

RECORDED

HOMESTEAD DENIALS NOT EXAMINED

1999 JUL -1 P 4: 39

NANCY HAVILAND
REGISTER OF DEEDS
LIVINGSTON COUNTY, MI.
48843

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

185/2
July 1 99
Dianne H. Hardy, Treasurer
Sec. 185 Act 266, 1893 as Amended
Taxes not examined
2062

MASTER DEED
SUNSET PINES SITE CONDOMINIUM
CONDOMINIUM PLAN NO. 170

THIS MASTER DEED is made and executed on this 1st day of July, 1999, by P.B. & J. Construction, Inc., a Michigan corporation, hereinafter referred to as "Developer", whose address is 2243 Brewer Road, Howell, Michigan 48843, in pursuance of the provisions of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended), hereinafter referred to as the "Act".

W I T N E S S E T H:

WHEREAS, the Developer desires by recording this Master Deed, together with the Bylaws attached hereto as Exhibit "A", the Condominium Subdivision Plan attached hereto as Exhibit "B" and the Articles of Incorporation of the SUNSET PINES CONDOMINIUM HOMEOWNERS ASSOCIATION attached hereto as Exhibit "C" (which are hereby incorporated by reference and made a part hereof), to establish the real property described in Article II below, together with the improvements located and to be located thereon, and the appurtenances thereto, as a residential Condominium under the provisions of the Act.

NOW, THEREFORE, the Developer does, upon the recording hereof, establish SUNSET PINES SITE CONDOMINIUM as a Condominium under the Act and does declare that SUNSET PINES SITE CONDOMINIUM (hereinafter referred to as the "Condominium", "Project" or the "Condominium Project") shall, after such establishment, be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any other matter utilized, subject to the provisions of the Act, and to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this Master Deed, Bylaws and the Exhibits attached hereto, all of which shall be deemed to run with the land and shall be a burden and a benefit to the Developer, its successors and assigns, and any persons acquiring or owning an interest in the Condominium Premises, their grantees, successors, heirs, personal representatives and assigns. In furtherance of the establishment of the Condominium, it is provided as follows:

10-26-400-004 CML

ARTICLE I
TITLE AND NATURE

The Condominium shall be known as SUNSET PINES SITE CONDOMINIUM, Livingston County Condominium Subdivision Plan No. 170. The units contained in the Condominium, including the number, boundaries, dimensions and area of each unit therein, are set forth completely in the Condominium Subdivision Plan attached as Exhibit "B" hereto. Each individual unit has been created for residential purposes. Each unit is capable of individual utilization on account of having its own entrance from and exit to a Common Element of the Condominium. Each Co-owner in the Condominium shall have an exclusive right to his Unit and shall have an undivided and inseparable interest with the other Co-owners in the Common Elements of the Condominium and shall share with the other Co-owners the Common Elements of the Condominium as provided in this Master Deed. The provisions of this Master Deed, including, but without limitation, the purposes of the Condominium, shall not be construed to give rise to any warranty or representation, express or implied, as to the composition or physical condition of the Condominium, other than that which is expressly provided herein.

ARTICLE II
LEGAL DESCRIPTION

The land which is submitted to the Condominium established by this Master Deed is particularly described as follows:

A part of the Southwest 1/4 of Section 26, T2N-R4E, Marion Township, Livingston County, Michigan, described as: Commencing at the South 1/4 corner of said Section; thence North 00°26'08" East along the North-South 1/4 line of said Section, 1994.13 feet to the Point of Beginning of the parcel to be described; thence North 43°39'11" East, 655.52 feet, thence Northeasterly 158.93 feet from an arc right having a radius of 75.00 feet, a delta of 121°24'54" and a long chord bearing of North 20°09'14" East 130.82 feet; thence North 15°05'44" West, 67.09 feet to a point on the East-West 1/4 line; thence South 89°57'53" East along said East-West 1/4 line of said section, 1481.42 feet to the centerline of Pinckney Road; thence South 06°22'47" East along said centerline 410.61 feet; thence North 89°33'06" West 164.00 feet; thence South 06°22'47" East 128.00 feet; thence South 89°33'06" East 164.00 feet to the centerline of Pinckney Road; thence South 06°22'47" East along said centerline, 128.00 feet; thence North 89°57'25" West, 2035.60 feet to the Point of Beginning, containing 25.35 acres more or less and subject to the rights of public over existing Pinckney Road, also subject to and including the use of a 66 foot wide private easement for ingress and egress and public utilities (Sunset Pines Drive) being more fully described below. (*=degrees)

SUNSET PINES DRIVE (A 66 foot wide private road)

A part of the Southwest 1/4 of Section 26, T2N-R4E, Marion Township, Livingston County, Michigan, described as follows: Commencing at the South 1/4 corner of said Section, thence North 00°26'08" East along the East-West 1/4 line of said section, 1956.49 feet to a point in the center of Pinckney Road (D-19); thence South 06°22'47" East along said centerline, 377.37 feet to the Point of Beginning of the 66 foot private road parcel to be described; thence North 89°33'06" West 704.64 feet; thence Northwesterly 51.07 feet, along an arc right, having a radius of 23.00, a delta of 12°43'24", and a long chord bearing of North 83°11'24" West 50.97 feet; thence North 76°49'41" West 461.12 feet; thence Northwesterly 40.31 feet along an arc right having a radius of 23.00 feet, a delta of 10°03'17", and a long chord bearing of North 71°48'05" West 40.31 feet; thence North 66°46'29" West 273.65 to the center of a 75 foot cul-de-sac and the terminus of said private road.

**ARTICLE III
DEFINITIONS**

Certain terms are utilized not only in this Master Deed and Exhibits "A", "B" and "C" hereto, but are or may be used in various other instruments such as, by way of example and limitation, the rules and regulations of SUNSET PINES CONDOMINIUM HOMEOWNERS ASSOCIATION, a Michigan Nonprofit Corporation, and deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment of, or transfer of, interests in SUNSET PINES SITE CONDOMINIUM as a condominium. Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

Section 1. Act. "Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended.

Section 2. Association. "Association" means SUNSET PINES CONDOMINIUM HOMEOWNERS ASSOCIATION, which is the nonprofit corporation organized under Michigan law of which all Co-owners shall be members, which corporation shall administer, operate, manage and maintain the Condominium. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Condominium Documents or the laws of the State of Michigan.

Section 3. Board Of Directors Or Board. "Board of Directors" or "Board" means the Board of Directors of SUNSET PINES CONDOMINIUM HOMEOWNERS ASSOCIATION, a Michigan nonprofit corporation organized to manage, maintain and administer the Condominium.

Section 4. Bylaws. "Bylaws" means Exhibit "A" hereto, being the Bylaws setting forth the substantive rights and obligations of the Co-owners and required by Section 3(8) of the Act to be recorded as part of the Master Deed. The Bylaws shall also constitute the Corporate Bylaws of the Association as provided for under the Michigan Nonprofit Corporation Act.

Section 5. Common Elements. "Common Elements", where used without modification, means both the General and Limited Common Elements described in Article IV hereof.

Section 6. Condominium Documents. "Condominium Documents: wherever used means and includes this Master Deed and Exhibits "A", "B" and "C" attached hereto, and rules and regulations, if any, of the Association as all of the same may be amended from time to time.

Section 7. Condominium Premises. "Condominium Premises" means and includes the land described in Article II above, all improvements and structures thereon, and all easements, rights and appurtenances belonging to SUNSET PINES SITE CONDOMINIUM as described in the Master Deed or amendment or amendments to the Master Deed.

Section 8. Condominium Project, Condominium or Project. "Condominium Project", "Condominium" or "Project" means SUNSET PINES SITE CONDOMINIUM as a Condominium established in conformity with the provisions of the Act.

Section 9. Condominium Subdivision Plan. "Condominium Subdivision Plan" means Exhibit "B" hereto.

Section 10. Co-owner. "Co-owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof owning one or more Units in the Condominium, and shall include a land contract vendee. The term "Owner", wherever used, shall be synonymous with the term "Co-owner".

Section 11. Development And Sales Period. "Development and Sales Period" means the period commencing with the recording of the Master Deed and continuing as long as the Developer owns any Unit which it offers for sale.

Section 12. Developer. "Developer" means P.B. & J. Construction, Inc., who has made and executed this Master Deed, and its successors and assigns. The successors and assigns of Developer shall always be deemed to be included within the term "Developer" whenever such term is used in the Condominium Documents.

Section 13. First Annual Meeting. "First Annual Meeting" means the initial meeting at which non-Developer Co-owners are

permitted to vote for the election of all directors and upon all other matters which may properly be brought before the meeting. Such meeting is to be held in accordance with Article IX, Section 2 of the Bylaws.

Section 14. Township. Township means the Township of Marion, a general law township.

Section 15. Transitional Control Date. "Transitional Control Date" means the date on which a Board of Directors of the Association takes office pursuant to an election in which the votes which may be cast by eligible owners unaffiliated with the Developer.

Section 16. Unit Or Condominium Unit. "Unit" or "Condominium Unit" each mean a single Unit in SUNSET PINES SITE CONDOMINIUM and shall have the same meaning as the term "Condominium Unit" as defined in the Act. The land, structures and improvements now or hereafter located within the boundaries of a Unit shall be owned in their entirety by the Co-owner of the Unit within which they are located and shall not, unless otherwise expressly provided in the Condominium Documents, constitute Common Elements. Each Unit shall be co-extensive with an entire residential lot/unit within the meaning of the Township ordinances and shall extend beyond its related building envelope to the full of its perimeter unit lines as depicted on the Condominium Subdivision Plan.

Other terms which may be utilized in the Condominium Documents and which are not defined hereinabove shall have the meanings as provided in the Act.

Whenever any reference herein is made to one gender, the same shall include a reference to any and all genders where same would be appropriate; similarly, whenever a reference is made herein to the singular, a reference shall also be included to the plural where the same would be appropriate.

ARTICLE IV COMMON ELEMENTS

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

Section 1. General Common Elements. The General Common Elements are:

(a) Easements. All beneficial easements, if any, now existing or created after the recording hereof which benefit the Condominium Premises as a whole.

(b) Electrical. The electrical transmission system throughout the Project up to the point of lateral connection for Unit service.

(c) Gas. The natural gas main distribution system throughout the Project up to the point of lateral connection for Unit service.

(d) Land. The land described in Article II hereof, and other common areas, not identified as Limited Common Elements, when included as a part of the Condominium, but excluding that portion designated on the Condominium Subdivision Plan as the Condominium Units.

(e) Other. Such other elements of the Project not herein designated as General or Limited Common Elements which are not enclosed within the boundaries of a Unit, and which are intended for common use or are necessary to the existence, upkeep, appearance, utility or safety of the Project. Developer also reserves the right, in its discretion, to install signs, and other signage at any location or locations as Developer deems appropriate within the General Common Elements and road right-of-way.

(f) Road. The project road and cul-de-sac (including both the paved areas and the adjoining right-of-way) known as Sunset Pines Drive together with the entrance area depicted on the Condominium Subdivision Plan.

(g) Storm Water Drainage System. The Storm Water Drainage System including the Storm Water Retention Areas and other drainage areas and apparatus depicted as such on the Condominium Subdivision Plan.

(h) Telecommunications. The telecommunications system and cable television systems, if and when they may be installed, up to the point of ancillary connection for Unit service.

(i) Telephone. The telephone system throughout the Project up to the point of the ancillary connection for Unit service.

Some or all of the utility lines, systems and equipment and the telecommunications system, if and when constructed, described above may be owned by a local public authority, governmental body, or by the company that is providing the service. Accordingly, such utility lines, systems and equipment and the telecommunications system, if and when constructed, shall be General Common Elements only to the extent of the Co-owners' interest therein, if any, and Developer makes no warranty whatsoever with respect to the nature or extent of such interest, if any.

Section 2. Limited Common Elements. The Limited Common Elements shall be subject to the exclusive use and enjoyment of the Co-owner or Co-owners of the Unit or Units which the Limited Common Elements are appurtenant. The Limited Common Elements are as follows:

(a) Driveways. Driveways serving the residence constructed within the Unit or Units, to the extent located outside the boundaries of the Condominium Unit;

(b) Utility Services. The pipes, ducts, wiring and conduits supplying electricity, natural gas, telephone, television and/or other utility service to a Unit, from the point of lateral connection with a General Common Element of the Project or utility line or system owned by the local public authority or company providing the service;

(c) Miscellaneous. Any improvements constructed by the Developer and designated Limited Common Elements appurtenant to a particular Unit or Units in the Master Deed or in an amendment to the Master Deed made by Developer.

Section 3. Responsibilities For Maintenance, Decoration, Repair And Replacement.

(a) Association Responsibilities. The costs of maintenance, repair and replacement of all General Common Elements shall be borne by the Association, subject to any provisions of the Bylaws expressly to the contrary. The Association shall maintain all Common Elements requiring periodic maintenance in a neat, clean, and first-class condition in keeping with their basic nature. Additional maintenance assessments may be levied against the Units for expenses of maintenance required by the Association. Standards for maintenance may be established by the Association through its Board of Directors. The Association shall not be responsible, in the first instance, for performing any maintenance, repair or replacement with respect to residences and their appurtenances located within the Condominium Units. The Association, acting through its Board of Directors, may undertake such other regularly recurring, reasonably uniform, periodic exterior maintenance functions within any Unit boundaries as it may deem appropriate and as the affected Co-owners may agree (including, without limitation, lawn mowing, snow removal and tree trimming). Nothing herein contained, however, shall compel the Association to undertake such responsibilities. Any such responsibilities undertaken by the Association shall be charged to any affected Co-owner on a reasonably uniform basis and collected in accordance with the assessment procedures established in the Bylaws. The Developer, in the initial maintenance budget for the Association, shall be entitled to determine the nature and extent of such services and reasonable rules and regulations may be promulgated in connection therewith.

(b) Co-owner Responsibility. Each Co-owner shall be responsible for the maintenance, decoration, repair and replacement of the following:

- i. Each Co-owner shall be responsible for decorating, maintaining, repairing or replacing each and every part of his/her Unit, together with all improvements thereon, along with any portion of the yard of the Co-owner which that is located within the right of way of any road, except those portions of any easement or right-of-way situated within the Condominium which exists primarily for the benefit of persons other than Co-owners. The exterior appearance of the buildings constructed within the units to the extent visible from any other dwelling within a unit shall be subject to the approval of the Association and to reasonable aesthetic and maintenance standards prescribed by the association in duly adopted rules and regulations. Failure of any Co-owner to adhere to maintenance and aesthetic standards shall entitle the association to enter upon such Co-owner's unit and to perform necessary maintenance, repair or replacement.
- ii. All costs of installation and subsequent operation of water wells, natural gas, electricity, telephone, cable television, and private on-site waste water disposal system shall be borne by the Co-owner of the unit to which such services are furnished. All utility laterals and leads shall be installed, maintained, repaired and replaced at the expense of the Co-owner whose unit they service.
- iii. All costs of initial installation and subsequent maintenance, repair and replacement of the wells, and the on-site sanitary disposal system located within each unit shall be separately borne by the Co-owner of each unit to which they are appurtenant. Each Co-owner shall obtain permits from the Livingston County Health Department for the installation or repair of on-site sewage disposal systems prior to the construction or repair of the systems.

(c) Co-owner Negligence or Fault. If the Association determines in its sole discretion that maintenance, repair, decoration or replacement is required as a result of the failure of the Co-owner to perform his/her responsibility as set forth in (b) above, or is a result of the negligence, fault or improper conduct of a Co-Owner, the Association may proceed to perform the required. The cost of any such maintenance, repair, or

replacement performed by the Association shall be paid by the Co-Owner and added to his/her monthly Association assessment, if necessary. Failure of the Co-owner to pay the charges incurred by the Association shall entitle the Association to proceed with all remedies set forth in Article II of the Condominium Bylaws.

(d) Retention Basins and Storm Water Drainage System. The costs of maintenance, repair and replacement of the storm water drainage retention areas and storm water drainage system shall be the responsibility of the Association of Co-owners.

(e) Public Utilities. Public utilities furnishing services such as natural gas, electricity, cable television, telecommunications and telephone to the Condominium shall have access to the Common Elements and Condominium Units as may be reasonable for the reconstruction, repair or maintenance of such services and associated costs incurred to reconstruct, repair or maintain such service shall be borne by the individual Co-owners and/or by the Association, as the case may be.

