the Condominium, and for the protection of the value of the units therein, the use of Condominium property shall be subject to the limitations set forth below:

A. ***Property Subject to These Restrictions.*** All of the units of The Knolls at Grass Lake are and shall

remain subject to these restrictions.

B. ***Building and Use Restrictions.***

1. ***Residential Use.*** Except for units owned by the Developer and used for displaying model homes, all units shall be used for single-family residential purposes only. For the purposes hereof, "single-family" means (a) not more than two persons, whether or not related by blood or marriage; or, alternatively, but not cumulatively, (b) (1) a man or a woman (or a man and woman living together as a husband and wife), (2) the children of either and of both of them, and/or (3) the parents of either but not both of them, and no other persons; or (c) such other definition as is required by applicable law. No more than one residential unit may exist within any unit. No business, commercial, manufacturing, service or rental enterprise shall be conducted within any unit. No garage, recreational vehicle, basement, tent, shack, storage barn or similar type structure shall be used at any time as a residence, temporarily or permanently. However, these restrictions shall not prohibit an owner from maintaining a professional library; keeping personal business or professional record or accounts, or handling personal business or professional telephone calls or correspondence. Such uses are customarily incidental to principal residential use and not in violation of these restrictions.

2. ***Home Occupations.*** Although all units are to be used only for single-family residential purposes, nonetheless home occupations will be considered part of a single-family residential use if, and only if, the home occupation is conducted entirely within the residence and participated in solely by members of the immediate family residing in the residence, which use is clearly incidental and secondary to the use of the residence for dwelling purposes and does not change the character thereof. To qualify as a home occupation, there must be (a) no sign or display that indicates from the exterior that the residence is being utilized in whole or in part for any purpose other than that of a dwelling; (b) no commodities sold within the unit; (c) no person employed other than a member of the immediate family residing within the unit; and (d) no mechanical or electrical equipment used, other than personal computers and other office-type equipment.

3. ***Animals.*** Except for domesticated household dogs, cats, small caged birds, and fish, an owner may not keep, raise, or breed animals, livestock or poultry of any kind on any unit. No pets may be kept, raised or bred on any unit for commercial purposes. Household pets shall be confined to the parcel occupied by the owner of the Pet. Pets causing a nuisance or destruction shall be restrained.

4. ***Trash.*** No trash, garbage or rubbish of any kind shall be placed within any unit, except in sanitary containers for removal. All sanitary containers shall be kept in a clean and sanitary condition and shall be kept in an inconspicuous area of that unit, as designated by Developer or the Association, except as necessary to allow for trash collection.

5. ***Approval of Construction.*** The Developer in designing The Knolls at Grass Lake, including the location and contour of the streets, has taken into consideration the following criteria

   (a) The Knolls at Grass Lake is designed for residential living on moderate size sites.

   (b) The construction site within each of the units should be located so as to preserve the existing trees and contours where practicable.

   (c) The architecture of the residence located within any unit should be compatible with the criteria as established hereby and also should be compatible and harmonious to the external design and general quality of other dwellings constructed and to be constructed within The Knolls at Grass Lake.

Consequently, the Developer reserves the power to control the buildings, structures and other improvements placed within each unit, as well as to make such exceptions to these restrictions as the Developer may deem necessary and proper. No building, wall, swimming pool or other structure will be placed within a unit or Frontage Area appurtenant to a unit unless and until the builder or contractor and the plans and specifications therefor showing the nature, kind, shape, height, color, materials, and location of the improvements (including floor plan and exterior colors) and the plot plan (including elevations) have been approved by the Developer, and no changes in or deviations from such builder or contractor and plans and specifications as approved will be made without the prior written consent of the Developer. Two sets of complete plans and specifications must be submitted; one will be retained by the Developer and one will be returned to the applicant. Each such building, wall, swimming pool or structure will be placed within a unit or Frontage Area only in accordance with the plans and specifications and plot plan as approved by the Developer. No modular homes shall be placed within any unit. Refusal to approve a builder or contractor or plans and specifications by the Developer may be based on any grounds, including purely aesthetic grounds, which in the sole and uncontrolled discretion of the Developer seems sufficient. No alteration in the exterior appearance of any building, wall, swimming pool or other structures constructed with such approval will be made without like approval of the Developer. Approval of plans and specifications for reasonable modifications to provide handicap access pursuant to state or federal law shall not be unreasonably withheld. If the Developer fails to approve or disapprove any builder or contractor or plans and specifications within thirty (30) days after written request therefor, then such approval will not be required; provided that any builder or contractor is property licensed by the State of Michigan and that any building, wall, swimming pool or other structure will be erected entirely within the boundaries of a unit and does not violate any of the covenants, restrictions or conditions set forth herein or adopted by the Association. The Developer will not be responsible for any negligence or misconduct of the builder or contractor or for any defects in any plans or specifications or in any building or structure erected by such builder or contractor according to such plans and specifications or in any changes in drainage resulting from such construction.

6. ***Building Restrictions***. 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. All residences hereafter constructed must conform to the following requirements:

   (a) ***Area Minimums and Setback Restrictions***. All buildings erected on a unit shall have a minimum living area (floor space) equal to or in excess of the following: (1) One-story – 1,400 square feet; (2) A two-story dwelling (including split levels) shall be 1,800 square feet with a minimum of 800 square feet on the first floor, not including the basement. Unit 17 shall have a minimum 90-foot front setback and no structural components or accessory buildings shall be constructed in the front yard setback with the exception of the driveway. The driveway shall be constructed in the westerly 40 feet of the front setback area. The building area is on fill material and soil testing shall be performed by the Engineer prior to house construction.

   (b) ***General***. All square footage determinations will exclude basements (including walk-out basements), garages and open porches. The Developer may specify the number of levels that residences within specific units will be permitted to have to preserve the view from other units or to maintain a harmonious pattern of development in the construction of residences within the units. The height of any building will be not more than two full stories above street level. If any portion of a level or floor within a residence is below grade, all of the level or floor will be considered a basement level.

   (c) ***Garages***. Garages will be for use only by the occupants of the residence to which they are appurtenant, must be attached to the residences and constructed in accordance with the

approved plans. Each residence must have one garage capable of garaging at least two (2) and no more than three (3) standard size automobiles. There may only be one garage within each unit. No garage will be placed, erected or maintained within any unit except for use in connection with a residence in that unit or within an adjoining unit already constructed or under construction at the time that such garage is placed or erected within unit. All garage elevations shall be designed so that the entry door may be a part of the front elevation of the home.

(d) ***Roofs.*** All roofs must have a minimum 6 inch by 12 inch pitch.

(e) ***Siding.*** Exterior building materials shall be brick, wood, stone, faux stone and/or vinyl siding. Exterior color selections shall be subject to developer approval.

(f) ***Chimney Chases and Stacks.*** All heating and plumbing stacks must be painted to match the roof shingles.

(g) ***Site Boundary Lines.*** No building or structure of any kind shall be placed, erected, installed or located on any unit nearer to the front, side or rear Site boundary line that is permitted at the time the structure is installed by the ordinances of the municipality in which the Site is located.

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

(i) ***Landscaping.*** All sites shall be sodded and/or seeded and approximately 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.

(j) ***Air Conditioners and Similar Equipment.*** No external air conditioning unit shall be placed in or attached to a window or wall in the front of any Residence. No external air conditioning unit shall be placed in or attached to any window or wall of any Residence without the prior written approval of The Board of Directors. No compressor or other component of a central air conditioning system (or similar system, such as a heat pump) shall be so located upon any Site so as to be visible from 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 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, and shall be set at least seven (7') from the closest Site boundary line.