Section 4. Use Of Units and Common Elements. No Co-owner shall use his Unit or the Common Elements in any manner inconsistent with the purposes of the Condominium or in any manner which will interfere with or impair the rights of any other Co-owner in the use and enjoyment of his/her Unit or the Common Elements.

ARTICLE V UNIT DESCRIPTION AND PERCENTAGE OF VALUE

Section 1. Description Of Units. Each Unit in the Condominium Project is described in the Condominium Subdivision Plan of SUNSET PINES SITE CONDOMINIUM which is attached hereto as Exhibit "B". There are eighteen (18) Units created for residential use in the Condominium Project established by this Master Deed. Each Unit shall consist of the space (land area) located within horizontal and vertical Unit boundaries as delineated on Exhibit "B" hereto together with all appurtenances thereto.

Section 2. Percentage Of Value. The total value of the Project is 100%. The determination of the percentages of value was made after reviewing the comparative characteristics of each Unit in the Project which would affect maintenance costs and concluding that there are no material differences. The percentage of value assigned to each Unit shall be determinative of each Co-Owner's respective share of the General Common Elements of the Condominium Project, the proportionate share of each respective Co-owner in the proceeds and the expenses of administration and the value of such Co-owner's vote at meetings

of the Association of Co-owners. Accordingly, the percentage of value assigned to each of the eighteen (18) single family residential Units shall be equal.

Section 3. Modification Of Units And Common Elements By Developer. The size, location, nature, design or elevation of Units and/or General or Limited Common Elements appurtenant or geographically proximate to any Units described in Exhibit "B", as same may, with the permission of Marion Township, be modified, revised or amended from time to time, in Developer's sole discretion, by amendment to this Master Deed effected solely by the Developer and its successors without the consent of any other person, so long as such modifications do not unreasonably impair or diminish the appearance of the Condominium or the view, privacy or other significant attribute or amenity of any Unit which adjoins or is proximate to the modified Unit or Limited Common Element. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Condominium from time to time shall be deemed to have unanimously consented to such amendment or amendments to this Master Deed to effectuate the foregoing. All such interested persons irrevocably appoint Developer or its successors and assigns as agent and attorney for the purpose of execution of such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing.

Section 4. Relocation Of Boundaries Of Adjoining Units By Co-Owners. Boundaries between adjoining Condominium Units may be relocated at the request of the Co-owners of such adjoining Condominium Units and upon approval of the affected mortgagees of the affected Units and the Township. Upon written application of the Co-owners of the adjoining Condominium Units, and upon the approval of said affected mortgagees and the Township, the Board of Directors of the Association shall forthwith prepare and execute an amendment to the Master Deed duly relocating the boundaries pursuant to the Condominium Documents and the Act. Such an amendment to the Master Deed shall identify the Condominium Units involved and shall state that the boundaries between those Condominium Units are being relocated by agreement of the Co-owners thereof and such amendments shall contain the conveyance between those Co-owners. All of the Co-owners and mortgagees of Units 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 amendment of this Master Deed to effectuate the foregoing. All such interested persons irrevocably appoint the Association, through its Board of Directors, as agent and attorney for the purpose of execution of such amendment to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendment may be effected without the necessity of re-recording an entire Master Deed or the Exhibits thereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits hereto. The amendment shall be delivered to the Co-

owners of the Condominium Units involved upon payment by them of all reasonable costs for the preparation thereof.

ARTICLE VI
EASEMENTS

Section 1. Association Easements Over Condominium Units.

There shall be easements to and in favor of the Association, and its officers, directors, agents and designees, in, on and over all Units and Common Elements in the Project, for access to the Units and the exterior of each of the residential dwellings that are constructed within the Project to permit the maintenance, decoration, repair and replacement thereof in accordance with the terms hereof. The individual Co-owners are responsible for the maintenance, repair and replacement of all structural elements contained within their respective Unit boundaries, including driveways, and for lawn mowing and maintenance of landscaping. In the event that a Co-owner fails or neglects to maintain the exterior structural components of the Co-owner's Unit, including the driveway, in an aesthetic and/or harmonious manner as may from time to time be established by the Association in duly adopted regulations passed by the Board of Directors pursuant to its authority set forth in Article XI the Bylaws (Exhibit "A" hereto), or fails to mow the lawn or otherwise maintain the landscaping within the Unit boundaries, the Association shall be entitled to perform such maintenance to the Unit and/or landscaping and to assess the Co-owner the costs thereof and to collect such costs as part of the assessments. There also shall exist easements in favor of the Association, and its officers, directors, agents and designees, in, on and over all Units and Common Elements of the Project for access to and for maintenance of those Common Elements of the Project for which the Association may from time to time be responsible. The Association shall in no event be obligated to repair any dwelling or other improvement located within or appurtenant to a Unit as a Limited Common Element to the extent repair is necessitated on account of an occurrence with respect to which a Co-owner is required under the Condominium Documents to maintain insurance coverage, nor shall the Association be obligated to make any capital expenditures of any type whatsoever with respect to such dwellings or improvements or to perform any maintenance or repairs thereon.

Section 2. Easements For Utilities, Reservation Of Right To Grant Easements For Utilities. Various utility installations exist within the Condominium and the Units and are depicted on the Condominium Subdivision Plan. By recording of this Master Deed perpetual utility easements, as depicted on Exhibit "B", are hereby dedicated and created in favor of all Units and the Owners thereof for the continued existence, maintenance, repair and replacement of such utilities, whether located above or below ground.

The Developer reserves, at any time during the development and sales period, the right to grant easements for utilities over, under and across the Condominium and all Units and Common Elements therein to appropriate governmental bodies or public utility companies and transfer title of components of any utility system constructed by Developer to governmental bodies or to utility companies. Such easement or transfer of title shall be conveyed by the Developer without the consent of any Co-owner, mortgagee or other person and shall be evidenced by an amendment to this Master Deed and that shall be recorded in the Livingston County Records and by other written memoranda evidencing conveyance of personal property, as legally permissible. All of the Co-owners and mortgagees of Units 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 amendments to this Master Deed as may be made to effectuate the foregoing grant of easement and to such transfer of title of the components of the utility system.

Section 3. Grant of Easements By Association. The Association, acting through its lawfully constituted Board of Directors (including any Board of Directors acting prior to the First Annual Meeting), shall be empowered and obligated to grant such easements, licenses, rights-of-entry 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 the benefit of the Condominium; subject, however, to the approval of the Developer so long as the Development and Sales Period has not expired.

Section 4. Association And Developer Easements For Maintenance, Repair And Replacement. The Developer, the Association, and all public or private utilities including Marion Township and other governmental entities to whom its rights are assigned shall have such easements over, under, across and through the Condominium Premises, including all Units and Common Elements, as may be necessary to fulfill any responsibilities of construction, maintenance, repair, decoration, replacement or upkeep which they, or any of them, are required or permitted to perform under the law, the Condominium Documents, the Bylaws or to respond to any emergency or common need of the Condominium. The Developer, the Association and the entities supplying utilities shall not be liable to the owner of any Unit or any other person, in trespass or in any other form of action, for the exercise of rights pursuant to the provisions of this Section or any other provision of the Condominium Documents which grant such easements, rights of entry or other means of access. All costs incurred by the Association or the Developer in performing any responsibilities which are required, in the first instance to be borne by any Co-owner, shall be assessed against such Co-owner and shall be due and payable with his/her installment of the annual assessment next falling due; further, the lien for non-payment shall attach as in all cases of regular

assessments and such assessments may be enforced by the use of all means available to the Association under the Condominium Documents and by law for the collection of regular assessments including, without limitation, legal action and foreclosure of the lien securing payment.

Section 5. Telecommunications Agreements. The Association, acting through its duly constituted Board of Directors and subject to the Developer's approval during the Development and Sales Period, shall have the power to grant such easements, licenses and other rights of entry, use and access and to enter into any contract or agreement, including wiring agreements, utility agreements right-of-way agreements, access agreements and, to the extent allowed by law, contracts for sharing of any installation or periodic subscriber service fees as may be necessary, convenient or desirable to provide for telecommunications, videotext, broad band cable and similar services (collectively "Telecommunications") to the Units. Notwithstanding the foregoing, in no event shall the Board of Directors enter into any contract or agreement or grant any easement, license or right of entry or do any other act or thing which will violate any provision of any Federal, State or local law or ordinance. Any and all sums paid by the Telecommunications or any other company or entity in connection with such service, including fees if any, for the privilege of installing same, or sharing periodic subscriber service fees, shall be receipts affecting the administration of the Condominium within the meaning of the Act and shall be paid over to and shall be the property of the Association.

Section 6. Easements For Storm Water Drainage, Storm Water Retention Areas and Storm Water Drainage System. There shall exist easements over all Units for purposes of providing storm water drainage and retention areas, access and maintenance as designated on the Condominium Subdivision Plan.

There shall exist, for the benefit of all units, an easement over, under and across Units 4 and 5 as depicted on the Exhibit "B" Survey and Utility Plan for storm water flowage and access to the West retention pond. There shall exist for the benefit of all units, an easement over, under and across Units 4 and 5 for storm water retention as depicted on the Exhibit "B" Survey and Utility Plan.

There shall exist, for the benefit of all units, an easement over, under and across Unit 1 as depicted on the Exhibit "B" Survey and Utility Plan for storm water flowage and access to the East retention pond. There shall exist for the benefit of all units, an easement over, under and across Unit 1 for storm water retention as depicted on the Exhibit "B" Survey and Utility Plan.

In order to provide assurances that the storm water drainage designed for the Condominium Premises shall remain unimpeded no

Co-owner shall in any way disturb the grade or otherwise modify the areas within such easements. Each Co-owner shall, however, be solely responsible for installing, maintaining, repairing and replacing landscaping materials located within any open storm drainage easement areas lying within such Co-owner's Unit except as the same may be disturbed by the actions of the Association or any public agency having jurisdiction in which event the Association or the public agency, as the case may be, shall repair and/or replace any landscaping materials disturbed by their respective activities.

The costs of maintenance, repair and replacement of the Storm Water Retention Areas and the Storm Water Drainage System of the Condominium shall be borne by the Association unless and until a drainage district is formed pursuant to the applicable State of Michigan statutes as made and provided.

Section 7. Easement for Future Public Wastewater Disposal Service and Public Water Supply. There shall exist easements over, under and across the portion of Sunset Pines Drive that is located within the Condominium premises and depicted on Exhibit "B" as Utility Easements in favor of Marion Township, and any governmental body to which its rights herein may be subsequently assigned, for the construction, installation, operation, maintenance, replacement and repair of (a) public sewer mains and appurtenances for wastewater disposal service and (b) public water supply mains and leads. Should the Township or its assigns exercise its easement rights and construct either a water supply system or a wastewater disposal system and the easement premises be disturbed, the Township or its assigns shall be obligated to restore the disturbed premises to a like condition as existed prior to the commencement of the construction, maintenance or repair activities.

Section 8. Emergency Vehicle Access Easement. There shall exist for the benefit of Marion Township or other emergency or public service agencies or authorities, an easement over the road in the Condominium for use by the emergency and/or service vehicles of such agencies. The easement shall be for purposes of ingress and egress to provide, without limitation, fire and police protection, ambulance and rescue services, school bus and mail or package delivery, and other lawful governmental or private emergency or other reasonable and necessary services to the Condominium Project and Co-owners thereof. This grant of easement shall not be construed as a dedication of the street, road or driveway to the public.

Section 9. Private Road. The private road and related improvements as shown on the Condominium Subdivision Plan and/or installed by the Developer or the Association shall be regularly maintained (including, without limitation, snow plowing), 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 road on a regular basis in order to maximize the road's useful life and to minimize repair and replacement costs. The road shall be maintained by the Association in such manner as will allow unobstructed access throughout the Condominium. All repairs to the roadway surface, sub-base, potholes, subgrades, curb, gutter and storm drainage system shall conform to the Marion Township private road standards and specifications for construction in effect at the time of the repair. As an absolute minimum standard, road snow plowing by the Association shall take place when accumulated snow measures four (4) inches in depth and snow shall be plowed in such manner that unobstructed access and visibility throughout the Condominium is realized; provided, however, that this provision shall not preclude the board of directors of the Association, in its discretion, from establishing a more stringent standard for the plowing of snow. The storage or stacking of plowed snow along the entrance to individual driveways and at the intersection of Sunset Pines Drive and D-19 shall not impair the clear vision standards of the Livingston County Road Commission and pursuant to the Marion Township Zoning Ordinance regulations.

Neither the Township nor the Board of County Road Commissioners have responsibility for the maintenance and upkeep of the road within the Condominium Subdivision.

If the Association fails to maintain the road in a reasonable state of repair then the Marion Township, pursuant to its ordinances as made and provided, may take action to bring the road up to Livingston County Road Commission Standards and assess the Co-owners for the improvements and an administrative fee in the amount of twenty-five (25%) percent of the total cost.

Co-owners using the road shall refrain from prohibiting, restricting, limiting or in any manner interfering with normal ingress and egress and use by any of the other Co-owners. Normal ingress and egress and use shall include use by family, guests, invitees, vendors, tradesman, delivery persons, and others traveling to or returning from any of the properties and having a need to use the road.

Section 10. Developer and Association Right to Dedicate a Public Right-of-Way. The Developer reserves the right at any time until the elapse of two (2) years after the expiration of the development and sales period to dedicate to the public a right-of-way over Sunset Pines Drive as depicted on Exhibit "B". The Association (upon expiration of the development and sales period and acting through its lawfully constituted Board of Directors) shall be empowered to dedicate to the public the road as depicted on Exhibit "B". Any such right-of-way dedication shall be evidenced by an appropriate amendment to the Master Deed and to Exhibit "B" hereto, recorded in Livingston County Register of Deeds. All of the Co-owners and mortgagees of Units and other

persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments of this Master Deed to effectuate the foregoing right-of-way dedication and establishment of a county drain and drainage district and to a release of right-of-way. In conjunction therewith, the Developer shall have the right to execute an agreement containing terms necessary for the establishment of a county drain and county drainage district pursuant to Section 433 of Act No. 40 of the Public Acts of 1956, as amended and to release and to grant to the Livingston County Drain Commissioner and the County of Livingston and the State of Michigan a release of right-of-way describing the route and course of the drain.

If a drainage district is established then the cost of improvement, maintenance, repair and replacement of the Storm Water Retention Areas and the Storm Water Drainage System shall be borne by the Sunset Pines Drainage District (to be then formed) who shall assess the Co-owners for the benefit resulting from the work performed by the District. The work and assessment therefore shall be performed pursuant to the Michigan Drain Code.

The road right-of-way area shall be a contractable area as defined in the Michigan Condominium Act.

Section 11. Adjacent Parcels 1 and 2 - Declaration of Easement and Easement Maintenance Agreement. The Developer heretofore on July 2, 1999 by instrument titled DECLARATION OF EASEMENT AND EASEMENT MAINTENANCE AGREEMENT recorded July 2, 1999, Livingston County Records, established a 66 foot wide ingress, egress and public utility easement called Sunset Pines Drive. The road shall be constructed by the Developer, hard surfaced with asphalt and constructed in accordance with the Marion Township standards for private roads. Two parcels located on the West terminus of Sunset Pines Drive as described in the survey recorded at Liber 2526, pages 242-244, Livingston County Records are not included within the Condominium but are subject to the above described easement maintenance agreement. The applicable requirements of the easement maintenance agreement are hereafter reiterated verbatim and are binding on the Developer and Co-owners of the Units.

(a) The owner or owners of each parcel and unit having rights to use the easement shall share equally with and in the cost of maintaining, repairing and replacing the private road constructed upon the easement premises. Such share of the cost shall be based upon the total number of parcels and units developed, each such parcel or unit paying one share, and subject to the conditions and definitions hereinafter set forth.

(b) The Developer shall, until control of the Sunset Pines Condominium Homeowners Association is turned over to the said

Association in accordance with the Master Deed and Bylaws of Sunset Pines Site Condominium, be responsible for determining the necessity for maintenance, repair and replacement of the road to be constructed and the reasonable cost thereof. The costs so expended shall be paid by the Sunset Pines Condominium Homeowners Association and each parcel owner and Co-owner of a condominium unit shall pay to the Sunset Pines Condominium Homeowners Association, their proportionate share of the said costs. After the Developer relinquishes control of the Sunset Pines Homeowners Association then the Association shall be solely responsible for determining the necessity for maintenance, repair and replacement of Sunset Pines Drive and the reasonable cost therefore.

(c) The pro-rata share of the costs incurred for maintenance, repair or replacement of Sunset Pines Drive as described herein shall be a burden upon Parcel 1 and Parcel 2 and a lien therefore shall exist for the benefit of the Association against any parcel for which the such costs have not been paid by the owner thereof. Any such lien shall attach upon the filing and recording of an affidavit by the Sunset Pines Condominium Homeowners Association. Such affidavit shall set forth the description of the parcel or property against which the lien is claimed, the total amount of the expenditure, the portion attributable to such parcel, and the date or dates of such expenditures. A copy of such affidavit shall be sent by the Association to the owner or owners of such parcel against which the lien is claimed by regular mail, with postage prepaid, at the last known address of such owner or owners.

(d) The owner or owners of each parcel or unit shall be separately responsible for the costs, of any damage caused to the easement by such parcel owner or unit owner to extraordinary use. "Extraordinary Use" shall include, but not be limited to, movement of construction equipment, moving vans, commercial trucks, or other heavy loads, movement of recreational vehicles or increased usage not ordinarily consistent with normal traffic. Any costs so expended by the Developer or the Association to repair such damage shall be a burden upon the parcel with a lien enforceable as set forth hereinabove.

(e) This declaration of easement and easement maintenance agreement shall be recorded with the Livingston County Register of Deeds. Any person or legal entity acquiring an ownership interest in Parcel 1 and Parcel 2 or in the Sunset Pines Site Condominium, does by the acquisition of such ownership interest, agree to be obligated to pay for the private road maintenance, repair and replacement according to the terms of this agreement.

(f) The undersigned acknowledges that the Township of Marion does not have any legal responsibility for financial obligation to (i) establish a special assessment district for the maintenance or improvement of the private road to be constructed, or (ii) to collection of any moneys for maintenance or

improvement of the private road, or (iii) to maintain the private road.

(g) The owners and successors in interest of Parcel 1 and Parcel 2 and the Co-owners of Units in the Sunset Pines Site Condominium by accepting a conveyance of an interest in the parcels do hereby release the Township of Marion from any causes of action or liability or loss or damages which may be proximately caused either by maintenance, repair or replacement of the private road or the failure to properly maintain the private road.

h. The Developer, prior to surrendering control of the Sunset Pines Condominium Homeowners Association to the Co-owners, and the Association after control of the Homeowners Association is relinquished to the Co-owners shall keep and maintain the private road in accordance with the standards required by Marion Township that are in effect at the time of the construction of the private road. Should the private road fall into a state of disrepair the Township may give thirty days notice to the responsible party to perform necessary maintenance to the private road and should the responsible party then fail to perform such maintenance the Township may perform maintenance and collect the cost thereof and an administrative fee in the amount of 25% percent of the total cost from the Co-owners of the units and the Parcel owners. The Township shall have a lien against the parcels and site condominium units for such costs incurred and the Township may enforce the lien in the same manner as a real estate tax lien.

i. Parcel owners and Co-owners using the road shall refrain from prohibiting, restricting, limiting or in any manner interfering with normal ingress and egress and use by any of the other Parcel owners and Co-owners. Normal ingress and egress and use shall include use by family, guests, invitees, vendors, tradesman, delivery persons, and others traveling to or returning from any of the properties and having a need to use the road.

j. Should the Developer of Sunset Pines Site Condominium or the Association of Co-owners subsequently determine that Sunset Pines Drive should be dedicated to the public then all persons then having an ownership interest in Parcel 1 and Parcel 2 consent and agree to the dedication of the road as a public road and further do hereby appoint the Developer as attorney in-fact to execute all documents necessary and convenient to do so including such consents and documents as may be required by the Livingston County Drain Commission to establish a drainage district.

Section 12. Drainage Easement "A". The Developer does hereby grant and convey to the Sunset Pines Condominium Homeowners Association an easement the boundary's of which is legally described as follows:

A part of the Southwest 1/4 of Section 26, T2N-R4E, Marion Township, Livingston County, Michigan described as commencing at the South 1/4 corner of said Section; thence North 00°26'08" East, along the North-South 1/4 line of said Section, 1994.13 feet; thence North 49°41'28" East 238.92 feet to the Point of Beginning of the easement to be described; thence along the perimeter of the drainage easement along the following five courses 1) North 81°03'30" East 175.85 feet; 2) thence North 40°32'24" East 115.23 feet; 3) thence North 47°47'43" West 140.57 feet; 4) thence South 62°08'56" West 358.61 feet; thence South 74°23'04" East 177.58 feet to the Point of Beginning, containing 1.04 acres more or less.

The easement premises burden Unit 10 and Parcel 1 and Parcel 2 that are located on the West terminus of Sunset Pines Drive. The Co-owners and the Sunset Pines Condominium Homeowners Association shall refrain from altering the topography of, placing fill material in, removing any soil or minerals from, constructing or placing on, plowing, tilling, cultivating or otherwise altering or developing the easement premises.

The purpose of this easement is to maintain the easement premises in their natural and undeveloped condition.

Upon reasonable notice to the owner of the fee title of the easement premises the Grantor and its designee may enter upon and inspect the easement premises to determine that they are being maintained in compliance with the terms of this easement. The Developer and the Association shall have access over and across any unit for such purpose. This easement shall run with the land in perpetuity unless modified or terminated by written agreement of all parties owning any portion of the easement premises and the Township of Marion.

ARTICLE VII AMENDMENT

This Master Deed and the Condominium Subdivision Plan (Exhibit "B" to said Master Deed) may be amended with the consent of sixty-six and two-thirds (66-2/3%) percent of all of the Co-owners except as hereinafter set forth:

Section 1. Modification Of Units Or Common Elements. No Unit dimension may be modified without the consent of the Co-owner and mortgagee of such Unit and the Township nor any the nature or extent of Limited Common Elements or the responsibility for maintenance, repair or replacement thereof be modified in any material way without the written consent of the Co-owner and mortgagee of any Unit to which the same are appurtenant and the Township. However, no additional units shall be created that would utilize individual on-site septic disposal systems and/or water wells.

Section 2. Mortgagee Consent. Whenever a proposed amendment would materially alter or change the rights of mortgagees generally, then such amendment shall require the approval of sixty-six and two-third (66-2/3%) percent of all mortgages of record, allowing one (1) vote for each mortgage held.

Section 3. By Developer. Prior to one (1) year after expiration of the Development and Sales Period described in Article III, Section 11 above, the Developer may, without the consent of any Co-owner, Mortgagee, or any other person, amend this Master Deed and the Condominium Subdivision Plan attached as Exhibit "B" in order to correct survey or other errors made in such documents and to make such other amendments to such instruments and to the Bylaws attached hereto as Exhibit "A" as do not materially affect any rights of any Co-owners or mortgagees in the Condominium, including, but not limited to, amendments for the purpose of facilitating conventional mortgage loan financing for existing or prospective Co-owners and to enable the purchase of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Veterans Administration, the Department of Housing and Urban Development, Michigan State Housing Development Authority or by any other institutional participant in the secondary mortgage market which purchases or insures mortgages. The foregoing amendments may be made without the consent of the Co-owners or mortgagees. However, no additional units shall be created that would utilize individual on-site sewage disposal and/or water supply systems.

Section 4. Change In Percentage of Value. The value of the vote of any Co-owner and corresponding proportion of common expenses assessed against such Co-owner shall not be modified without the written consent of such Co-owner and his mortgagee nor shall the percentage of value assigned to any Unit be modified without like consent, except as provided in the Master Deed and/or the Bylaws.

Section 5. Termination, Vacation, Revocation And Abandonment. The Condominium may not be terminated, vacated, revoked or abandoned without the written consent of the Developer (during the Development and Sales Period) together with eighty (80%) percent of the non-Developer Co-owners and as otherwise allowed by law.

Section 6. Developer Approval. Article VI and this Article VII shall not be amended nor shall the provisions thereof be modified by any other amendment to this Master Deed without the written consent of the Developer so long as the Developer continues to offer any Unit in the Condominium for sale or for so long as there remains, under such provisions, any further possibility of construction of residential units on the

Condominium Premises. During the time period referenced in the preceding sentence, no other portion of this Master Deed, nor the Bylaws attached hereto as Exhibit "A", nor the Subdivision Plan attached hereto as Exhibit "B" may be amended in any manner so as to materially affect and/or impair the rights of the Developer, unless said amendment has received the prior written consent of the Developer. No easements created under the Condominium Documents may be modified or obligations with respect thereto varied without the consent of each owner benefitted thereby. Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the power to approve or disapprove any act, use or proposed action or any other matter or thing, may be assigned by the Developer to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate written instrument duly recorded in the Office of the Livingston County Register of Deeds.

ARTICLE VIII
DEVELOPER'S RIGHT TO USE FACILITIES

The Developer, its agents, representatives, employees, successors and assigns may, at all times that Developer continues to own any Units, maintain offices, model Units, parking, storage areas and other facilities within the Condominium Project and engage in such other acts as it deems necessary to facilitate the development and sale of the Project, subject to Township approval. Developer shall have such access to, from and over the Project as may be reasonable to enable the development and sale of Units in the Condominium Project. In connection therewith, Developer shall have full and free access to all Common Elements and unsold Units.

ARTICLE IX
DEVELOPER'S ASSIGNMENT OF RIGHTS

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

IN WITNESS WHEREOF, the undersigned parties have executed this Master Deed on the dates indicated.

WITNESSES:

DEVELOPER:

P.B. & J. Construction, Inc.

Richard A. Heikkinen
Richard A. Heikkinen

By: M.A.P.
Marc A. Pellegrino
Its President

Nancy A. Bogardus
Nancy A. Bogardus

STATE OF MICHIGAN]
]ss
COUNTY OF LIVINGSTON]

The foregoing instrument was acknowledged before me this 1st day of July, 1999, by Marc A. Pellegrino, President of P.B. & J. Construction, Inc., a Michigan corporation, on behalf of said corporation.

Richard A. Heikkinen
Richard A. Heikkinen
Notary Public
Livingston County, Michigan
My commission expires: 10/24/01

This Master Deed is approved by 1st National Bank in Howell and by execution hereof the 1st National Bank in Howell does consent to the dedication of the described property for a condominium subdivision to be known as Sunset Pines Site Condominium.

WITNESSES:

1ST NATIONAL BANK IN HOWELL

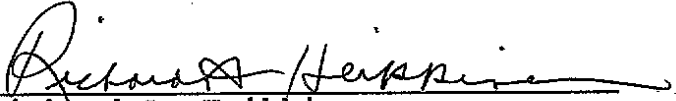
Richard A. Heikkinen
Richard A. Heikkinen

By: Dennis P. Gehringer
Dennis P. Gehringer
Its Vice President

Nancy A. Bogardus
Nancy A. Bogardus

STATE OF MICHIGAN]
]ss
COUNTY OF LIVINGSTON]

1st The foregoing instrument was acknowledged before me this
day of July, 1999, by Dennis P. Gehringer, the Vice
President of 1st National Bank in Howell, a National Banking
Corporation, on behalf of the corporation.


Richard A. Heikkinen
Notary Public
Livingston County, Michigan
My commission expires: 10/24/2001

✓ **Drafted By & Return To:**

Richard A. Heikkinen
THE HEIKKINEN LAW FIRM, P.C.
110 North Michigan Avenue
Howell, Michigan 48843
(517) 546-1434

EXHIBIT A

BYLAWS OF SUNSET PINES SITE CONDOMINIUM

ARTICLE I
ASSOCIATION OF CO-OWNERS

SUNSET PINES SITE CONDOMINIUM, a residential Condominium located in Marion Township, County of Livingston, State of Michigan, shall be administered by an Association of Co-Owners which shall be a nonprofit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium in accordance with the Master Deed, these Bylaws, the Articles of Incorporation, and duly adopted 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 Nonprofit Corporation Act. Each Co-Owner, including the Developer, shall be a member of the Association and no other person or entity shall be entitled to membership. The share of a Co-Owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit in the Condominium. A Co-Owner selling a Unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve or other asset of the Association. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed and other Condominium Documents for the Condominium available at reasonable hours to Co-Owners, prospective purchasers and prospective mortgagees of Units in the Condominium. All Co-Owners in the Condominium and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

ARTICLE II
ASSESSMENTS

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

Section 1. Assessments for Common Elements. All costs incurred by the Association in satisfaction of any liability

arising within, caused by, or connected with the Common Elements or the administration of the Condominium shall constitute expenditures affecting the administration of the Condominium, and all sums received as the proceeds of, or pursuant to, a policy of insurance securing the interest of the Co-Owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium shall constitute receipts affecting the administration of the Condominium, within the meaning of Section 54(4) of the Act.

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

(a) Budget. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves. Failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Co-Owner's obligation to pay the allocable share of the common expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget each Unit Co-Owner shall continue to pay each periodic installment at the periodic rate established for the previous fiscal year until notified of the periodic payment which is due more than ten (10) days after such new annual or adjusted budget is adopted. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular periodic payments as set forth in Section 3 below rather than by special assessments. At a minimum, the reserve fund shall be equal to ten (10%) percent of the Association's current annual budget on a noncumulative basis. Since the minimum standard required by this Section may prove to be inadequate for this particular Condominium, the Association of Co-Owners should carefully analyze the Condominium to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. Upon adoption of an annual budget by the Board of Directors, copies of said budget shall be delivered to each Co-Owner and the assessment for said year shall be established based upon said budget, although the delivery of a copy of the budget to each Co-Owner shall not affect the liability of any Co-Owner for any existing or future assessments. Should the Board of Directors at any time determine, in the sole discretion of the Board of Directors: (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation, management, maintenance and capital repair of the Condominium, (2) to provide replacements of existing Common Elements, (3) to provide additions to the Common Elements not exceeding One Thousand (\$1,000.00) Dollars, in the aggregate, annually or (4) in the event of emergencies, the Board of

Directors shall have the authority to increase the general assessment or to levy such additional or special assessment or assessments without Co-Owner approval as it shall deem to be necessary. The Board of Directors shall also have the authority, without Co-Owner consent, to levy assessment pursuant to the provisions of Article V, Section 4 hereof. The discretionary authority of the Board of Directors to levy general, additional or special assessments pursuant to this subsection shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or the members thereof.

(b) Special Assessments. Special assessments, other than those referenced in subsection (a) of this Section 2, may be made by the Board of Directors from time to time and approved by the Co-Owners as hereinafter provided, to meet other needs or requirements of the Association, including, but not limited to: (1) assessments for additions to the Common Elements of an aggregate cost exceeding \$1,000.00 per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 hereof, or (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subsection (b) (but not including those assessments referred to in subsection 2(a) above which may be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than fifty one (51%) percent of all Co-Owners. The authority to levy assessments pursuant to this subsection is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or the members thereof.

Section 3. Apportionment of Assessments; Default in Payment. Unless otherwise provided herein, all assessments levied against the Co-Owners to cover expenses of administration shall be apportioned among and paid by the Co-Owners in accordance with the percentage of value allocated to each Unit in Article V of the Master Deed, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit. Any unusual expenses of administration which benefit less than all of the Condominium Units in the Condominium may be specially assessed against the Condominium Unit or Condominium Units so benefited and may be allocated to the benefited Condominium Unit or Units in the proportion which the percentage of value of the benefited Condominium Unit bears to the total percentages of value of all Condominium Units so specially benefited. Annual assessments as determined in accordance with Article II, Section 2(a) above shall be payable by the Co-owners in quarterly or other periodic installments commencing with acceptance of a Deed to, or a land contract purchaser's interest in, a Unit, or with the acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such

payment. A late charge in the amount of \$10.00, or such other amount as may be determined by the Board of Directors effective upon fifteen (15) days notice to the members of the Association, shall be assessed automatically by the Association upon any assessment in default until paid in full. Such late charge shall not be deemed to be a penalty or interest upon the funds due to the Association but is intended to constitute a reasonable estimate of the administrative costs and other damages incurred by the Association in connection with the late payment of assessments. Assessments in default shall bear interest at the rate of seven (7%) percent per annum or such higher rate as may be allowed by law until paid in full. Each Co-owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments (including late charges and costs of collection and enforcement of payment) pertinent to his Unit which may be levied while such Co-owner is the owner thereof. In addition to a Co-owner who is also a land contract seller, the land contract purchaser shall be personally liable for the payment of all assessments (including late charges and costs of collection and enforcement of payment) pertinent to the subject Condominium Unit which are levied up to and including the date upon which the land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit. Payments on account of installments of assessments in default shall be applied first, to any late charges on such installments; second, to costs of collection and enforcement of payment, including reasonable attorney's fees and finally to installments in default in order of their due dates, earliest to latest.