(k) ***Public Utilities.*** 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 distributions systems and off-site drainage, channels and facilities, as well as street lighting stanchions, shall be permitted.

(l) ***Public Utility and Drainage Easement Areas.*** Easements for the construction, installation and maintenance of public utilities, and for drainage and retention facilities, are reserved as shown on the Plan. In addition, for Units 22-26 and 2-4, the drainage through the yard shall be maintained per the plot plan approved by the Township and the Livingston County Drain

Commissioner. Within all of the foregoing easements, and Units 22-26 and 2-4, 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, or drainage swale at units 22 - 26 and 2 - 4, 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.

(m) ***Completion of Construction and Stabilization of Soil.*** Construction once commenced within any unit must be completed within twelve (12) months from the date of commencement, and within said period the soil within such unit, and the Frontage Area appurtenant to such unit, must be completely stabilized by grading and seeding of a lawn or other ground cover growth so as to prevent any soil blow area or soil erosion; provided that this provision shall neither prevent nor prohibit any owner from maintaining open areas for the planting of trees, shrubbery or a flower garden, but any such open area shall be controlled so as to prevent blowing or erosion of soil therefrom.

(n) ***Accessory Structures.*** Accessory structures shall be allowed. Site plan, exterior appearance, orientation of doors, height sizes and construction materials are subject to developer approval.

(o) ***Minimum Grades and Basements.*** The minimum finish floor elevations and basement floor elevations are as follows:

Unit	Minimum Finish Floor Elevation	Minimum Basement Floor Elevation
1	982	972
2	969	959
3	967	957
4	962	952
5	962	952
6	962	952
7	963	953
8	962	952
9	956	946
10	956	946
11	957	947

Unit	Minimum Finish Floor Elevation	Minimum Basement Floor Elevation
12	955	945
13	956	946
14	958	948
15	960	950
16	962	952
17	963	953
18	970	960
19	966	956
20	962	952
21	962	952
22	962	952

23	970	960
24	972	962
25	974	964
26	975	965
27	980	970
28	971	961
29	964	954

30	964	954
31	966	956
32	965	955
33	965	955
34	963	953
35	963	953
36	964	954

These elevations have been set by the engineer and agreed to by the Livingston County Drain Commissioner. They are the minimum elevations at which the storm drainage system for the Knolls of Grass Lake can provide drainage service to the proposed home sites. Homes built at elevations below those listed above may not be able to be serviced by the drainage system.

7. ***Lawns***. Each owner shall properly maintain all lawn areas within his unit and Frontage Area appurtenant to his unit, and at no time shall the height of said lawns exceed five inches. All lawns shall be kept free from weeds, underbrush, and other unsightly growths.

8. ***Recreational and Commercial Vehicles***. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, motorcycles, all-terrain vehicles, snowmobile trailers or vehicles other than automobiles or vehicles used primarily for general personal transportation use may be parked or stored on the Condominium Premises unless parked in a garage, or accessory structure, with the door completely closed or unless present for temporary loading or unloading purposes. No inoperable vehicles of any type may be brought or stored on the Condominium Premises, either temporarily or permanently, unless within a garage with the door completely closed. Commercial vehicles shall not be parked on the Condominium Premises (unless fully inside a garage with the door completely closed) except while making deliveries or pick-ups in the normal course of business or for construction purposes. No commercial vehicles of any nature will be parked overnight on the Condominium Premises, except in a completely closed garage, without the prior written consent of the Developer. Any truck over ¾ ton and any vehicle with a company name or other advertising or commercial designations will be considered a commercial vehicle. No vehicle may be parked overnight on any road or on any Frontage Area, except as permitted by the Association in accordance with any rules or regulations adopted by the Association.

9. ***Fences***. No fence, wall or hedge shall be erected or maintained on any unit without the prior written approval of the Developer. No fence, wall or hedge shall be maintained or erected which blocks or hinders vision at street intersections. No chain link fences shall be permitted.

10. ***Antennae***. No owner may install within his unit a satellite dish or television antenna unless approved in writing by the Developer or the Association.

11. ***Hunting***. No owner shall engage in or permit hunting in any form anywhere within the Condominium Premises.

12. ***Furniture; Equipment***. No item of equipment, furniture or any other large movable item shall be kept within any unit outside a building, except lawn furniture or picnic tables, provided the same are kept in neat and good condition. All other items, such as lawn mowers, snowmobiles and dune buggies, shall be stored in a garage.

13. ***Laundry***. No laundry shall be hung outside for drying in such a way as to be readily visible from the street.

14. ***Signs, and Advertising***. 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.

15. ***Mailboxes***. 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.

16. ***Decks***. Decks built on any Site shall not encroach into the rear yard setback area applicable to the Site, as such set back area is established by the Township. For Units 23-26 and 2-4, no decks or patios are permitted which will impede the drainage flow through the swale across the lots.

17. ***Swimming Pools***. Until the Transition Control Date, no swimming pools shall be erected or maintained on or in any Site without the prior written approval of the Developer. 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. Only below ground swimming pools will be permitted, and 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 Township Ordinance or state law. 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 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.

18. ***Dog Kennels/Shelter/Runs***. Any dog kennel, dog run or other enclosed shelters for permitted animals shall be approved by the developer.

19. ***Weapons***. 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, sling shots, or other similar weapons, projectiles or devices anywhere on or about the Condominium.

20. ***Leasing and Rental***. Owners, including Developer; may rent any number of Sites at any time for any term of occupancy not less than thirty (30) days upon compliance with the terms and conditions contained in Article XI of these Bylaws.

21. ***Nuisances***. No owner of any unit will do or permit to be done any act or condition within his unit or Frontage Area appurtenant to his unit which may be or is or may become a nuisance. No unit or Frontage Area will be used in whole or in part for the storage of rubbish of any character whatsoever (except normal household trash until the next trash collection day), nor for the storage of any property or thing that will cause the unit or Frontage Area to appear in an unclean or untidy condition or that will be obnoxious to the eye; nor Will any substance, thing or material be kept within any unit or Frontage Area that will emit foul or obnoxious odors, or that will cause any noise that will or might disturb the peace, quiet, comfort or serenity of the occupants of the surrounding units. No unsightly objects will be allowed to be placed or suffered to remain anywhere within a unit or Frontage Area. If any owner of any unit fails or refuses to keep his unit or Frontage Area appurtenant thereto free from refuse piles or other unsightly objects, then the

Developer or the Association may enter the unit or Frontage Area and remove the same and such entry will not be a trespass. The owner of the unit will reimburse the Developer or Association for all costs of such removal.

22. ***Rules and Regulations***. Reasonable regulations consistent with all laws and the Condominium Documents concerning the use of the Common Elements or the rights and responsibilities of the 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.

23. ***Other Restrictions***. The restrictions set forth herein shall be deemed in addition to any restrictions recorded on the records of the Livingston County Register of Deeds as of the date of the recording of the Master Deed and these bylaws, except as to those restrictions, if any, based on race, color, religion, sex, handicap, familial status or national origin. In the event of a conflict between the prior recorded restrictions and these restrictions, the restrictions contained in these bylaws shall be deemed controlling to the extent permitted by law.

24. ***Compliance with Laws***. No owner shall take any action on or with respect to his unit that violates any federal, state or local statute, regulation, rule or ordinance.

C. ***Developers Rights and Responsibilities***. Developer may assign, in whole or in part, its rights and responsibilities hereunder to the Association, and when the last unit in the Condominium Project has been conveyed, this assignment shall occur automatically.