Section 4. Waiver of use or Abandonment of Unit; Uncompleted Repair Work. No Co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements, or by the abandonment of his Unit, or because of uncompleted repair work, or the failure of the Association to provide service to the Condominium.

Section 5. Enforcement. The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments, or both in accordance with the Act. Pursuant to Section 139 of the Act, no Co-owner may assert in answer or set-off to a complaint brought by the Association for nonpayment of assessments the fact that the Association or its agents have not provided the services or management to the Co-owner. Each Co-owner, and every other person who from time to time has any interest in the Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose 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. Further, each Co-owner and every other person who from time to time has any interest in the Condominium, shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. The Association, acting on behalf of all Co-Owners, may bid in at the foreclosure sale, and acquire, hold, lease, mortgage or convey the Condominium Unit. Each Co-owner of a Unit in the Condominium acknowledges that at the time of acquiring title to such 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 mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or their last known address of a written notice that one or more installments of the annual assessment and/or a portion or all of a special assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by a written Affidavit of an authorized representative of the Association that sets forth (i) the Affiant's capacity to make the Affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of record. Such Affidavit shall be recorded in the office of the Register of Deeds in the County in which the Condominium is located prior to 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 Co-owner and shall inform the Co-owner that he may request a judicial hearing by bringing suit against the Association. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorney's fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on his Unit. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against his Unit, and/or in the event of

default by any Co-owner in the payment of any installment and/or portion of any special assessment levied against his Unit, or any other obligation of a Co-owner which, according to these bylaws, may be assessed and collected from the responsible Co-owner in the manner provided in Article II hereof, the Association shall have the right to declare all unpaid installments of the annual assessment for the applicable fiscal year (and for any future fiscal year in which said delinquency continues) and/or all unpaid portions or installments of the special assessment, if applicable, immediately due and payable. The Association also may discontinue the furnishing of any utility or other services to a Co-owner in default upon seven (7) days written notice to such Co-owner in intention to do so. A Co-owner in default shall not be entitled to utilize any of the General Common Elements of the Condominium, shall not be entitled to vote at any meeting of the Association, and shall not be entitled to run for election as a director or be appointed an officer of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-owner of ingress or egress to and from his Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him as provided by the Act.

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

Section 7. Developer's Responsibility for Assessments. The Developer of the Condominium, although a member of the Association, shall not be responsible at any time for payment of the Association assessments, except with respect to completed and occupied Units that it owns. A completed Unit is one with respect to which a Certificate of Occupancy has been issued by Marion Township, or its designee. Certificates of Occupancy may be obtained by the Developer at such times prior to actual occupancy as the Developer, in its discretion, may determine. An occupied Unit is one which is occupied as a residence. The Developer shall independently pay all direct costs of maintaining completed Units for which it is not required to pay Association assessments and shall not be responsible for any payments whatsoever to the Association in connection with such Units. The Developer shall not be responsible at any time for payment of Condominium assessments or payment of any expenses whatsoever with respect to unbuilt Units notwithstanding the fact that such unbuilt Units may

have been included in the Master Deed. The Developer shall, in no event, be liable for any assessment levied in whole or in part to purchase any Unit from the Developer or to finance any litigation or other claims against the Developer, its directors, officers, principals, affiliates and/or the first Board of Directors of the Association or any directors of the Association appointed by the Developer, or any cost of investigating and preparing such litigation or claim or any similar or related costs.

Section 8. Property Taxes and Special Assessments. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

Section 9. Water and Sewer Assessments. The individual Co-owners shall be responsible for the water and/or sewer assessments, if any hereafter levied by any governmental authority against the respective Units in the Condominium.

Section 10. Personal Property Tax Assessment of Association Property. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 11. Mechanic's Lien. A mechanic's lien otherwise arising under Act No. 479 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

Section 12. Statement as to Unpaid Assessments. Pursuant to the provisions of the Act, the purchaser of any Condominium Unit may request a statement of the Association as to the outstanding amount of any unpaid Association assessments thereon, whether regular or special, and related collection costs. Upon written request to the Association, accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire the Unit, the Association shall provide a written statement of such unpaid assessments and related collection costs 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 assessment 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 together with interest, costs, and attorneys' fees incurred in the collection thereof, and the lien securing same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record. The Association may charge such reasonable amounts for preparation of

such a statement as the Association shall, in its discretion, determine.

**ARTICLE III
ARBITRATION**

Section 1. Scope and Election. Disputes, claims, or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between Co-owners, or between a Co-owner(s) and the Association shall, upon the election and written consent of the parties to any such disputes, claims or grievances, and written notice to the Association, if applicable, be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding; provided that no question affecting the claim of title of any person to any fee or life estate in real estate is involved. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration. Any agreement to arbitrate pursuant to the provisions of this Article III, Section 1 shall include an agreement between the parties that the judgment of any Circuit Court of the State of Michigan may be rendered upon any award rendered pursuant to such arbitration.

Section 2. Judicial Relief. In the absence of the election and written consent of the parties pursuant to Section 1 above, no Co-owner or the Association shall be precluded from petitioning the Courts to resolve any such disputes, claims or grievances.

Section 3. Election of Remedies. Election by the parties to any such disputes, claims or grievances to submit such disputes, claims or grievances to arbitration shall preclude such parties from litigating such disputes, claims or grievances to the Courts.

Section 4. Co-owner Approval for Civil Actions Against Developer and First Board of Directors. Any civil action proposed by the Board of Directors on behalf of the Association to be initiated against the Developer, its agents or assigns, and/or the First Board of Directors of the Association, for any reason, shall be subject to approval by a vote of fifty-one (51%) percent of all Co-owners, and notice of such proposed action must be given in writing to all Co-owners.

**ARTICLE IV
INSURANCE**

Section 1. Extent of Coverage. The Association shall, to the extent appropriate, given the nature of the General Common Elements of the Project, carry extended coverage, vandalism and malicious mischief and liability insurance (in a minimum amount to be determined by the Developer or the Association in its

discretion, but in no event less than One Million (\$1,000,000.00) Dollars per occurrence), officers' and directors' liability insurance, and worker's compensation insurance, if applicable, and any other insurance the Association may deem applicable, desirable or necessary, pertinent to the ownership, use and maintenance of the General Common Elements and such insurance shall be carried and administered in accordance with the following provisions:

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

(b) Insurance of Common Elements. All General Common Elements of the Condominium project shall be insured against perils covered by a standard extended coverage endorsement, if applicable and appropriate, in an amount equal to the current insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association.

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

(d) Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, and the co-owners and their mortgagees as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring the 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 repair, replacement or reconstruction of the Condominium unless all of the institutional holders of first mortgages on Units in the Condominium have given their prior written approval.

Section 2. Authority of Association to Settle Insurance Claims. Each co-owner, by ownership of a unit in the condominium, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the General Common Elements of the Condominium Project, thereof with such insurer as may, from time to time, provide such insurance for the Condominium Project. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and

authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Document, to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing. Unless the Association obtains coverage for the dwelling within the Unit pursuant to the provisions below, the Association's authority shall not extend to insurance coverage on any dwelling.

Section 3. Responsibilities of Co-owners. Each Co-owner shall be obligated and responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to the dwelling and all other improvements constructed or to be constructed within the perimeter of his or her Condominium Unit and for his or her personal property located therein or thereon or elsewhere on the Condominium Project. There is no responsibility on the part of the Association to insure any of such improvements whatsoever. All such insurance shall be carried by each Co-owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs. Each Co-owner shall deliver certificates of insurance to the Association from time to time to evidence the continued existence of all insurance required to be maintained by the Co-owner hereunder. In the event of the failure of a Co-owner to obtain such insurance or to provide evidence thereof to the Association, the Association may obtain such insurance on behalf of such Co-owner and the premiums therefor shall constitute a lien against the Co-owner's Unit which may be collected from the Co-owner in the same manner that Association assessments may be collected in accordance with these Bylaws. Each Co-owner also shall be obligated to obtain insurance coverage for his personal liability for occurrences within the perimeter of his or her Unit and the improvements located thereon, and also for any other personal insurance coverage that the Co-owner wishes to carry. Such insurance shall be carried in such minimum amounts as may be specified by the Association and such coverage shall not be less than \$1,000,000.00 (and as specified by the Developer during the Development and Sales Period) and each Co-owner shall furnish evidence of such coverage to the Association or the Developer upon request. The Association shall under no circumstances have any obligation to obtain any of the insurance coverage described in this Section or any liability to any person for failure to do so.

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

Section 5. Indemnification. Each individual Co-owner shall indemnify and hold harmless every other Co-owner, the Developer and the Association for all damages and costs, including attorneys' fees, which such other Co-owners, the Developer or the Association may suffer as a result of defending any claim arising out of an occurrence on or within such individual Co-owner's Unit and shall carry insurance to secure this indemnity if so required by the Association (or the Developer during the Development and Sales Period). This Section shall not be construed to give any insurer any subrogation right or other right or claim against any individual Co-owner, however.

ARTICLE V
RECONSTRUCTION OR REPAIR

Section 1. Responsibility for Reconstruction or Repair. In the event any part of the Condominium property shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

(a) General Common Elements. If the damaged property is a General Common Element, the damaged property shall be rebuilt or repaired unless all of the Co-owners and all of the institutional holders of first mortgages on any Unit in the Project unanimously agree to the contrary; provided, however, that this Section shall not affect the right of the Township to require maintenance, repair and replacement of the Private Road, Storm Water Drainage System and Retention/Detention Areas System as set forth in applicable provisions of the Master Deed.

(b) Unit or Improvements Thereon. If the damaged property is a Unit or any improvements thereon, the Co-owner of such Unit alone shall determine whether to rebuild or repair the damaged property, subject to the rights of any mortgagee or other person or entity having an interest in such property, and such Co-owner shall be responsible for any reconstruction or repair that he or she elects to make. The Co-owner shall in any event remove all debris and restore his Unit and the improvements thereon to a clean and sightly condition satisfactory to the Association and in accordance with the provisions of these Bylaws as soon as reasonably possible following the occurrence of the damage and no later than three months after such occurrence.

Section 2. Repair in Accordance with Master Deed. Any such reconstruction or repair of an improvement within the General Common Elements shall be substantially in accordance with the Master Deed and the original plans and specifications of the improvements unless the co-owners shall unanimously decide otherwise. Further, any such reconstruction or repair will be subject to any applicable building code requirements and other ordinance requirements of the Township.

Section 3. Association Responsibilities for Repair. Immediately after the occurrence of a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessment shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation.

Section 4. Timely Reconstruction and Repair. If damage to the General Common Elements adversely affects the appearance of the Condominium Project, the Association shall proceed with replacement of the damaged property without delay, and shall complete such replacement within six (6) months after the date of the occurrence which caused damage to the property.

Section 5. Eminent Domain. Section 133 of the Act and the following shall control upon any taking by eminent domain:

(a) Taking of Unit or Improvement Thereon. In the event of any taking of all or any portion of a Unit or any improvement thereon by eminent domain, the award for such taking shall be paid to the owner of such Unit and the mortgagee thereof, as their interests may appear, notwithstanding any provision of the Act to the contrary. If a Co-owner's entire Unit is taken by eminent domain, such Co-owner and his mortgagee shall, after acceptance of the condemnation award therefor, be divested of all interest in the Condominium Project.

(b) Taking of General Common Elements. If there is any taking of any portion of the General Common Elements, the condemnation proceeds relative to such taking shall be paid to the co-owners and their mortgagees in proportion to their respective interests in the Common Elements and the affirmative vote of more than fifty (50%) percent of all of the co-owners shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

(c) Continuation of Condominium After Taking. In the event the Condominium continues after taking by eminent domain, then the remaining portion of the Condominium shall be resurveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article VI of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the

percentages of value of the remaining co-owners based upon the continuing value of the Condominium of one hundred (100%) percent. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any co-owner.

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

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

Section 6. Mortgages Held By FHLMC; Other Institutional Holders. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC") then, upon request therefor by FHLMC, the Association shall give it written notice at such address as it may, from time to time, direct of any loss to or taking of the Common Elements of the Condominium if the loss or taking exceeds \$10,000.00 in amount or if damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC exceeds \$1,000.00. The Association shall provide such other reasonable notice as may be required, from time to time, by other institutional holders of mortgages upon Units.

Section 7. Priority of Mortgagee Interests. 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 and/or Common Elements.

ARTICLE VI RESTRICTIONS

In order to provide for congenial occupancy of the Condominium, all of the units in the Condominium shall be held, used and enjoyed subject to the following limitations and restrictions:

Section 1. Residential Use. Each Unit in the Condominium shall be occupied by a single family, only, and shall not be used for other than single-family purposes and the Common Elements shall only be used for purposes consistent with those set forth in this Section 1. No Unit shall be used for commercial or business offices. The provisions of this Section shall not be construed to

prohibit a Co-owner from maintaining a personal professional library, keeping personal, professional or business records or handling personal business or professional telephone calls in a dwelling constructed upon a Unit.

Section 2. Leasing and Rental.

(a) Right to Lease. A Co-owner may lease his Unit for the same purposes set forth in Section 1 of this Article VI; provided that written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the manner specified in subsection (b) below. No Co-owner shall lease less than the entire Unit in the Condominium and no tenant shall be permitted to occupy except under a written lease, the initial term of which is at least twelve (12) months, unless specifically approved in writing by the Association. Such written lease shall (i) require the lessee to comply with the Condominium Documents and rules and regulations of the Association, (ii) provide that failure to comply with the Condominium Documents and rules and regulations constitutes a default under the lease, and (iii) provide that the Board of Directors has the power to terminate the lease or to institute an action to evict the tenant and for money damages after fifteen (15) days prior written notice to the Condominium Unit Co-owner, in the event of a default by the tenant in the performance of the lease. The Board of Directors may suggest or require a standard form lease for use by Unit Co-owners. Each Co-owner of a Condominium Unit shall, promptly following the execution of any lease of a Condominium Unit, forward a conformed copy thereof to the Board of Directors. Under no circumstances shall transient tenants be accommodated. For purposes of this Section 3(a), a "transient tenant" is a non Co-owner residing in a Condominium Unit for less than sixty (60) days, who has paid consideration therefor. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. Tenants and non Co-owner occupants shall comply with all of the conditions of the Condominium Documents and all leases, rental agreements, and occupancy agreements shall so state. The Developer may lease any number of Units in the Condominium in its discretion.

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

(c) Violation of Condominium Documents by Tenants or Non Co-owner Occupants. If the Association determines that the tenant or

non Co-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:

- i. The Association shall notify the Co-owner by certified mail advising of the alleged violation by the tenant or non Co-owner occupant.
- ii. The Co-owner shall have fifteen (15) days after receipt of such notice to investigate and correct the alleged breach by the tenant or non Co-owner occupant or advise the Association that a violation has not occurred.
- iii. If after fifteen (15) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its own behalf or derivatively by the Co-owners on behalf of the Association, if it is under the control of the Developer, an action for eviction against the tenant or non Co-owner occupant and simultaneously for money damages in the same action against the Co-owner and tenant or non Co-owner occupant for breach of the conditions of the Condominium Documents. The relief set forth in this subsection may be by summary proceeding. The Association may hold both the tenant or non Co-owner occupancy and the Co-owner liable for any damages caused by the Co-owner or tenant or non Co-owner occupant in connection with the Condominium Unit or the Condominium and for actual legal fees incurred by the Association in connection with legal proceedings hereunder.

(d) Arrearage in Condominium Assessments. When a Co-owner is in arrearage to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Condominium Unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not be a breach of the rental agreement or lease by the tenant. The form of lease used by any Co-owner shall explicitly contain the foregoing provisions.

Section 3. Architectural Control, Alterations and Modifications of Units and Common Elements. The Developer of the Project intends that there shall be constructed on each unit a residential dwelling and certain other improvements within the boundaries of each of the Condominium Units in the Project in conjunction with the sale of such Units to individual Co-owners.

(a) Licensed Builder. With prior written consent by the Developer, a Co-owner may engage the services of a licensed builder other than the Developer to construct improvements (including the residential dwelling) within the boundaries of or appurtenant to a Condominium Unit. In such event, Developer shall be entitled to require that such builder or Co-owner furnish to the Association adequate security, in Developer's discretion, to protect the Association against costs and expenses which it might incur in connection with the failure to complete construction in a timely and diligent manner in accordance with the approved plans and specifications for the dwelling and its appurtenances. All plans and specifications for dwellings, their appurtenances and any other improvements or modifications in exterior appearance of Condominium Units shall be submitted to, and approved by, the Architectural Control Committee.

(b) Plan and Specifications Approval. Prior to the First Annual Meeting, the Architectural Control Committee shall consist of the Developer or its designated representatives. After the First Annual Meeting, the Architectural Control Committee shall consist of the Board of Directors of the Association, or its designated representatives; provided, however, that the Developer shall retain the absolute right to reject any proposed plans, specifications, or modifications during the Construction and Sales Period. No one other than Developer shall be entitled to alter the nature or appearance (including color and other exterior appearance) of any improvements constructed within the boundaries of a Condominium Unit or the Limited Common Elements, if any, appurtenant thereto without the prior written consent of the Architectural Control Committee in its absolute discretion. The Co-owner shall be responsible for the maintenance and repair of any such modification or improvement. In the event that the Co-owner fails to maintain and/or repair said modification or improvement to the satisfaction of the Association, the Association may undertake to maintain and/or repair same and assess the Co-owner the costs thereof and collect same from the Co-owner in the same manner as provided for the collection of assessments in Article II hereof. The Co-owner shall indemnify and hold the Association and the Developer harmless from and against any and all costs, damages, and liabilities incurred in regard to said modification and/or improvement.

(c) Landscaping. No hedges, trees or substantial plantings or landscaping modifications shall be made, until plans and specifications, acceptable to the Architectural Control Committee, showing the nature, kind, shape, height, material, color, scheme, location and approximate cost of such structure or improvement and the grading or landscaping plan of the area to be affected shall have been submitted to and approved in writing by Architectural Control Committee, and a copy of said plans and specifications, as finally approved, lodged permanently with the Architectural Control Committee; provided, however, that each Co-owner shall have the right to install plantings and/or landscaping around the

foundations of the residential structure within his/her Condominium Unit without the approval of the Architectural Control Committee.

(d) Standards for Construction and Landscape Plan Approval. Construction of any dwelling or other improvement must also receive any necessary approvals from the local public authority. The Architectural Control Committee shall have the right to refuse to approve any such plan or specifications, or grading or landscaping plan which are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing upon such plans and specifications it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to construct the same, and the degree of harmony thereof with the Condominium as a whole.

(e) Special Maintenance. The Architectural Control Committee may also, in its discretion, require as a condition of approval of any plans, an agreement for special assessment for increased maintenance charges from any Co-owner whose proposed dwelling and appurtenances and related improvements will cause the Association abnormal expenses in carrying out its responsibilities with respect thereto under the Master Deed. The purpose of this Section is to assure the continued maintenance of the Condominium as a beautiful and harmonious residential development, and shall be binding upon both the Association and upon all Co-owners.

(f) Greenbelt. A greenbelt 25 feet in width is hereby established on the North and South boundaries of the Condominium. The natural living vegetation existing in the greenbelt shall not be cut or otherwise removed. Prohibited and noxious weeds as defined by Public Acts of 1965, as amended, and the regulations adopted pursuant thereto may be eradicated. The planting of trees, shrubs and flowers in the greenbelt is allowed.

A greenbelt 50 feet in width is hereby established on the East boundary of the Condominium. The Developer shall be responsible for development, implementation and completion of the landscaping plan set forth on the Site Plan dated November 2, 1998, Job No. 98034 prepared by Cheyenne Land Surveying. All landscaping shall be maintained in a reasonably healthy condition, free from refuse and debris. All unhealthy and dead material shall be replaced within one year of damage or death or the next appropriate planting period, whichever event comes first. The Developer shall have the responsibility to replace plantings for a period extending one year after the date of recording of the Master Deed. Thereafter the Association shall have responsibility for maintenance and replacement of the plantings in accordance with the approved site plan. The plantings shall not be cut down or otherwise removed.

(g) Developer's Improvements. Developer may construct any improvements upon the Condominium Premises that it may, in its sole discretion, elect to make without the necessity of prior consent from the Architectural Control Committee or any other person or entity, subject only to the express limitations contained in the Condominium Documents.

(h) Assignment of Developer's Rights. Developer's rights under this Article may, in Developer's discretion, be assigned to the Association or other successor to Developer.

Section 4. Residential Building Setbacks. Except as may be permitted by the appropriate officials of Marion Township and the Architectural Control Committee, the following setback requirements shall apply:

(a) Front Yard. All portions of any residence, including residences on corner Units, shall be set back a minimum of 70 feet from the edge of any public or private right of way.

(b) Side Yard. All portions of any residence shall be set back a minimum of 15 feet from the side yard property lines to the residence.

(c) Rear Yard. All portions of any residence shall be set back a minimum of 25 feet from the rear yard property line to the residence.

Section 5. Minimum Floor Space and Size. No dwelling shall be built on any unit which has living area floor space of less than the following:

(a) One story dwelling. A residence having one story shall have a minimum living area of 1350 square feet on the ground floor, above grade.

(b) One and one-half story dwelling. A residence having one and one-half stories shall have an aggregate minimum living area of no less than 1650 square feet.

(c) Two story dwelling. A residence having two stories shall have no less than an aggregate minimum living area of 1650 square feet.

(d) "Living Area" includes the actual area within the outer surfaces of the outside walls, including any finished living area which is above an enclosed porch or garage but excluding a garage, basement or unheated porch.

Section 6. Driveways. All driveways shall be surfaced with concrete, paving brick or asphalt paving with suitable sub-base support. The grading, installation and paving of driveways shall be completed within a three (3) month period after occupancy of a

residential structure, weather permitting. Unit 1 shall not have driveway access directly onto Highway D-19. The driveway serving Unit 18 may intersect Highway D-19. However, there shall be only one point of ingress and egress onto Highway D-19.

Section 7. Health Department Restrictions. Each dwelling constructed upon a Unit shall be served by a water well. All wells shall be drilled by a licensed well driller. Each Co-owner shall be responsible for the installation, maintenance and repair of on-site well for his/her respective unit. Each dwelling constructed upon a Unit shall be served by an on site sewage disposal system. Each Co-owner shall be responsible for the installation, maintenance and repair of the sewage disposal system for his/her respective unit.

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

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

(c) "SUNSET PINES" Site Condominium Project has been approved for 18 individual Units as described in MAB/Cheyenne Land Surveying Job No. 98034 dated March 24, 1999. The wells and septics shall be located in the exact area as indicated on the preliminary site plan.

(d) All wells shall be drilled by a licensed Michigan well driller and be drilled to a depth that will penetrate a minimum of a 10 feet protective clay barrier or to a minimum dept of 100 feet if adequate clay protection is not encountered. These wells shall all be grouted the entire length of the casing.

(e) The test wells used to determine onsite water supply adequacy have been drilled on Units 3, 6, 13, and 15. These wells are intended for the use as a potable water supply.

(f) Well access for Unit 10 may be difficult due to steep slopes in the proposed well locations. Therefore, prior to issuance of any permit a detailed diagram must be submitted regarding access to the proposed locations.

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

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

APPROVED
Livingston County Health Department
Name _____
Date 6-29-99

(i) The onsite sewage disposal systems for Units 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18 will require the excavation of slow permeable soil ranging between 4 feet and 10 feet 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.

(j) Unit 3 will require that the bottom of the stone be no deeper than the existing highest original grade.

(k) Unit 4 will require that the bottom of the stone be no deeper than 24 inches below the original grade.

(l) Units 2, 3, 8, 9, 13, 14 will require an enlarged system due to the heavy/fine soil structure witnessed on these units. Please refer to the soil conditions on file at the Livingston County Health Department.

(m) The Developer's engineer has provided to the Livingston County Health Department 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.

(n) The Developer's engineer has provided to the Livingston County Health Department written certification that all storm drains which are within 25 feet to the proposed active or reserve septics have been sealed with a watertight premium joint material.

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

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

(q) All restrictions placed on "Sunset Pines" Site Condominium Community by the Livingston County Health Department are not severable and shall not expire under any circumstances unless otherwise amended or approved by the Livingston County Health Department.

Section 8. Foundations. All structures shall be erected upon a foundation constructed on suitably permanent material extending below the frost line. The exterior of the foundations shall not be exposed except for the exposed wall of a walkout home that shall be faced with siding or other suitable finishing

Livingston County Health Department
Name [Signature]
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materials. All homes shall be constructed with basements. The lower elevation of a walkout home shall be considered as a basement for the purpose of satisfying this agreement.

Section 9. Garages. All single family dwellings shall be constructed with a recessed or side entry garage that shall be attached to the dwelling. No carports shall be constructed on any unit. The garage area shall be at least 484 square feet in size. The Architectural Control Committee may allow an attached garage on a residence with a front entry where practical difficulties exist in constructing a home with a side entry garage. No garage shall exceed a four car capacity.

Section 10. Outbuildings and Ancillary Structures. One outbuilding, not to exceed 864 square feet in area, may be constructed on a Unit providing (a) the outbuilding is constructed behind the rear of the residence to be constructed on the Unit, (b) the pitch of the roof is 6-12, (c) the maximum height of the outside wall is nine feet, (d) the siding and shingles are the same color, style and quality as installed on the residence located or to be located on the Unit, (e) three windows are installed in the outbuilding, (f) the driveway to the outbuilding, if any, is extended from the existing driveway, (g) the construction plans and materials for the outbuilding are aesthetically pleasing and in harmony with the Development and approved by the Architectural Control Committee. The Architectural Control Committee may allow an outbuilding in the sideyard, not closer to the road than the front building line of the residence, where practical difficulties exist in locating an outbuilding behind the residence.

No other outbuildings, sheds, barns or other similar structures may be constructed within any Unit or the Common Elements. Decks, swing sets and play equipment, pools, gazebos or other similar structures may be constructed within Units but only with the prior approval of the Developer during the development and sales period or with the approval of the Association after the development and sales period has ended.

Section 11. Chimney. Any chimney attached to an outside wall shall be covered with brick, stone or siding.

Section 12. Roof Pitch. Sloping roof pitches are to be a minimum of 6/12 for functional and aesthetic reasons.

Section 13. Construction Materials. Only new materials and no used materials shall be used in the construction of a residential structure.

Section 14. Occupancy. No structure shall be occupied as living quarters unless and until said structure shall be completed, including exterior staining or painting, according to approved plans and until a temporary or permanent occupancy permit

has been issued by the governmental unit having jurisdiction over the construction and use of such structure.

Section 15. Construction Site Appearance. During construction and upon completion, the Unit shall be kept free and clean of construction debris and rubbish and an orderly and neat appearance shall be maintained. The Co-owner shall keep all building materials and debris contained within the Unit boundaries. Within sixty (60) days after substantial completion of construction of a residential structure, all unused construction materials, equipment and supplies shall be removed from the site. Developer or the Association may charge, if it deems necessary, a clean up charge of \$25.00 per hour in the event that any debris is strewn about either the Co-owner's unit or SUNSET PINES SITE CONDOMINIUM and Co-owner either neglects and/or refuses to remove the debris. Areas of the Unit disturbed by excavation and construction work shall be finish-graded and seeded, sodded or otherwise suitably landscaped as soon as construction activities are completed and weather permits.

Section 16. Antenna. The Developer, during the construction and sales period, and the Association after control of the Association is assumed by the Co-owners, shall approve the height and location on an unit of:

- (a) An antenna that is designed to receive direct broadcast satellite service, including direct-to-home satellite services, that is one meter or less in diameter; or
- (b) An antenna that is designed to receive video programming service via multipoint distribution service, including multichannel multipoint distribution services, instructional television fixed services, and local multipoint distribution services, and that is one meter or less in diameter or diagonal measurement; or
- (c) An antenna that is designed to receive television broadcast signals,

The approval of the request for the style and siting of an antenna shall not be unreasonably delayed, it shall not unreasonably prevent installation, maintenance or use, unreasonably increase the cost of installation, maintenance or use or preclude reception of an acceptable quality signal. No antenna, other than as described in (a), (b) and (c) shall be allowed.

Section 17. Lighting. All exterior lighting, including lamps, posts and lighting fixtures for any residence or garage shall be so situated or of such intensity as not to create a nuisance to neighboring units.

Section 18. Pools, Jacuzzis, and Hot Tubs. Underground swimming pools, jacuzzis and hot tubs may be installed in the rear

yard areas, if permitted by Marion Township and the Architectural Control Committee. Any Co-owner intending to construct any underground swimming pool, jacuzzi, or hot tub must submit to the Architectural Control Committee a detailed description and proposed layout showing size, location, materials, shape, landscaping, fencing, screening, and type of construction. The Architectural Control Committee shall have absolute discretion to approve or disapprove any proposal and may attach any conditions which it deems appropriate. Any approved pools must be maintained in a safe and clean condition and must also be maintained in appearance consistent with the standards of the Condominium. No above-ground or free-standing swimming pools shall be permitted.

Section 19. Patio decks and walls. Patio decks shall be permissible, subject to such standards as the Architectural Control Committee may, from time to time, specify. Patio walls shall be permissible, subject to such standards as the Architectural Control Committee may, from time to time, specify.

Section 20. Fences. No fence or wall may be erected or maintained on any Unit except when required by ordinance or other governmental regulation or as a part of a decorative landscaping plan or for purposes of providing a dog run. A solid hedge shall be permissible so long as it does not exceed 60 inches in height, and is, at all times, reasonably maintained. The construction of fences for dog runs and construction of fences required by the Marion Township Ordinance of a swimming pool or jacuzzi, shall require the express written consent of the Architectural Control Committee which shall have the sole and absolute discretion to determine the suitability of the location, design, shape, height, size and materials for any required fence, wall, or solid hedge. Dog runs must have suitable landscaping screening.

Section 21. Mailboxes. The design, material, color and construction of all mailboxes and mailbox stands shall be as selected by the Architectural Control Committee. Each Co-owner shall maintain the approved mailbox and stand. All boxes must be placed no higher than 42" from the roadway adjacent to the bottom of the mailbox. All boxes must be erected within the easement for public utilities as designated on the attached Exhibit "B".

Section 22. Unfinished and Temporary Structures. No unfinished or temporary structures may be occupied as a residence at any time prior to completion in accordance with approved plans and/or issuance of a certificate of occupancy.

Section 23. Outdoor Court. No basketball backboard or basket shall be installed and used other than in the rear or side yard of a unit, whether attached to a dwelling, garage, pole, or other structure. Portable basketball backboards and rims with moveable stanchion may be used in any driveway providing they are stored in garages each day immediately after sunset.

Section 24. Unit Grade. The established grade of a Condominium Unit shall not be changed without prior approval by the Architectural Control Committee and the Township engineer.

Section 25. Site Lighting and Insect Killers. All exterior lighting for any residence or garage shall be so situated and of such intensity so as not to create a nuisance to neighboring units and residences constructed thereon. All exterior lighting to be erected shall be first approved by the Developer (during the construction and sales period) and thereafter by the Architectural Control Committee which shall consider the effect of the proposed lighting on adjacent units. Lighting fixtures shall be of decorative design. Insect destroying devices which omit noise that can be audible detected beyond the boundaries of the unit are prohibited.