1. ***Prior Approval of Developer.*** Until certificates of occupancy are issued for Residence 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 1 B 5 of this Article X.

2. ***Development Right in Furtherance of Development and Sales***. None of the restrictions contained in this Article X 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.

3. ***Enforce of Bylaws by Developer***. 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.

4. ***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 the 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 to the Owner and such costs shall be a lien upon the Site.

D. ***Enforcement of Restrictions.*** The Association's costs of exercising its rights and administering its responsibilities hereunder shall be Expenses of Administration (as defined in Article VII above), provided that the Association shall be entitled to recover its costs of proceeding against a breach by a co-owner as provided in Article XVI, subsection 1(b) below.

E. ***Developer's Option to Repurchase.*** Except as otherwise provided herein for adjacent property owners if construction of a residence within a unit, by an approved builder and pursuant to approved plans and specifications, is not commenced within two (2) years from the date the first owner other than the Developer first acquires legal or equitable title to such unit, unless such two (2) year period is extended in writing by the Developer, the Developer will have the option to purchase back the unit from the then current owner. The Developers option to purchase back the unit will continue until such time as construction is commenced for a residence which has been approved as provided by these restrictions. The option will be exercised by written notice to the owner of record of the unit, and the purchase price will be equal to the net cash proceeds (sale price less realtor's fee, if any) received by the Developer from the original sale of the unit, without increase for interest or any other charge. The Developer will also notify any mortgagee of the unit, as reflected in the records of the Association pursuant to Article XIII below. If the option is exercised, Developer is to receive marketable title by warranty deed subject only to restrictions or encumbrances affecting the unit on the earlier of the date of the land contract or date of conveyance by the Developer and with all taxes and assessments which are due and payable or a lien on the unit, and any other amounts which are a lien against the unit, paid as of the date of conveyance back to the Developer. The closing of the purchase back shall occur at a place and time specified by the Developer not later than sixty (60) days after the date of exercise of the option. The then current owner of the unit will take such actions and shall execute such documents, including a warranty deed to the unit, as the attorney for the Developer will deem reasonably necessary to convey marketable title to the unit to the Developer, free and clear of all liens and encumbrances as aforesaid. Anything herein to the contrary notwithstanding, Developer may waive the requirement for development on a unit if (1) the unit is under common ownership with an adjacent unit which has been developed and occupied by the common owner who desires to keep the non developed unit vacant as additional open area adjacent to the developed unit; or (2) the unit is acquired by a non Co-owner who has developed property adjacent to the Unit and wishes to maintain the Unit as a vacant land to provide a buffer zone between the Condominium and the adjacent property owners non condominium developed property. The exclusion from development shall be waived in writing by the Developer at or prior to the closing on the sale of the unit to which the exception applies.

F. ***General Provisions.***

1. ***Zoning.*** All restrictions imposed by the Marion Township Zoning Ordinance, as it applies to RR residential districts, shall apply to all units in The Knolls at Grass Lake, except as shown on the approved site plan and except that if the Developer or the Association has imposed more stringent restrictions, those restrictions shall apply in place of the Township's restrictions.

2. ***No Gift or Dedication.*** Nothing herein contained will be deemed to be a gift or dedication of any portion of the units or other areas in The Knolls at Grass Lake to the general public or for any public purposes whatsoever, it being the intention of the Developer that these restrictions will be strictly limited to the purposes herein specifically expressed.

3. ***No Third -Party Beneficiaries.*** No representatives, successors and assigns be a beneficiary of any provision set forth third party, except grantees, heirs, of the Developer, as provided herein, will herein.

4. ***Handicapped Persons.*** Reasonable accommodations in the rules, policies and practices of the Condominium will be made as required by The Federal Fair Housing Act to accommodate handicapped persons.

5. ***Construction Activities.*** At all times during the construction of any improvement on a unit the owner shall refrain from allowing debris and clutter to accumulate on either Cliveden Road or Schippers Court both of which shall be kept open and free from obstruction at all times.

Section 2. Persons Subject to Restrictions. All present and future Co-owners, tenants and any other persons or occupants using the facilities of the Condominium in any manner are subject to and shall comply with the Act, the Master Deed, these Condominium Bylaws and the Articles of Incorporation, Bylaws, rules and regulations of the Association.

Section 3. Enforcement. A breach of any provision contained in Section 1 of this Article XI shall constitute a breach of these Bylaws and may be enforced pursuant to the terms of these Bylaws.

ARTICLE XI
LEASES

Section 1. Notice of Intent to Lease. A co-owner, including the Developer, desiring to rent or lease a Condominium unit for a period of longer than thirty (30) consecutive days, 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 Us review for Us compliance with the Condominium Documents. If Developer proposes to rent any Condominium unit before the transitional control date, Developer shall notify either the advisory committee or each co-owner in writing. For security purposes, all non-co-owner occupants shall register their presence with the Association prior to taking occupancy and shall notify the Association upon departure.

Section 2. Conduct of Tenant. All tenants and non-co-owner occupants shall comply with all of the terms and conditions of the Condominium Documents and the provisions of the Act. If the Association determines that a tenant or non-co-owner occupant has failed to comply with the conditions of the Condominium Documents or the provisions of the Act, the Association may advise the appropriate member by certified mail of the alleged violation by a person occupying his unit. The member shall have fifteen (15) days after receipt of the notice to investigate and correct the alleged breach or advise the Association that a violation has not occurred. If after fifteen (15) days the Association believes that the alleged breach has not been cured or may be repeated, it may institute on its behalf, or the members may institute, derivatively on behalf of the Association if it is under the control of the Developer, an action for

eviction against the tenant or non-co-owner occupant and, simultaneously, for money damages against the member and tenant or non-co-owner occupant for the breach of the conditions of the Condominium Documents or of the Act. The relief set forth in this section may be by any appropriate proceeding. The Association may hold both the tenant or non-co-owner occupant and the member liable for the damages caused to the Condominium.

ARTICLE XII
MORTGAGES

Section 1. Notice of Mortgage. A co-owner who mortgages a unit shall notify the Association of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Association, which shall maintain such information in a book entitled "Mortgages of Units." If the Association does not receive such notice, it shall be relieved of any duty to provide the mortgagee any notice required by the Master Deed or these Bylaws.

Section 2. Notice of Default. The Association shall give to the holder of any first mortgage covering any unit in the Condominium Project written notification of any default in the performance of the obligations of the co-owner of such unit that is not cured within sixty (60) days if such mortgagee has, in writing, requested the Association to report such defaults to it.

Section 3. Notice of Insurance. The Association shall notify each mortgagee appearing in said book of the name of each company insuring the general common elements of the Condominium against vandalism and malicious mischief and the amounts of such coverage.

Section 4. Notice of Meetings. Upon a request submitted to the Association, any institutional holder of a first mortgage lien on any unit in the Condominium shall be entitled to receive written notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

Section 5. Acquisition of Title by First Mortgagee. Any first mortgagee who obtains title to a unit pursuant to the remedies provided in the mortgage, or deed in lieu thereof, shall not be liable for such unit's unpaid assessments which accrue prior to acquisition of title by the mortgagee, except to the extent provided in Article XIII, Section 8, above.

ARTICLE XIII
AMENDMENTS

Section 1. Proposal. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or by one-third (1/3) or more of the members in number or in value by an instrument in writing signed by them.

Section 2. Meeting to Be Held. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of these Bylaws.

Section 3. Vote Required. These Condominium Bylaws may be amended by an affirmative vote of two-thirds (2/3) of the members in number and in value and two-thirds (2/3) of all mortgagees at any regular meeting or special meeting called for such purpose, except that the method or formula used to determine the percentage of value of units in the Condominium Project and any provisions relating to the ability or terms under which a Co-owner may rent a unit may not be modified or amended without the consent of each affected member and mortgagee. For purposes of such voting, each Co-owner will get one (1) vote for each unit owned, including as to the Developer all units created by the Master Deed but not yet conveyed. Each mortgagee shall get one (1) vote for each mortgage held.

Section 4. Amendments Not Materially Changing Condominium Bylaws. The Developer or Board of Directors may enact amendments to these Condominium Bylaws without the approval of any member or mortgagee, provided that such amendments shall not materially alter or change the rights of a member or mortgagee. The Developer may also enact amendments to these Condominium Bylaws as provided in the Master Deed.

Section 5. Effective Date. Any amendment to these Bylaws shall become effective upon the recording of such amendment in the Office of the Register of Deeds in the county where the Condominium is located.

Section 6. Costs of Amendments. Any person causing or requesting an amendment to these Condominium Bylaws shall be responsible for the costs and expenses of considering, adopting, preparing and recording such amendment except as provided in Article X of the Master Deed.

Section 7. Notice; Copies to Be Distributed. Members and mortgagees of record of Condominium units shall be notified of proposed amendments not less than ten (10) days before the amendment is recorded. A copy of each amendment to the Bylaws shall be furnished to every member after recording; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Condominium Project regardless of whether such persons actually receive a copy of the amendment

ARTICLE XIV
DEFINITIONS

All terms used herein shall have the same meanings as set forth in the Act or as set forth in the Master Deed to which these Bylaws are attached as an exhibit.

ARTICLE XV
REMEDIES FOR DEFAULT

Section 1. Relief Available. Any default by a Co-owner shall entitle the Association or another co-owner or Co-owners to the following relief:

A. Failure to comply with any of the terms or provisions of the Condominium Documents shall be grounds for relief, which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief foreclosure of lien (if default in payment of any assessment) or any combination thereof and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.

B. In any proceeding arising because of an alleged default by any Co-owner or the failure of any Co-owner to abide by the provisions of the Condominium Documents, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (not limited to statutory fees) as may be determined by the court, but in no event shall any co-owner be entitled to recover attorneys' fees.

C. Such other reasonable remedies as are provided in the rules and regulations promulgated by the Board of Directors, including, without limitation, the levying of fines against co-owners after notice and opportunity for hearing, as provided in the rules and regulations of the Association, and the imposition of late charges for nonpayment of assessments.

D. The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the common elements, limited or general, or into any unit, where reasonably necessary, and summarily

remove or abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents.

Section 2. Failure to Enforce. The failure of the Association or of any Co-owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-owner to enforce such right, provision, covenant or condition in the future.

Section 3. Rights Cumulative. All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to any terms, provisions, covenants or conditions of the aforesaid Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party 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. Hearing. Prior to the imposition of any fine or other penalty hereunder, the offending Unit owner shall be given a reasonable opportunity to appear before the Board and be heard. Following any such hearing, the Board shall prepare a written decision and place it in the permanent records of the Association.

ARTICLE XVI
ARBITRATION

Section 1. Submission to Arbitration. Any dispute, claim or grievance arising out of or relating to the interpretation or application of the Master Deed, Condominium Bylaws or Management Agreement, if any, or to any disputes, claims or grievances arising among or between the Co-owners or between such Co-owners and the Association shall, upon the election and written consent of all the parties to any such dispute, claim or grievance, and written notice to the Association, be submitted to arbitration, and the parties thereto shall accept the arbiter's decision as final and binding. The Commercial Arbitration Rules of the American Arbitration Association, as amended and in effect from time to time hereafter, shall be applicable to such arbitration.

The arbiter may be either an attorney acceptable to both parties or a panel of three (3) individuals, at least one (1) of whom shall be an attorney. The panel shall be composed of one (1) individual appointed by the Co-owner and one (1) individual appointed by the Board of Directors of the Association. These two (2) panelists will then promptly agree on the third member of the panel. No Co-owner who is a natural person may appoint himself or a member of his household to the panel. No corporation or partnership member may appoint a director, partner, officer or employee to the panel. Neither may the Board appoint a person similarly associated with an individual, corporate or partnership member.

Costs of the arbitration shall be borne by the losing party to the arbitration. The arbiter may require a reasonable deposit to ensure payment of costs. Such deposit shall be placed in escrow in the name of the arbiter as trustee in the name of the matter at issue.

Section 2. Effect of Election. Election by Co-owners or the Association to submit any such dispute, claim or grievance to arbitration shall preclude such parties from litigating such dispute, claim or grievance in the courts. Any appeal from an arbitration award shall be deemed statutory appeal.

Section 3. Preservation of Right. No Co-owner shall be precluded from petitioning the courts to resolve any dispute, claim or grievance in the absence of election to arbitrate.

ARTICLE XVII
SEVERABILITY

If 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.

No amendment to this Master Deed, pursuant to this or any other Article thereof, shall alter any right granted to or reserved to the Township of Marion in this Condominium Bylaws.

ARTICLE XVIII
CONFLICTING PROVISIONS

In the event of a conflict between the provisions of the Act (or other law of the United States or of the State of Michigan) and any Condominium Document, the Act (or other law) shall govern. In the event of any conflict between the provisions of any one or more Condominium Documents, the following order of priority shall prevail and the provisions of the Condominium Document having the highest priority shall govern:

(1) The Master Deed, including the Condominium Subdivision Plan;

(2) These Condominium Bylaws;

(3) The Articles of Incorporation of the Association;

(4) The Rules and Regulations of the Association.

LIBER 4 9 0 4 PAGE 0 6 0 4

LIBER 5 4 0 PAGE 0 3 9 9

RECORDED

2004 AUG -9 A 8:00

NANCY HAVILAND
REGISTER OF DEEDS
LIVINGSTON COUNTY, MI
48843

RECEIVED

SEP 2 9 2004

DRAIN OFFICE
HOWELL, MICH

49/4

AGREEMENT FOR THE ADDING LANDS TO AN EXISTING COUNTY DRAINAGE DISTRICT FOR THE KNOLLS OF GRASS LAKE, A RESIDENTIAL SITE CONDOMINIUM, LOCATED IN SECTION 27, MARION TOWNSHIP PURSUANT TO SECTION 433 OF ACT NO. 40 OF THE PUBLIC ACTS OF 1956, AS AMENDED

THIS AGREEMENT, made and entered into this 23rd day of July 2004, by and between BRIAN JONCKHEERE, LIVINGSTON COUNTY DRAIN COMMISSIONER of 2300 E Grand River, Suite 105, Howell, Michigan 48843, hereinafter referred to as "Drain Commissioner" on behalf of the proposed The Derbyshire Farms Drain Drainage District, hereinafter referred to as the "District", and Power Group Investment, L L C , a Michigan Limited Liability Company, of 3121 E Grand River, Howell, Michigan 48843, as owner of land described in Exhibit A attached hereto, hereinafter referred to as "Landowner"

WITNESSETH

WHEREAS, the District is an established body corporate in the County of Livingston and State of Michigan pursuant to Act 40 of the Public Acts of 1956 of the State of Michigan, as amended, and

WHEREAS, the Drain Commissioner, pursuant to the provisions of the Drain Code of the State of Michigan, Act No 40 of the Public Acts of 1956, as amended, is acting on behalf of the District and has complete legal jurisdiction of the Drain which serves various properties in the District, and