Section 26. Activities. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, Limited or General, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium. No unreasonably noisy activity shall occur in or on the Common Elements or in any Unit at any time and disputes among Co-Owners, arising as a result of this provision which cannot be amicably resolved, shall be arbitrated by the Association. No Co-owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: any activity involving the use of firearms, air rifles, pellet guns, b-b guns, bows and arrows, or other similar dangerous weapons, projectiles or devices.

Section 27. Pets. No animal, except common domesticated household pets (exotic animals being expressly prohibited) shall be kept and maintained by any Co-owner unless specifically approved in writing by the Association. No animal may be kept or bred for any commercial purpose. Any animal shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal may be permitted to run loose at any time upon the Common Elements and any animal shall at all times be leashed and attended by some responsible person while on the Common Elements, limited or general. Dog runs shall be permitted to be installed in the rear yard areas of Units in accordance with Article VI, Section 4 above. No savage or dangerous animal shall be kept and any Co-owner who causes any animal to be brought or kept upon the premises of the Condominium shall indemnify and hold harmless the Association for any loss, damage or liability (including costs and attorney fees) which the

Association may sustain as a result of the presence of such animal on the premises, whether or not the Association has given its permission therefore, and the Association may assess and collect from the responsible Co-owner such losses and/or damages in the manner provided in Article II hereof. Each Co-owner shall be responsible for collection and disposition of all fecal matter deposited by any pet maintained by such Co-owner. No dog which barks and can be heard on any frequent or continuing basis shall be kept in any Unit or on the Common Elements. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II of these Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals, including the limitation concerning the number of pets kept, as it may deem proper. The Association may, after notice and hearing, without liability to the owner thereof, remove or cause to be removed any animal from the Condominium which it determines to be in violation of the restrictions imposed by this Section or by any applicable rules and regulations of the Association. The Association may also assess fines for such violation of the restrictions imposed by this section or by any applicable rules and regulations of the Association. The term "animal" or "pet" as used in this Section shall not include small domesticated animals which are constantly caged, such as small birds or fish. The Co-owners shall comply with the ordinances of Marion Township pertaining to the keeping of pets and animals.

Section 28. Tree Preservation. A Co-owner may not remove any trees within the setback areas of his/her Unit without the written permission of the Developer during the Construction and Sales Period and thereafter by the Association.

Section 29. Tree Planting. The Co-owner of a Unit shall be responsible for planting two trees within the front or side setback on each unit or as required by the Marion Township Ordinances within one year from occupancy. The trees shall be a minimum of 5 feet in height and either Colorado spruce, Maple or Douglas Fir.

Section 30. Utility Service Leads. All utility service leads extending from the utility mains and lines shall be buried underground or otherwise installed in accordance with the standards prescribed by the utility companies.

Section 31. Aesthetics. The Common Elements, Limited or General, shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. Garage doors shall be kept closed at all times except as may be

reasonably necessary to gain access to or from any garage. No unsightly condition shall be maintained on any patio, porch or deck and only furniture and equipment consistent with the normal and reasonable use of such areas shall be permitted to remain there during seasons when such areas are reasonably in use and no furniture or equipment of any kind shall be stored thereon during seasons when such areas are not reasonably in use. Trash receptacles shall be maintained at the curbs of the drives in the Condominium only for such short periods of time as may be reasonably necessary to permit periodic collection of trash and, in no event, shall trash receptacles be placed at the curbs prior to the evening preceding trash pick-up. In general, no activity shall be carried on nor condition maintained by the Co-owner either in his Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium.

Section 32. Common Element Maintenance. Yards, landscaped areas, driveways, and the road shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or benches may be left unattended on or about the Common Elements. Use of any amenities in the Condominium may be limited to such times and in such manner as the Association shall determine by duly adopted regulations; provided, however, that use of any amenities in the Condominium shall be limited to resident Co-owners who are members in good standing of the Association and to the tenants, land contract purchasers and/or other non Co-owner occupants of Condominium Units in which the Co-owner does not reside; provided, further, however, that the nonresident Co-owners of such Condominium Units are members in good standing of the Association.

Section 33. Vehicles, Trailers and Boats. No house trailers, trucks exceeding 6500 pounds, recreational vehicles, vans or similar vehicles, such as club wagons, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, mobile homes, dune buggies, motor homes, all terrain vehicles, snowmobiles, snowmobile trailers or vehicles other than automobiles (collectively called vehicles) may be parked or stored upon the premises of the Condominium, unless parked in garages, or unless specifically approved by the Association or parked in an area specifically designated therefor by the Association. Nothing herein contained shall be construed to require the Association to approve the parking or storage of such vehicles or to designate an area therefor. The Association shall not be responsible for any damages, costs or other liability arising from any failure to approve the parking or storage of such vehicles or to designate an area therefor. A Co-owner shall possess and keep no more than four (4) automobiles in the Condominium, unless the Board of Directors specifically approves in writing otherwise. Co-owners shall not park their automobiles overnight on the Condominium Premises except in their respective garages, or in the driveways adjacent to their respective garages (subject to the restrictions

contained in the first sentence of this Section), unless the Board of Directors specifically approves in writing otherwise. Garage doors shall be kept closed when not in use. Commercial vehicles and trucks shall not be parked in or about the Condominium except as above provided. Neither inoperable vehicles nor vehicles not currently licensed (if required by law) shall be parked or stored on the Condominium Premises, except within a garage, without the written permission of the Board of Directors. Non-emergency maintenance or repair of motor vehicles shall not be permitted on the Condominium Premises. The Association may cause vehicles parked or stored in violation of this Section to be removed from the Condominium Premises and the cost of such removal may be assessed to and collected from the Co-owner of the Unit responsible for the presence of the vehicle in the manner provided in Article II hereof without liability to the Association. Co-owners shall, if the Association shall require, register with the Association all vehicles maintained on the Condominium Premises. The Board of Directors may promulgate reasonable rules and regulations governing the parking of vehicles in the Condominium consistent with the provisions hereof.

Section 34. Advertising and Signs. No signs or other advertising devices shall be displayed which are visible from the exterior of a Unit or on the Common Elements, including "For Sale" signs and "Open" signs, without written permission from the Association and, during the Construction and Sales period, from the Developer. All authorized signs shall be in compliance with applicable Township codes and regulations. The Developer may construct permanent signage advertising the name of the Condominium in the entrance island on Sunset Pines Drive in a location adjacent to Highway D-19.

Section 35. Regulations. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use of the Condominium may be made and amended from time to time by the Board of Directors of the Association, including the First Board of Directors (or its successors appointed by the Developer prior to the First Annual Meeting of the entire Association held as provided in Article IX, Section 2 of these Bylaws). Copies of all such regulations and amendments thereto shall be furnished to all Co-owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each Co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty (50%) percent of all Co-owners, except that the Co-owners may not revoke any regulation prior to the First Annual Meeting of the entire Association.

Section 36. Disposition of Interest in Unit by Sale or Lease. No Co-owner may dispose of a Unit in the Condominium, or any interest therein, by a sale or lease without complying with the following terms or conditions:

(a) Notice to Association; Co-owner to Provide Condominium Documents to Purchaser or Tenant. A Co-owner intending to make a sale or lease of a Unit in the Condominium, or any interest therein, shall give written notice of such intention delivered to the Association at its registered office and shall furnish the name and address of the intended purchaser or lessee and such other information as the Association may reasonably require. Prior to the sale or lease of a Unit, the selling or leasing Co-owner shall provide a copy of the Condominium Master Deed (including Exhibits "A" and "B" thereto) and any amendments to the Master Deed, to the proposed purchaser or lessee. In the event a Co-owner shall fail to notify the Association of the proposed sale or lease or in the event a Co-owner shall fail to provide the prospective purchaser or lessee with a copy of the Master Deed referred to above, such Co-owner shall be liable for all costs and expenses, including attorney fees, that may be incurred by the Association as a result thereof or by reason of any noncompliance of such purchaser or lessee with the terms, provisions, and restrictions set forth in the Master Deed; provided, however, that this provision shall not be construed so as to relieve the purchaser or lessee of his obligations to comply with the provisions of the Condominium Documents.

(b) Developer and Mortgagees Not Subject to Section. The Developer shall not be subject to this Section in the sale or, except to the extent provided in Article VI, Section 3(b), the lease of any Unit in the Condominium which it owns, nor shall the holder of any mortgage which comes into possession of a Unit pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed in lieu of foreclosure, be subject to the provisions of this Section.

Section 37. Co-owner Maintenance. Each Co-owner shall maintain his Unit and any Limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone, water, plumbing, electrical, or other utility conduits and systems and any other elements in any Unit which are appurtenant to or which may affect any other Unit or the improvements thereon. Each Co-owner shall be responsible for damages or costs to the Association, or to other Co-owners, as the case may be, resulting from negligent damage to or misuse of any of the Common Elements by him, or his family, guests, tenants, land contract purchasers, agents or invitees, unless such damages or costs are covered by insurance carried by the Association in which case there shall be no such responsibility (unless full reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall be the expense to the extent of the deductible amount). Any costs or damages to the Association or to other Co-owners, as the case may be, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof. The Co-owners

shall have the responsibility to report to the Association any Common Element which has been damaged or which is otherwise in need of maintenance, repair or replacement.

Section 38. Developer's Rights to Furtherance of Development and Sale. None of the restrictions contained in this Article VI shall apply to the commercial activities or signs or billboards, if any, of the Developer during the Construction and Sales Period, or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation as the same may be amended from time to time. However, any signs or billboards erected shall be in compliance with applicable Township codes and regulations. Notwithstanding anything to the contrary elsewhere herein contained, the Developer shall have the right to maintain a sales office, a business office, a construction office, model Units, storage area 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 Developer and/or the development and sale of other off-site property by Developer or its affiliates, and Developer may continue to do so during the entire Construction and Sales Period and warranty period applicable to any Unit in the Condominium. The Developer shall restore the area so utilized to habitable status upon termination of use.

Section 39. Enforcement of Bylaws. The Condominium shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private, residential community for the benefit of the Co-owners and all persons interested in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then 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 throughout the Construction and Sales Period notwithstanding that it may no longer own a Unit in the Condominium, which right of enforcement may include (without limitation) an action to restrain the Association or any Co-owner from any activity prohibited by these Bylaws. The provisions of this Section shall not be construed to be a warranty or representation of any kind regarding the physical condition of the Condominium.

Section 40. Assessment of Costs of Enforcement. Any and all costs, damages, expenses and/or attorney fees incurred by the Association in enforcing any of the restrictions set forth in this Article VI and/or rules and regulations promulgated by the Board of Directors of the Association under Article VI, Section 26 of these Bylaws, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

Section 41. Waiver of Restrictions. The purpose of this Article is to assure the continued maintenance of the Condominium as a beautiful and harmonious residential development, and shall be binding upon all Co-owners. The Developer may, in its sole discretion, waive any part of the restrictions set forth in this Article VI, except restrictions specifically required by the Township or the County Health Department as conditions for the approval of the Master Deed, due to unusual topographic, natural or aesthetic considerations or other circumstances which the Developer deems compelling. Any such waiver must be in writing and shall be limited to the Unit to which it pertains and shall not constitute a waiver as to enforcement of the restrictions as to any other Unit. Developer's rights under this Article VI, may, in Developer's discretion, be assigned to the Association or other successor to Developer. Developer may construct any improvements upon the Condominium Premises that it may, in its sole discretion, elect to make without the necessity of prior consent from the Association or any other person or entity, subject only to the express limitations contained in the Condominium Documents.

Section 42. Existing Single Family Residence on Unit 18. The Co-owners of Unit 18 and their successors and assigns are not required to modify the single family residence and outbuildings to bring the unit into compliance with the restrictions set forth in the Bylaws. However, the existing single family dwelling and outbuildings shall not be altered without the approval of the Developer, during the construction and sales period, and thereafter by the Association.

ARTICLE VII MORTGAGES

Section 1. Notice to Association. Any Co-owner who mortgages his Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Units". The Association shall report any unpaid assessments due from the Co-owner of such Unit to the holder of any first mortgage covering such Unit. The Association shall give to the holder of any first mortgage covering any Unit in the Condominium written notification of any other default in the performance of the obligations of the Co-owner of such Unit that is not cured within sixty (60) days.

Section 2. Notification Of Meetings. Upon request submitted to the Association, any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive written notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

ARTICLE VIII
VOTING

Section 1. Vote. Except as limited in these Bylaws, the Co-owners of each unit shall be entitled to one (1) vote for each Condominium Unit owned.

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

Section 3. Designation of Voting Representative. Each Co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-owner. Such notice shall state the name, address and telephone number of the individual representative designated, the number or numbers of the Condominium Unit or Units owned by the Co-owner, and the name, address and telephone number of each person, firm, corporation, partnership, association, trust, or other entity who is the Co-owner. Such notice shall be signed and dated by the Co-owner at any time by filing a new notice in the manner herein provided.

Section 4. Quorum. The presence in person or by proxy of twenty-five (25%) percent of the Co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically provided herein to require a greater quorum. The written absentee ballot of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the ballot is cast.

Section 5. Voting. Votes may be cast in person or by proxy or by a written absentee ballot duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any absentee ballots must be filed with the Secretary of the Association at or before the appointed time of

each meeting of the members of the Association. Cumulative voting shall not be permitted.

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

ARTICLE IX MEETINGS

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

Section 2. First Annual Meeting. The First Annual Meeting of members of the Association may be convened only by the Developer and may be called at any time after more than fifty (50%) percent in number of the Units that may be created in SUNSET PINES SITE CONDOMINIUM have been conveyed and the purchasers thereof qualified as members of the Association. In no event, however, shall such meeting be called later than one hundred twenty (120) days after the conveyance of legal or equitable title to non Developer Co-owners of seventy-five (75%) percent in number of all Units that may be created or fifty-four (54) months after the first conveyance of legal or equitable title to a non Developer Co-owner of a Unit in the Condominium, whichever occurs first. Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting of members and no such meeting shall be construed at the First Annual Meeting of members. The date, time and place of such meeting shall be set by the Board of Directors, and at least ten (10) days' written notice thereof shall be given to each Co-owner. The phrase "Units that may be created" as used in this paragraph and elsewhere in the Condominium Documents refers to the maximum number of Units which the Developer is permitted under the Condominium Documents to include in the Condominium.

Section 3. Annual Meetings. Annual Meetings of members of the Association shall be held in the month of June each succeeding year after the year in which the First Annual Meeting is held, on such date and at such time and place as shall be determined by the Board of Directors; provided, however, that the second annual

meeting shall not be held sooner than eight (8) months after the date of the First Annual Meeting. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article XI of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may be properly come before them.

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

Section 5. Notice of Meetings. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as of the time and place where it is to be held, upon each Co-owner of record, at least ten (10) days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Article VIII, Section 3 of these 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 Co-owners cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

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

Section 8. Action Without Meeting. Any action which may be taken at a meeting of the members (except for the election or

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

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

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

ARTICLE X ADVISORY COMMITTEE

Within one (1) year after conveyance of legal or equitable title to the first Unit in the Condominium to a purchaser or within one hundred twenty (120) days after conveyance to purchasers of one-third (1/3) of the Units that may be created, whichever first occurs, the Developer shall cause to be established an Advisory Committee consisting of at least two (2) non Developer Co-owners. The Committee shall be established and perpetuated in any manner the Developer deems advisable, except that if more than fifty (50%) percent of the non Developer Co-

owners petition the Board of Directors for an election to select the Advisory Committee, then an election for such purpose shall be held. The purpose of the Advisory Committee shall be to facilitate communications between the temporary Board of Directors and the other Co-owners and to aid in the transition of control of the Association from the Developer to purchaser Co-owners. A chairman of the Committee shall be selected by the members. The Advisory Committee shall cease to exist automatically when the non Developer Co-owners have the voting strength to elect a majority of the Board of Directors of the Association. The Developer may remove and replace at its discretion at any time any member of the Advisory Committee who has not been elected thereto by the Co-owners.

ARTICLE XI
BOARD OF DIRECTORS

Section 1. Qualification of Directors. The affairs of the Association shall be governed by a Board of Directors, all of whom must be members in good standing of the Association or officers, partners, trustees, employees or agents of members of the Association except for the first Board of Directors designated in the Articles of Incorporation of the Association and any successors thereto appointed by the Developer. Directors shall serve without compensation.