WHEREAS, Landowner, pursuant to Section 433 of Act No 40 of 1956, as amended, wishes to add lands to the District, and

WHEREAS, Section 433 of Act No 40 of the Public Acts of 1956, as amended, authorizes the Drain Commissioner to enter into an Agreement with the Landowner and developer, if any, to establish a drain which was constructed by the Landowner or developer to service an area of its own land as a County Drain, and

WHEREAS, Landowner has been advised and understands and agrees to assume the total cost of the construction necessary to add the lands, including engineering, inspection, easement acquisition, legal and administrative expenses and costs attendant to this Agreement, and

WHEREAS, Landowner has agreed to assume and pay all costs as set forth herein, and

WHEREAS, Landowner has obtained, at its own expense, a certificate from a registered professional engineer satisfactory to the Drain Commissioner to the effect that the Drain has sufficient capacity to provide adequate drainage service without detriment to or diminution of the drainage service which the outlet currently provides A copy of said certificate is attached hereto as Exhibit A

NOW, THEREFORE, in consideration of the premises and covenants of each, the parties hereto agree as follows

1 The District agrees to permit the addition of lands legally described as follows

See Exhibit "B"

2 Landowner agrees to construct and/or has constructed, at its expense, the Drain in accordance with plans and specifications approved by the Drain Commissioner The route and course for the drain is legally described in Exhibit C

3 The Landowner agrees to pay the costs of construction of said Drain and drainage facilities, including the acquisition of the necessary rights of way or easements, engineering, surveying, inspection, legal and administration costs In addition, the Landowner has deposited with the Drain Commissioner an amount of money equivalent to five (5%) percent of the costs of construction of the drain, not to exceed Two Thousand Five Hundred and No/100 ($2,500 00) Dollars, which monies are to be deposited into Derbyshire Farms Drain Maintenance Fund

4 That the Landowner shall secure, at its own expense, all easements or rights of way necessary for the construction of the Drain over and across the properties owned by Landowner and across such other lands as necessary for the construction of the Drain from the point of beginning at the outlet to the point of ending Said easements or rights of way shall be secured in writing and in a form acceptable to the Drain Commissioner The Landowner shall be responsible for all costs for the recording of said easements, as directed by the Drain Commissioner

5 Landowner shall secure all necessary permits or authorizations as may be required by local, state or federal law and provide copies to the Drain Commissioner The Drain Commissioner shall be provided copies of all correspondence and reports involving any governmental agency with respect to the Drain

6 The Landowner hereby agrees that said added lands shall, from this date forward, be liable for the added lands portion of all special assessments hereafter levied for the operation and maintenance of the Drain

7 The Derbyshire Farms Drain Maintenance Fund is agreed and understood as being for the sole benefit of the Derbyshire Farms Drain and use thereof may be made by the Derbyshire Farms Drain Drainage District at large, or part thereof, and that such payment shall not relieve the subject property from any future assessments levied pursuant to the Drain Code of 1956, as amended

8 Landowner agrees to indemnify and hold harmless the Drain Commissioner and the Derbyshire Farms Drainage District for any and all claims, damages, lawsuits, costs and expenses, arising out of or incurred as a result of the Drain Commissioner assuming responsibility for the drain under federal, state and/or local environmental laws and regulations, including all future amendments to such laws or regulations and the administrative and judicial interpretation thereof, except for liability arising out of the gross negligence or intentional wrongful conduct of the Drain Commissioner or its agents

9 Modification, amendments or waivers of any provisions of the Agreement may be made only by the written mutual consent of the parties

This Agreement shall become effective upon its execution by the Developer/Landowner and the Drain Commissioner and shall be binding upon the successors and assigns of each party

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by the duly authorized officers as of the day and year first above written

DERBYSHIRE FARMS DRAIN
DRAINAGE ~~DISTRICT~~

By _____
By Brian Jonckheere
Livingston County Drain Commissioner

POWER GROUP INVESTMENT, L L C

By _____
By Daniel P Boss
Its President

STATE OF MICHIGAN)
) ss
COUNTY OF LIVINGSTON)

On this 23rd day of July, 2004, before me, a Notary Public in and for said County, personally appeared BRIAN JONCKHEERE, LIVINGSTON COUNTY DRAIN COMMISSIONER, to me known to be the person described in and who executed the foregoing instrument and acknowledged the same to be his free act and deed

_____
Sallie K. Chrenka, Notary Public
Livingston County, Michigan
My Commission Expires March 12, 2008

STATE OF MICHIGAN)
) ss
COUNTY OF LIVINGSTON)

On this 22 day of July, 2004, before me, a Notary Public in and for said County, personally appeared Daniel P Boss, to me known to be the person described in and who executed the foregoing instrument and acknowledged the same to be his free act and deed

Judith L. Bachman, Notary Public
Livingston County, Michigan
My Commission Expires 2-10-06

When Recorded Return To
Brian Jonckheere
Livingston County Drain Commissioner
2300 E Grand River
Howell, Michigan 48843

Drafted By
Neil Plante
Boss Engineering Company
3121 E Grand River
Howell, Michigan 48843

EXHIBIT A

I, Brent W LaVanway, a Registered Professional Engineer in the State of Michigan, do hereby certify to the following for the Knolls of Grass Lake Site Condominium in Section 27 of Marion Township

1 The above-mentioned lands to be developed naturally drain into the area served by the existing drains and that the existing drains are the only reasonable available outlet for the drainage from the lands to be developed

2 To my knowledge, there is

a Existing capacity in the existing drains to serve the lands to be developed without detriment to or diminution of the sanitary sewer or storm drainage service provided or to be provided in the foreseeable future in the existing district

b No forseable adverse impact on downstream proprietors created by the stormwater flow from the Knolls of Grass Lake Site Condominium.

Brent W LaVanway, P.E., #38211

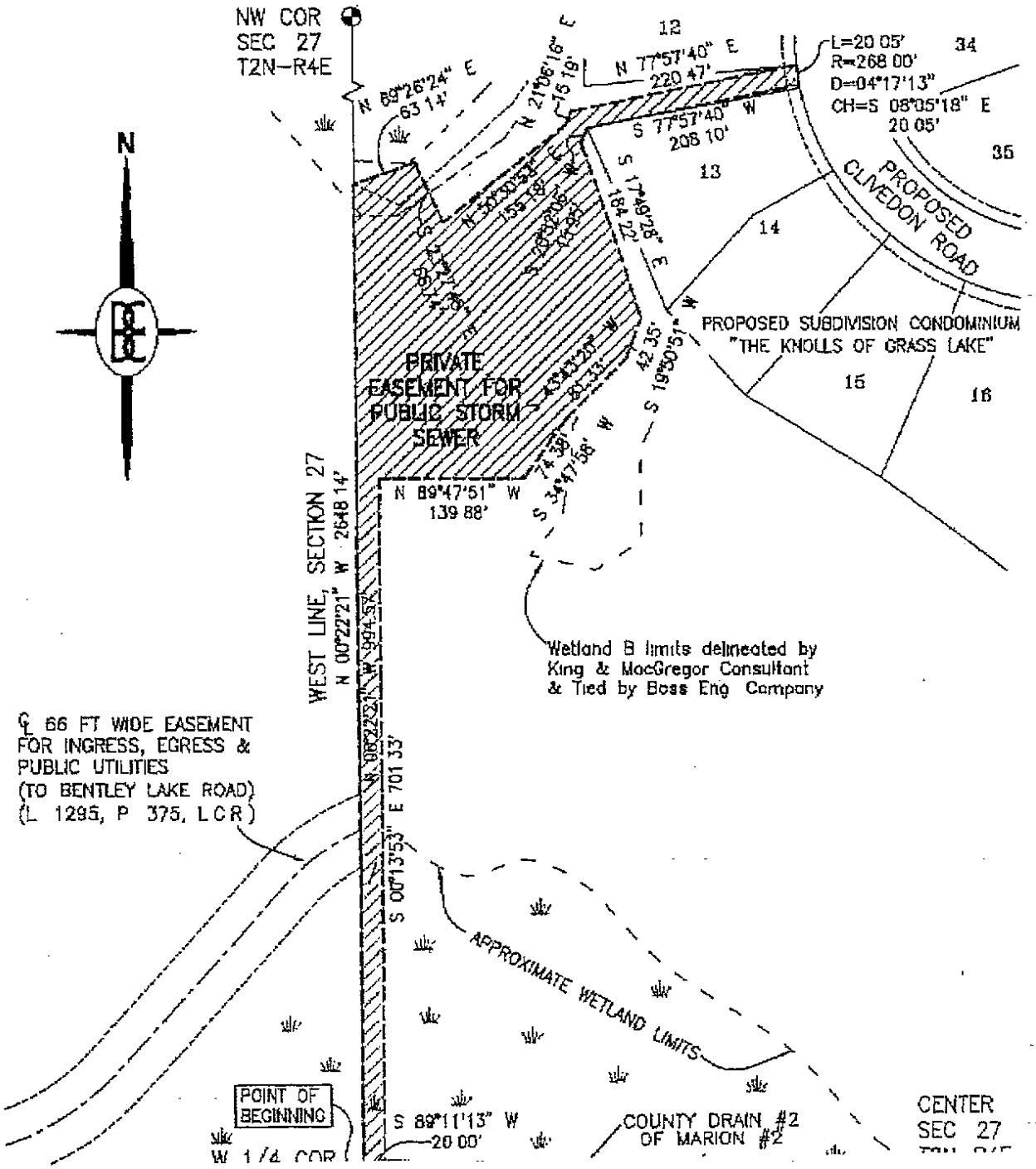
Date 7/22/04

EXHIBIT "B"

Part of the Northwest 1/4 of Section 27, T2N-R4E, Marion Township, Livingston County, Michigan, more particularly described as follows Beginning at the Northwest Corner of said Section 27, thence along the North Line of said Section 27, as monumented, S 89°51'09" E, 1306 53 feet (previously recorded as S 89°59'32" E, 1305 15 feet), thence S 00°11'30" E, 1005 62 feet to Traverse Point "A", thence continuing along said line, and along the West line of "Derbyshire Farms", a subdivision as recorded in Liber 37 of Plats, pages 41-42, Livingston County Records, S 00°11'30" E, 1040 91 feet (the previous two courses being recorded as S 00°26'29" E, 2042 93 feet), thence along the Westerly Line of the Plat of McClatchey's Triangle Lake Estates No 1", as recorded in Liber 7, Page 15-16, Livingston County Records, on the following two (2) courses 1) Southwesterly on an arc left, having a length of 316 96 feet, a radius of 273 82 feet, a central angle of 66°19'23", and a long chord which bears S 32°39'56" W, 299 56 feet (previously recorded as having a length of 316 95 feet, a radius of 273 82 feet, a central angle of 66°17'46", and a long chord which bears S 32°24'57" W, 299 56 feet), 2) S 00°29'02" E (previously recorded as S 00°44'01" E), 328 90 feet, thence along the East-West 1/4 Line of said Section 27, as monumented, S 89°11'13" W, 1137 37 feet (previously recorded as S 88°55'21" W, 1136 97 feet), to the West 1/4 Corner of said Section 27, thence along the West Line of said Section 27, N 00°22'21" W (previously recorded as N 00°35'57" W), 994 57 feet to Traverse Point "B", the endpoint of an intermediate traverse line beginning at aforementioned Traverse Point "A" and having the following ten (10) courses 1) S 75°49'06" W, 147 63 feet, 2) N 75°42'41" W, 198 45 feet, 3) N 56°46'38" W, 190 05 feet, 4) S 55°59'23" W, 240 19 feet, 5) S 87°01'53" W, 190 87 feet, 6) S 32°30'58" W, 156 24 feet, 7) S 03°33'07" E, 159 70 feet, 8) S 34°22'17" W, 296 70 feet, 9) S 46°52'15" W, 149 78 feet, 10) N 64°27'13" W, 49 10 feet to aforementioned Traverse Point "B", thence continuing along the West Line of said Section 27, N 00°22'21" W (previously recorded as N 00°35'57" W), 1653 57 feet to the POINT OF BEGINNING, containing 76 95 acres, more or less Including the use of a 66 foot wide Private Easement for Ingress, Egress, and Public Utilities as described in Liber 1295, page 375, Livingston County Records Also subject to any other easements or restrictions of record

EXHIBIT "C"