Section 2. Election of Directors.

(a) First Board of Directors. The first Board of Directors shall be comprised of one (1) person and such first Board of Directors, or its successors as selected by the Developer, shall manage the affairs of the Association until the appointment of the first non Developer Co-owners to the Board. Immediately prior to the appointment of the first non Developer Co-owner to the Board, the Board shall be increased in size to five (5) persons. Thereafter, elections for non Developer Co-owner directors shall be held as provided in subsection (b) and (c) below. The terms of office shall be two (2) years. The directors shall hold office until their successors are elected and hold their first meeting.

(b) Appointment of Non Developer Co-owners To Board Prior to First Annual Meeting. Not later than one hundred twenty (120) days after the conveyance of legal or equitable title to non Developer Co-owners of twenty-five (25%) percent in number of the Units that may be created, one (1) of the five (5) directors shall be elected by non Developer Co-owners. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non Developer Co-owners of fifty (50%) percent in number of the Units that may be created, two (2) of the five (5) directors shall be elected by non Developer Co-owners. When the required number of conveyances have been reached, the Developer shall notify the non Developer Co-owners and request that they hold a meeting and

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elect the required director or directors, as the case may be. Upon certification by the Co-owners to the Developer of the director or directors so elected, the Developer shall then immediately appoint such director or directors to the Board to serve until the First Annual Meeting of members unless he is removed pursuant to Section 7 of this Article or he resigns or becomes incapacitated.

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

- i. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non Developer Co-owners of seventy-five (75%) percent of the Units, the non Developer Co-owners shall elect all directors on the Board, except that the Developer shall have the right to designate one (1) director as long as the Developer owns at least ten (10%) percent of the Units in the Condominium. Whenever the required conveyance level is achieved, a meeting of Co-owners shall be properly convened to effectuate this provision, even if the First Annual Meeting has already occurred.
- ii. Regardless of the percentage of Units which have been conveyed, upon the expiration of fifty-four (54) months after the first conveyance of legal or equitable title to a non Developer Co-owner of a Unit in the Condominium, the non Developer Co-owners have the right to elect a number of members of the Board of Directors equal to the percentage of Units they own, and the Developer has the right to elect a number of members of the Board of Directors equal to the percentage of Units which are owned by the Developer and for which all assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection (i) above. Application of this subsection does not require a change in the size of the Board of Directors.
- iii. If the calculation of the percentage of members of the Board of Directors that the non Developer Co-owners have the right to elect under subsection (ii), or if the product of the number of the members of the Board of Directors multiplied by the percentage of Units held by the non Developer Co-owners under subsection (b) results in a right of non Developer Co-owners to elect a fractional number of members of the Board of Directors, then a fractional election right of .5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board

of Directors that the non Developer Co-owners have the right to elect. After application of this formula, the Developer shall have the right to elect the remaining members of the Board of Directors. Application of this subsection shall not eliminate the right of the Developer to designate one (1) director as provided in subsection (i).

- iv. At the First Annual Meeting, three (3) directors shall be elected for a term of two (2) years and two (2) directors shall be elected for a term of one (1) year. At such meeting, all nominees shall stand for election as one slate and the three (3) persons receiving the highest number of votes shall be elected for a term of two (2) years and the two (2) persons receiving the next highest number of votes shall be elected for a term of one (1) year. At each annual meeting held thereafter, either two (2) or three (3) directors shall be elected, depending upon the number of directors whose terms expire. After the First Annual Meeting, the term of office (except for two (2) of the directors elected at the First Annual Meeting) of each director shall be two (2) years. The directors shall hold office until their successors have been elected and hold their first meeting.
- v. Once the Co-owners have acquired the right hereunder to elect a majority of the Board of Directors, annual meetings of Co-owners to elect directors and conduct other business shall be held in accordance with the provisions of Article IX, Section 3 hereof.

Section 3. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by the Condominium Documents or required thereby to be exercised and done by the Co-owners.

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

- (a) To manage and to administer the affairs of, and to maintain, the Condominium and the Common Elements thereof.
- (b) To levy and collect assessments against and from the Co-owner members of the Association and to use the proceeds thereof for the purposes of the Association.

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

(d) To rebuild improvements after casualty.

(e) To contract for and employ persons, firms, corporations, or other agents to assist in the management, operation, maintenance and administration of the Condominium.

(f) To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit in the Condominium and easements, rights of way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.

(g) To grant easements, rights of entry, rights of way, and licenses to, through, over, and with respect to the Common Elements of the Condominium on behalf of the members of the Association in furtherance of any of the purposes of the Association and to dedicate to the public any portion of the Common Elements of the Condominium subject to the provisions of the Master Deed; provided, however, that any such action shall also be approved by affirmative vote of more than sixty (60%) percent of all Co-owners.

(h) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the Association and to secure the same by mortgage, pledge, or other lien on property owned by the Association provided, however, that any such action shall also be approved by affirmative vote of more than sixty (60%) percent of all of the Co-owners.

(i) To make and enforce reasonable rules and regulations in accordance with these Bylaws and to make and enforce resolutions and policies in furtherance of any or all of the purposes of the Association or of the Condominium Documents.

(j) 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 by the Condominium Documents required to be performed by the Board.

(k) To make rules and regulations and/or to enter into agreements with institutional lenders the purposes of which are to obtain mortgage financing for Unit Co-owners which is acceptable for purchase by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National

Mortgage Association and/or any other agency of the Federal government or the State of Michigan or to satisfy the requirements of the United States Department of Housing and Urban Development.

- (1) To enforce the provisions of the Condominium Documents.

Section 5. Management Agent. The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto, but which shall not be a Co-owner or resident or affiliated with a Co-owner or resident) at a reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 3 and 4 of this Article, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any other contract providing for services by the Developer, sponsor or builder, in which the maximum term is greater than three (3) years or which is not terminable by the Association upon sixty (60) days written notice thereof to the other party, and no such contract shall violate the provisions of Section 55 of the Act.

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

Section 7. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one (1) or more of the directors may be removed with or without cause by the affirmative vote of more than fifty (50%) percent of all of the Co-owners qualified to vote and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the directors appointed by it at any time or from time to time in its sole discretion. Any director elected by the non Developer Co-owners to serve before the First Annual Meeting of members may be removed before the First Annual Meeting by the non Developer Co-owners in the same manner set forth in this Section 7 above for removal of directors generally.

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

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time-to-time by a majority of the Board of Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally, by mail, telephone or telegraph, at least five (5) days prior to the date named for such meeting.

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

Section 11. 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. If all directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

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

Section 13. Closing Of Board Of Directors' Meetings To Members; Privileged Minutes. The Board of Directors, in its discretion, may close a portion or all of any meeting of the Board of Directors to the members of the Association or may permit

members of the Association to attend a portion or all of any meeting of the Board of Directors. Any member of the Association shall have the right to inspect, and make copies of, the minutes of the meetings of the Board of Directors; provided, however, that no member of the Association shall be entitled to review or copy any minutes of meetings of the Board of Directors to the extent that said minutes reference privileged communications between the Board of Directors and counsel for the Association, or any other matter to which a privilege against disclosure pertains under Michigan Statute, common law, the Michigan Rules of Evidence, or the Michigan Court Rules.

Section 14. Action By Written Consent. Any action permitted to be taken by the Board of Directors at a meeting of the Board shall be valid if consented to in writing by the requisite majority of the Board of Directors.

Section 15. Actions Of First Board Of Directors Binding. All of the actions (including, without limitation, the adoption of these Bylaws and any rules and regulations, policies or resolutions 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 named in its Articles of Incorporation or any successors thereto appointed by the Developer before the First Annual 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 Annual Meeting of members or at any subsequent annual meeting of members, provided that 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 16. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

ARTICLE XII OFFICERS

Section 1. Officers. The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice-President, Secretary and a Treasurer. The directors may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as, in their judgment, may be necessary. Any two (2) offices except that of President and Vice-President may be held by one (1) person.

Section 2. Election. The officers of the Association shall be elected annually by the Board of Directors at the

organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal. Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose. No such removal action may be taken, however, unless the matter shall have been included in the notice of such meeting. The officer who is proposed to be removed shall be given an opportunity to be heard at the meeting.

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

Section 5. Vice-President. The Vice-President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice-President shall also perform such other duties as shall from time-to-time be imposed upon the Vice President by the Board of Directors.

Section 6. 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; the Secretary shall have charge of the corporate seal, if any, and of such books and papers as the Board of Directors may direct; the Secretary shall, in general, perform all duties incident to the office of the Secretary.

Section 7. 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 in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, and in such depositories as may, from time-to-time, be designated by the Board of Directors.

Section 8. Duties. The officers shall have such other duties, powers and responsibilities as shall, from time-to-time, be authorized by the Board of Directors.

ARTICLES XIII
SEAL

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

ARTICLE XIV
FINANCE

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

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

Section 3. Depositories. The funds of the Association shall be initially deposited in such bank or savings association as may be designated by the directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time-to-time. The funds may be invested from time-to-time in accounts or deposit certificates of such banks or savings associations as are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and may also be invested in interest-bearing obligations of the United States Government or in such other depositories as may be adequately insured in the discretion of the Board of Directors. Any withdrawals from Association accounts and any check written on

Association accounts shall require the signatures of two officers of the Association.

ARTICLE XV
INDEMNIFICATION OF OFFICERS AND DIRECTORS;
DIRECTORS' AND OFFICERS' INSURANCE

Section 1. Indemnification Of Directors And Officers. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including actual and reasonable counsel fees and accounts paid in settlement incurred by or imposed upon him in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, to which he may be a party or in which he may become involved by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except as otherwise prohibited by law; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Association (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten (10) days prior to payment of any indemnification which it has approved, the Association shall notify all Co-owners thereof.

Section 2. Directors' And Other Officers' Insurance. The Association shall provide liability insurance for every director and every officer of the Association for the same purposes provided above in Section 1 and in such amounts as may reasonably insure against potential liability arising out of the performance of their respective duties. With the prior written consent of the Association, a director or an officer of the Association may waive any liability insurance for such director's or officer's personal benefit. No director or officer shall collect for the same expense or liability under Section 1 above and under this Section 2; however, to the extent that the liability insurance provided herein to a director or officer was not waived by such director or officer and is inadequate to pay any expenses or liabilities otherwise properly indemnifiable under the terms hereof, a director or officer shall be reimbursed or indemnified only for such excess amounts under Section 1 hereof.

ARTICLE XVI
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 Co-owners by instrument in writing signed by them.

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

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

These Bylaws may not be amended in any manner so as to materially affect and/or impair the rights of the Developer, unless said amendment has received the prior written consent of the Developer. Notwithstanding anything to the contrary, no amendment may be made to Article III, Section 4 of these Bylaws at any time without the written consent of the Developer.

Section 4. By Developer. Prior to the Transitional Control Date, these Bylaws may be amended by the Developer without approval from any other person so long as any such amendment does not materially alter or change the rights of a Co-owner or mortgagee, including, but not limited to, amendments for the purpose of facilitating conventional mortgage loan financing for existing or prospective Co-owners and to enable the purchase of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association and/or any other agency of the Federal government or the State of Michigan.

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

Section 6. Binding. A copy of each amendment to these Bylaws shall be furnished to every member of the Association after adoption; 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 irrespective of whether such persons actually receive a copy of the amendment.

ARTICLE XVII
COMPLIANCE

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

ARTICLE XVIII
DEFINITIONS

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

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

(b) Recovery Of Costs. In the event of a default of the Condominium Documents by a Co-owner and/or non Co-owner resident or guest, the Association shall be entitled to recover from the Co-owner and/or non Co-owner resident or guest, the relitigation costs and attorney fees incurred in obtaining their compliance with the Condominium Documents. In any proceeding arising because of an alleged default by any Co-owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorney fees (not limited to statutory fees) as may be determined by the Court, but in no event

shall any Co-owner be entitled to recover such attorney fees. The Association, if successful, shall also be entitled to recoup the costs and attorney fees incurred in defending any claim, counterclaim or other matter from the Co-owner asserting the claim, counter claim or other matter.

(c) Removal And Abatement. The violation of any of the provisions of the Condominium Documents, including the rules and regulations promulgated by the Board of Directors of the Association hereunder, 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 and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.

(d) Assessment of Fines. The violation of any of the provisions of the Condominium Documents, including any of the rules and regulations promulgated by the Board of Directors of the Association hereunder, by any Co-owner, in addition to the rights set forth above, shall be grounds for assessment by the Association of a monetary fine for such violation. Fines may be assessed and collected in the same manner as provided in Article II of these Bylaws and in accordance with Article XX.

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

Section 3. Cumulative Rights, Remedies, and Privileges. All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to any terms, provisions, covenants or conditions of the aforesaid Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

Section 4. Enforcement of Provisions of Condominium Documents. A Co-owner may maintain an action against the Association and its officers and directors to compel such persons to enforce the terms and provisions of the Condominium Documents. A Co-owner may maintain an action against any other Co-owner for

injunctive relief or for damages or any combination thereof for noncompliance with the terms and provisions of the Condominium Documents or the Act.

ARTICLE XX
ASSESSMENT OF FINES

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

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

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

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

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

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

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

- (a) First Violation. No fine shall be levied.
- (b) Second Violation. Twenty-five dollars (\$25.00).
- (c) Third Violation. Fifty Dollars (\$50.00).
- (d) Fourth Violation and Subsequent Violations. One Hundred Dollars (\$100.00).

This schedule of fines may be changed by the Board of Directors by a resolution of the Board. Notwithstanding anything stated in these Bylaws to the contrary, a change in this schedule of fines may be made by Board resolution and will require that an amendment to these Bylaws be adopted or recorded. Furthermore, should the Board of Directors adopt an appropriate resolution, this schedule of fines may escalate to keep pace with adjustments to the Consumer Price Index as announced by the Bureau of Labor Statistics which Index shall be the Index published to the metropolitan statistical area in which the Project is located.

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

ARTICLE XXI
RIGHTS RESERVED TO DEVELOPER

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the right and power to approve or disapprove any act, use, or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its consent to the acceptance of such powers and rights and such assignee or transferee shall thereupon have the same rights and powers as herein given and reserved to the Developer. Any rights and powers reserved or retained by Developer or its successors shall expire and terminate, if not sooner assigned to the Association, at the conclusion of the Construction and Sales Period. The immediately preceding sentence dealing with the expiration and termination of certain rights and powers granted or reserved to the Developer is intended to apply, insofar as the Developer is concerned, only to the Developer's rights to approve and control the administration of the Condominium and shall not, under any circumstances, be construed to apply to or cause the termination and expiration of any real property or contract rights granted or reserved to the Developer or its successors and assigns

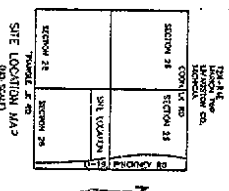
in the Master Deed or elsewhere (including, but not limited to, access easements, utility easements and all other easements created and reserved in such documents), which shall not be terminable in any manner hereunder and which shall be governed only in accordance with the terms of their creation or reservation and not hereby.