PRIVATE EASEMENT FOR PUBLIC STORM SEWER

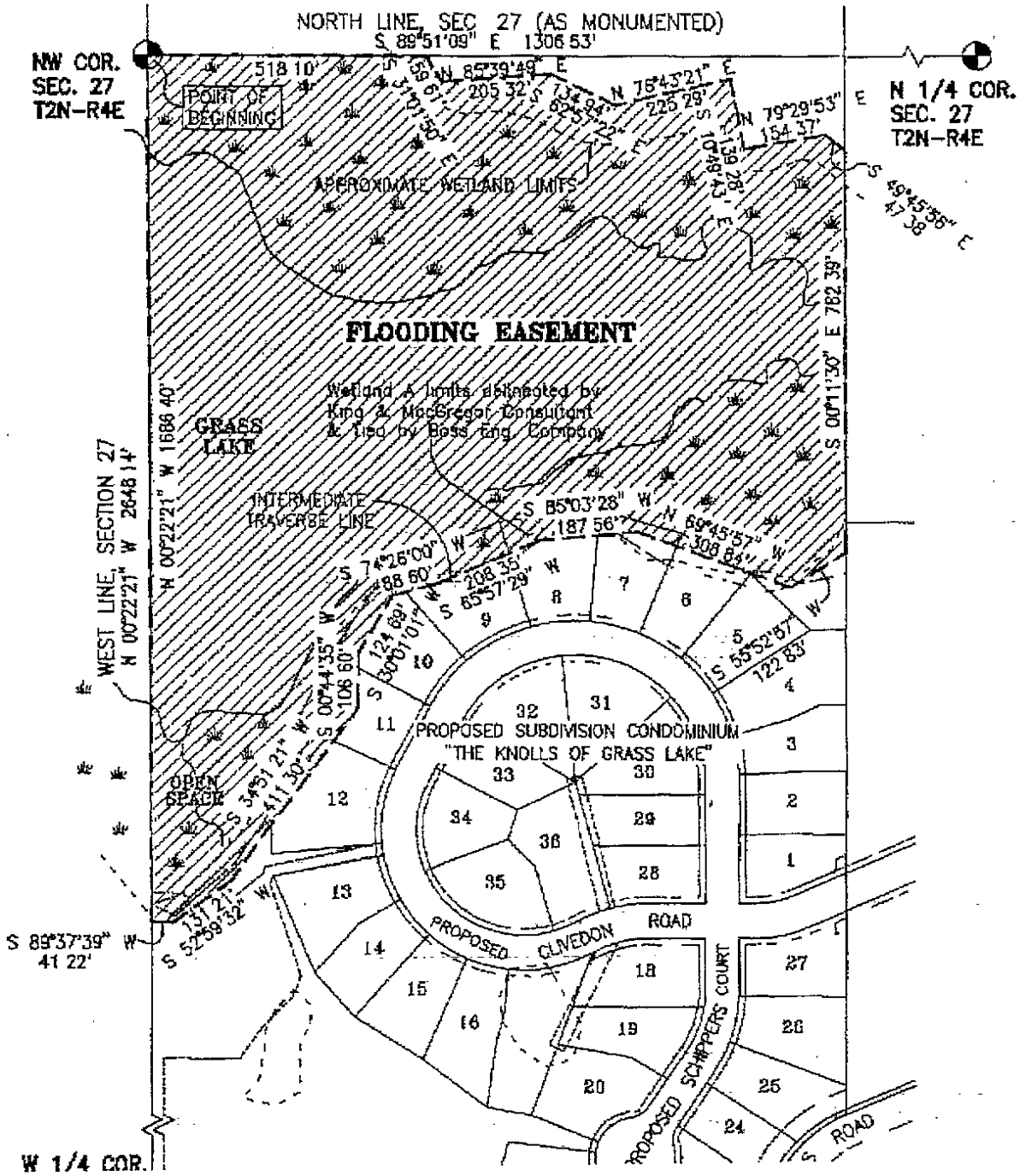


DESCRIPTION OF STORM SEWER EASEMENT

Part of the Northwest 1/4 of Section 27, T2N-R4E, Marion Township, Livingston County, Michigan, more particularly described as follows Beginning at the West 1/4 Corner of said Section 27, thence along the West line of said Section 27, N 00°22'21" W, 994 57 feet, thence N 69°26'24" E, 83 14 feet, thence S 23°27'48" E, 66 74 feet, thence N 50°30'53" E, 155 18 feet, thence N 21°06'16" E, 15 19 feet, thence N 77°57'40" E, 220 47 feet, thence Southerly on an arc left, having a length of 20 05 feet, a radius of 268 00 feet, a central angle of 04°17'13", and a long chord which bears S 08°05'18" E, 20 05 feet, thence S 77°57'40" W, 208 10 feet, thence S 20°52'06" W, 15 95 feet, thence S 17°49'28" E, 184 22 feet, thence S 19°50'51" W, 42 35 feet, thence S 43°43'20" W, 81 33 feet, thence S 34°47'58" W, 74 38 feet, thence N 89°47'51" W, 139 88 feet, thence S 00°13'63" E, 701 33 feet, thence along the East-West 1/4 line of said Section 27, as monumented, S 89°11'13" W, 20 00 feet, to the POINT OF BEGINNING

May 7, 2004
G \01658\DOCS\STORM-ESMT doc

FLOODING EASEMENT

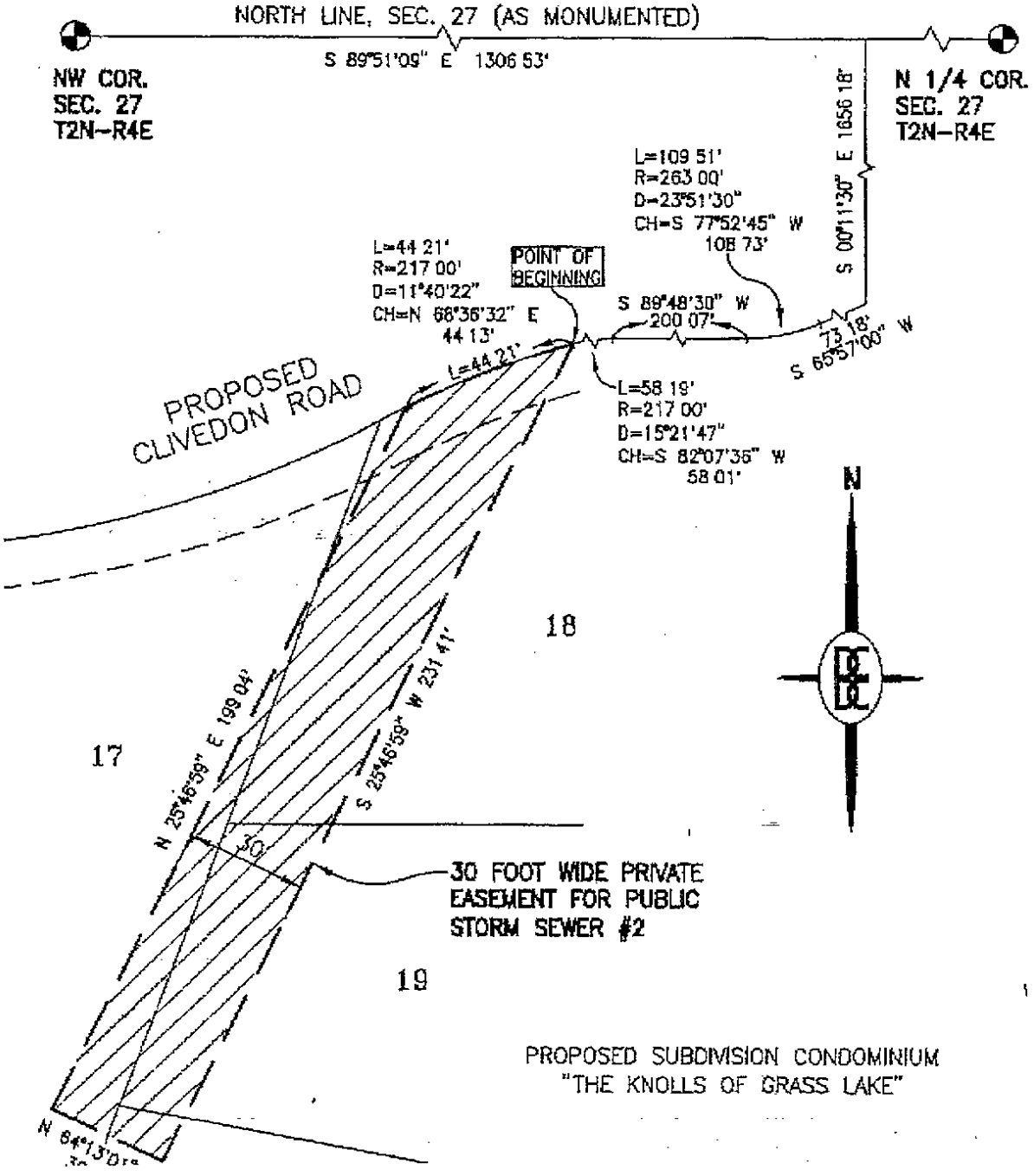


DESCRIPTION OF FLOODING EASEMENT

Part of the Northwest 1/4 of Section 27, T2N-R4E, Marion Township, Livingston County, Michigan, more particularly described as follows Beginning at the Northwest Corner of said Section 27, thence along the North Line of said Section 27, as monumented, S 89°51'09" E, 518 10 feet, thence S 31°01'50" E, 59 61 feet, thence N 85°39'49" E, 205 32 feet, thence S 62°57'22" E, 134 94 feet, thence N 76°43'21" E, 225 29 feet, thence S 10°49'43" E, 139 28 feet, thence N 79°29'53" E, 154 37 feet, thence S 49°45'56" E, 47 38 feet, thence S 00°11'30" E, 782 39 feet, thence S 55°52'57" W, 122 83 feet, thence N 69°45'57" W, 308 84 feet, thence S 85°03'28" W, 187 56 feet, thence S 65°57'29" W, 208 35 feet, thence S 74°26'00" W, 88 60 feet, thence S 30°01'01" W, 124 69 feet, thence S 00°44'35" W, 106 60 feet, thence S 34°51'21" W, 411 30 feet, thence S 52°59'32" W, 131 21 feet, thence S 89°37'39" W, 41 22 feet, thence along the West line of said Section 27, N 00°22'21" W, 1686 40 feet, to the POINT OF BEGINNING

May 6, 2004
G \01658\DOCS\FLOODING-ESMT doc

30 FOOT WIDE PRIVATE EASEMENT FOR PUBLIC STORM SEWER #2

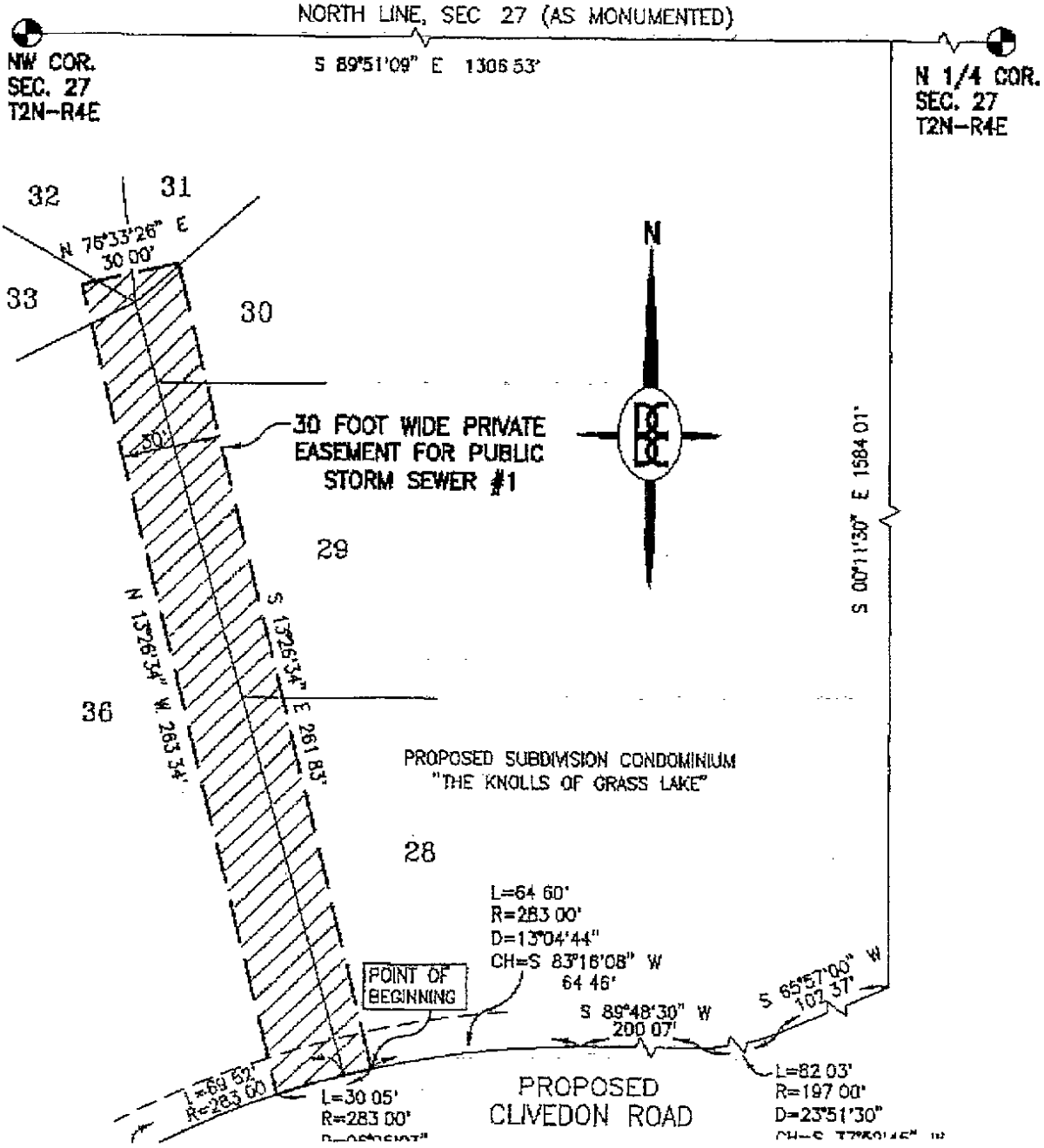


PROPOSED SUBDIVISION CONDOMINIUM
"THE KNOLLS OF GRASS LAKE"

DESCRIPTION OF 30 FOOT WIDE PRIVATE EASEMENT FOR PUBLIC STORM SEWER #2
Part of the Northwest 1/4 of Section 27, T2N-R4E, Marion Township, Livingston County, Michigan, more particularly described as follows Commencing at the Northwest Corner of said Section 27, thence along the North Line of said Section 27, as monumented, S 89°51'09" E, 1306 53 feet, thence S 00°11'30" E, 1656 18 feet, thence S 85°57'00" W, 73 18 feet, thence Westerly on an arc right, having a length of 109 51 feet, a radius of 263 00 feet, a central angle of 23°51'30", and a long chord which bears S 77°52'45" W, 108 73 feet, thence S 89°48'30" W, 200 07 feet, thence Westerly on an arc left, having a length of 58 19 feet, a radius of 217 00 feet, a central angle of 15°21'47", and a long chord which bears S 82°07'36" W, 58 01 feet, to the POINT OF BEGINNING of the Easement to be described, thence S 25°46'59" W, 231 41 feet, thence N 64°13'01" W, 30 00 feet, thence N 25°46'59" E, 199 04 feet, thence Easterly on an arc right, having a length of 44 21 feet, a radius of 217 00 feet, a central angle of 11°40'22", and a long chord which bears N 68°36'32" E, 44 13 feet, to the POINT OF BEGINNING

May 7, 2004
G \01858\DOCS\30FT-ESMT-2 doc

30 FOOT WIDE PRIVATE EASEMENT FOR PUBLIC STORM SEWER #1



DESCRIPTION OF 30 FOOT WIDE PRIVATE EASEMENT FOR PUBLIC STORM SEWER #1
Part of the Northwest 1/4 of Section 27, T2N-R4E, Marion Township, Livingston County, Michigan, more particularly described as follows Commencing at the Northwest Corner of said Section 27, thence along the North Line of said Section 27, as monumented, S 89°51'09" E, 1306 53 feet, thence S 00°11'30" E, 1584 01 feet, thence S 65°57'00" W, 102 37 feet, thence Westerly on an arc right, having a length of 82 03 feet, a radius of 197 00 feet, a central angle of 23°51'30", and a long chord which bears S 77°52'45" W, 81 44 feet, thence S 89°48'30" W, 200 07 feet, thence Westerly on an arc left, having a length of 64 60 feet, a radius of 283 00 feet, a central angle of 13°04'44", and a long chord which bears S 83°16'08" W, 64 46 feet, to the POINT OF BEGINNING of the Easement to be described, thence Westerly on an arc left, having a length of 30 05 feet, a radius of 283 00 feet, a central angle of 06°05'03", and a long chord which bears S 73°41'14" W, 30 04 feet, thence N 13°26'34" W, 263 34 feet, thence N 76°33'26" E, 30 00 feet, thence S 13°26'34" E, 261 83 feet, to the POINT OF BEGINNING

May 6, 2004
G \01658\DOCS\30FT-ESMT-1 doc