ARTICLE XXII
SEVERABILITY

In the event that any of the terms, provisions, or covenants of these Bylaws or the Condominium Documents are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or covenants of such documents or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

LIVINGSTON COUNTY CONDOMINIUM PLAN NO. 170
 EXHIBIT "B" TO THE MASTER DEED
SUNSET PINES

MARION TOWNSHIP, LIVINGSTON COUNTY, MICHIGAN
 BEFORE YOU DIG, CALL MISS DIG 1-800-482-7171



ALL PROPOSED IMPROVEMENTS MUST BE BUILT
 (1) SUNSET PINES DRIVE
 (2) STORM WATER DRAINAGE SYSTEM
 (3) PUBLIC UTILITY MAINS

DEVELOPER
 PB & J CONSTRUCTION
 MARC A. PELLEGRINO
 2243 BREWER
 HOWELL, MICHIGAN, 48843
 (517) 552-1251

SURVEYOR
 MATTHEW A. BRADY
 MAB/CHEYENNE LAND SURVEYING
 P. O. BOX 400
 BRIGHTON, MICHIGAN 48116
 (810) 231-0855
 FAX (810) 231-0860

ENGINEER
 DAVID TROMBLEY
 MAB/CHEYENNE AND SURVEYING
 P. O. BOX 400
 BRIGHTON, MICHIGAN 48116
 (810) 231-0855
 FAX (810) 231-0860

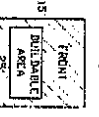
Legal Description
 LIVINGSTON COUNTY, MICHIGAN, DESCRIBED AS COMMENCING AT THE SOUTH
 1/4 CORNER OF SAID SECTION; THENCE N 09°26'08" E ALONG THE NORTH-
 SOUTH 1/4 LINE OF SAID SECTION, 199.413 FEET TO THE POINT OF BEGINNING
 OF THE PARCEL TO BE DESCRIBED; THENCE N 43°39'11" E, 65.552 FEET; THE N
 NORTH-EASTERLY 158.93 FEET ALONG AN ARC RIGHT HAVING A RADIUS OF 75.30 FEET;
 A DELTA OF 121°24'54", AND A LONG CHORD BEARING OF N 20°09'14" E, 130.82 FEET; THENCE
 N 15°05'44" W, 57.39 FEET TO A POINT ON THE EAST WEST 1/4 LINE OF SAID SECTION; THENCE
 S 89°57'53" E ALONG THE EAST-WEST 1/4 LINE OF SAID SECTION, 148.42
 FEET TO THE CENTERLINE OF PINKNEY ROAD; THENCE S 06°22'47" E ALONG
 SAID CENTERLINE, 40.61 FEET; THENCE N 89°33'06" W, 16.40 FEET; THENCE
 S 06°22'47" E, 138.30 FEET; THENCE S 89°33'06" E, 16.40 FEET TO THE
 CENTERLINE OF PINKNEY ROAD; THENCE S 06°22'47" E ALONG SAID
 CENTERLINE, 128.00 FEET; THENCE N 89°57'25" W, 233.56 FEET TO THE
 POINT OF BEGINNING, CONTAINING 25.35 ACRES MORE OR LESS AND SUBJECT
 TO THE RIGHTS OF PUBLIC OVER EXISTING PINKNEY ROAD, ALSO SUBJECT
 TO AND INCLUDING THE USE OF A 66 FOOT WIDE PRIVATE EASEMENT FOR INGRESS
 AND EGRESS AND PUBLIC UTILITIES (SUNSET PINES DRIVE)

ATTENTION: COUNTY REGISTER OF DEEDS
 THE CONDOMINIUM SUBDIVISION PLAN
 NUMBER MUST BE ASSIGNED IN
 CONSECUTIVE SEQUENCE. WHEN A
 NUMBER HAS BEEN ASSIGNED TO THIS
 PROJECT, IT MUST BE PROPERLY
 SHOWN IN THE TITLE ON THIS SHEET,
 AND THE SURVEYOR'S CERTIFICATE ON
 SHEET 2

INDEX OF DRAWINGS

NUMBER	TITLE
1	COVER SHEET
2	SURVEY & UTILITY PLAN
3	SITE PLAN

Although there are no proposed septic or
 wells located within 25 feet of any
 underground storm sewer, or storm sewer
 are attached with permanent gasket material.
 Also, there has been no significant grading
 within the septic area locations.



ALL WORK SHALL BE DONE IN ACCORDANCE WITH THE CURRENT STANDARDS,
 SPECIFICATIONS, AND GENERAL CONDITIONS OF MARION TOWNSHIP



REVISIONS:

PREPARED BY MAB/CHEYENNE LAND SURVEYING	SUNSET PINES	SCALE 1" = 100'
P.O. BOX 400, BRIGHTON, MI 48867-0400	MARC PELLEGRINO DEV	DRAWING FILE 9803403.DWG
PHONE (810) 231 - 0855 FAX (810) 231 - 0860	HOWELL, MI 48843	FIELD WORK 18JAN1999
MATTHEW A. BRADY, L.L.S. # 32323	COVER SHEET	SHEET 1 OF 3
	18 MARCH 1999	JOB # 98034
	DRAWN: M.A.B.	CHECKED: MAB/

EXHIBIT "C"

Michigan Department of Consumer and Industry Services

Filing Endorsement

This is to Certify that the *ARTICLES OF INCORPORATION – NONPROFIT*
for
SUNSET PINES CONDOMINIUM HOMEOWNERS ASSOCIATION

ID NUMBER: 757913

received by facsimile transmission on March 24, 1999 is hereby endorsed
Filed on March 25, 1999 by the Administrator.

*In testimony whereof, I have hereunto set my
hand and affixed the Seal of the Department,
in the City of Lansing, this 25th day
of March, 1999.*



Julie Croll
, Director

Corporation, Securities and Land Development Bureau

STATE OF MICHIGAN
DEPARTMENT OF CONSUMER & INDUSTRY SERVICES
CORPORATION, SECURITIES AND LAND DEVELOPMENT BUREAU
CORPORATION DIVISION

ARTICLES OF INCORPORATION OF SUNSET PINES
CONDOMINIUM HOMEOWNERS ASSOCIATION

These articles of incorporation are signed by the incorporator to form a Nonprofit Corporation under Michigan's Nonprofit Corporation Act, MCLA 450.2101 et seq., MSA 21.197(101) et seq.

ARTICLE I

The name of the corporation is SUNSET PINES CONDOMINIUM HOMEOWNERS ASSOCIATION.

ARTICLE II

The purposes for which the corporation is formed are to provide an entity pursuant to the Michigan Condominium Act, MCLA 559.101 et seq., MSA 26.50(101) et seq., for the operation of condominium property in Livingston County, Michigan, and, in furtherance of this operation,

1. To maintain, operate, and manage the common elements and improvements;
2. To levy and collect assessments from members to defray the costs, expenses, and losses of the condominium;
3. To employ personnel, to contract for the maintenance, administration, and management of the condominium, and to delegate necessary powers and duties to such personnel;
4. To purchase insurance on the common elements of the condominium and to collect and allocate the proceeds;
5. To make and enforce reasonable rules and regulations concerning the use of the condominium property in furtherance of the master deed and bylaws;
6. To authorize and approve the signing of contracts, deeds, and easements affecting the common elements; and
7. In general, to carry on any other business in connection with these purposes, with all the powers conferred on nonprofit corporations by Michigan law.

Article II - continued

All funds and the titles to all properties acquired by the corporation and their proceeds shall be held in trust for the members in accordance with the provisions of the bylaws of the association.

ARTICLE III

The address of the registered office is 2243 Brewer Road, Howell, Michigan 48843.

The mailing address of the registered office is 2243 Brewer Road, Howell, Michigan 48843.

The name of the resident agent at the registered office is Marc A. Pellegrino.

ARTICLE IV

The corporation is organized on a non-stock basis. The corporation has no real property or personal property and the value of its assets is "none".

The corporation is to be financed by the assessment of members to defray the costs and expenses incurred by the Condominium Association.

ARTICLE V

The name and address of the incorporator is as follows:

<u>Name</u>	<u>Residence or Business Address</u>
Richard A. Heikkinen	110 N. Michigan Avenue Howell, MI 48843

ARTICLE VI

The name and address of the member of the first board of directors is as follows:

<u>Name</u>	<u>Residence or Business Address</u>
Marc A. Pellegrino	2243 Brewer Road Howell, MI 48843

ARTICLE VII

The term of the corporation shall be perpetual.

ARTICLE VIII

The corporation is organized on a membership basis, and each co-owner of record of a unit in the condominium, including the developer until all units have been sold, shall be a member of the corporation. Membership shall not be assigned, pledged, encumbered, or transferred in any manner except as an appurtenance of a unit. The directors named in these articles shall also be members of the corporation until their successors have been elected and qualified.

Each member of the corporation shall be entitled to one vote, the value and the manner of exercise of which are to be determined in accordance with the bylaws of the corporation.

ARTICLE IX

Any action required or permitted by the Michigan Non-Profit Corporation Act to be taken at an annual or special meeting of members may be taken without a meeting, without prior notice, and without a vote if the number of members with the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all members entitled to vote were present and voted consent to the action in writing. Prompt notice of the taking of corporate action without a meeting by less than unanimous consent shall be given to members who have not consented in writing.

ARTICLE X

No contract or other transaction between this corporation and any other corporation, firm, or association shall be subject to cancellation (other than as provided by MCLA 559.101 et seq., MSA 26.50(101) et seq.) because one or more of the directors or officers of the corporation are interested in or are directors or officers of the other corporation, firm, or association. Any individual director or officer may be a party to or may be interested in any contract or transaction of the corporation. However, the contract or other transaction must be fair and reasonable to the corporation when it is authorized, approved, or ratified, and the individual must disclose the material facts about the relationship or interest to the board or committee before it authorizes, approves, or ratifies the contract or transaction by a sufficient vote that does not include the vote of the interested director or officer. Any person who becomes a director or an officer of the corporation is relieved from any liability that might otherwise exist from contracting with the corporation for the benefit of that person or any firm, association, or corporation in which the person is otherwise interested in as stated in this article.

ARTICLE XI

The members of the board shall be volunteer directors within the meaning of 1987 PA 170 (codified as amended in scattered sections of MCLA Chapter 450). A volunteer director shall not be personally liable to the corporation or to its members for monetary damages for a breach of the director's fiduciary duty arising under applicable law. However, this article shall not eliminate or limit the liability of a director for any of the following:

1. A breach of the director's duty of loyalty to the corporation or its members.
2. Acts or omissions not in good faith or that involve intentional misconduct or knowing violation of law.
3. A violation of MCLA 450.2551(1), MSA 21.197(551)(1).
4. A transaction from which the director derived an improper personal benefit.
5. An act or omission that is grossly negligent.
6. An act or omission occurring before this document is filed.

A volunteer director shall be personally liable for monetary damages for a breach of fiduciary duty as a director to the corporation and its members to the extent stated in this article. Any repeal or modification of this article shall not adversely affect any right or protection of any volunteer director regarding any acts or omissions occurring before the repeal or modification.

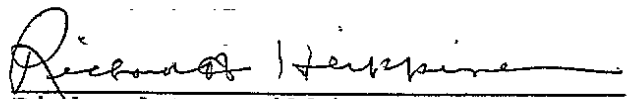
ARTICLE XII

These articles may be amended only by an affirmative vote of at least two-thirds of the entire membership of the corporation. No amendment may change the qualifications for membership or the voting rights of members without the unanimous consent of the membership.

ARTICLE XIII

If the existence of the corporation is terminated for any reason, all assets of the corporation remaining after the payment of obligations imposed by applicable law shall be distributed among the members of the corporation according to each member's interest in the common elements of the project.

Dated: March 24, 1999


 Richard A. Heikkinen
 Incorporator

SUNSET PINES SITE CONDOMINIUM

ESCROW AGREEMENT

THIS AGREEMENT is entered into this 31st day of March, 1999, between P.B. & J. CONSTRUCTION, INC., a Michigan Corporation., hereinafter referred to as "Developer", whose address is 2243 Brewer Road, Howell, Michigan 48843 and GREAT LAKES TITLE OF MICHIGAN, agent for STEWART TITLE INSURANCE COMPANY, hereinafter referred to as "Escrow Agent", whose address is 7600 West Grand River Avenue, Brighton, Michigan 48116.

WHEREAS, Developer either intends to or has established SUNSET PINES SITE CONDOMINIUM as a Condominium Project under applicable Michigan Law; and

WHEREAS, Developer is either taking reservations for or is selling Units in SUNSET PINES SITE CONDOMINIUM and is entering into Reservation Agreements or Purchase Agreements with Purchasers for such Units in substantially the form attached hereto, and each Reservation or Purchase Agreement requires that all deposits made under such agreement be held in an escrow account with an Escrow Agent; and

WHEREAS, the Parties hereto desire to enter into an Escrow Agreement to establish such an escrow account on the behalf of Developer and for the benefit of each Purchaser (hereinafter referred to as "Purchaser") who make deposits under either Reservation Agreement or a Purchase Agreement; and

WHEREAS, Escrow Agent is acting as an independent party hereunder pursuant to the provisions of this Agreement and the Michigan Condominium Act (Act No. 59, Public Acts of 1978, as amended), hereinafter referred to as "Act" for the benefit of Developer and all Purchasers and not as the agent of any one or less than all of such parties.

NOW, THEREFORE, it is agreed as follows:

I. Initial Deposit of Funds.

Developer shall promptly after receipt transmit to Escrow Agent all sums deposited with it under a Reservation Agreement.

Developer shall also, promptly after receipt, transmit to Escrow Agent all sums deposited with it under a Purchase Agreement, together with a fully executed copy of such Agreement and a receipt signed by the Purchaser for the recorded Master Deed, Condominium Buyer's Handbook, and Disclosure Statement when applicable.

II. Release of Funds

The sums paid to Escrow Agent under the terms of any Reservation or Purchase agreement shall be held and released to Developer or Purchaser only upon the conditions hereinafter set forth.

1. Release of Funds to Purchaser. The escrowed funds shall be released to Purchaser under the following circumstances:
 - (a) If Purchaser has executed a Preliminary Reservation Agreement but has not executed a Purchase Agreement, and Purchaser cancels the Agreement, Purchaser shall notify Escrow Agent of such cancellation and all funds deposited pursuant to the Agreement and this Escrow Agreement shall be released to Purchaser.
 - (b) If Purchaser has executed a Preliminary Reservation Agreement, but has not executed a Purchase Agreement, and Developer terminates Purchaser's reservation rights as a result of a default by Purchaser, or for any reason permitted by the Preliminary Reservation Agreement, Developer shall notify Escrow Agent of the default and all funds deposited pursuant to the Agreement and this Escrow Agreement shall be released to Purchaser.
 - (c) If Purchaser has executed a Purchase Agreement, and Purchaser withdraws from the Agreement within the withdrawal period described therein, Purchaser shall notify Escrow Agent of such withdrawal and all funds deposited pursuant to the Agreement and this Escrow Agreement shall be released to Purchaser.
 - (d) If the Purchase Agreement is contingent upon Purchaser obtaining a mortgage and he fails to do so as provided therein and duly withdraws from the Purchase Agreement as a result thereof, all funds deposited pursuant to the Agreement and this Escrow Agreement shall be released to Purchaser.
 - (e) If Developer determines not to establish the Condominium Project, or not to construct Purchaser's Unit, Developer shall notify Escrow Agent of its decision and all funds deposited pursuant to the Agreement and this Escrow Agreement shall be released to Purchaser.
 - (f) If Developer is unable to convey insurable title to Purchaser within sixty (60) days after the issuance of a title commitment in respect of Purchaser's Unit, Purchaser shall notify Escrow Agent of Developer's inability to convey insurable title and all funds

deposited pursuant to the Agreement and this Escrow Agreement shall be released to Purchaser.

- (g) If Developer terminates Purchaser's rights under a Purchase Agreement for any reason permitted by the Purchase Agreement other than the default of Purchaser, Developer shall notify Escrow Agent of the termination and all funds deposited pursuant to the Agreement and this Escrow Agreement shall be released to Purchaser.

All funds released under this sub-paragraph A shall be returned to Purchaser within three (3) business days after Escrow Agent is notified of the satisfaction of any of the conditions described above. The term "business day" as used in this Escrow Agreement shall mean a day other than a Saturday, Sunday, or legal holiday, provided, however, the Escrow Agent shall not be obligated to release any funds until it can satisfactorily ascertain that said funds deposited have been "paid," "settled," and "fully collected" as such terms are defined under the provision of MCL 440.4100 et sequitur.

2. Release of Funds to Developer. The funds held by Escrow Agent with respect to a given Purchaser and Agreement shall be released to developer under the following circumstances:

- (a) Default by Purchaser. In the event that a Purchaser under a Purchase Agreement defaults in making any payments required by said Agreement or in fulfilling any other obligations thereunder for a period of ten (10) days after written notice by Developer to Purchase, Escrow Agent shall release sums held pursuant to the Purchase Agreement to Developer in accordance with the terms of said Agreement.
- (b) Upon Conveyance of Title to Purchaser. Upon conveyance of title to a Unit from Developer to Purchaser (or upon execution of Land Contract between Developer and Purchaser in fulfillment of a Purchase Agreement) and upon issuance of a Certificate of Occupancy with respect to the Unit if required by local public ordinance, Escrow Agent shall release to Developer all sums held in escrow under such Agreement, upon receipt by the Escrow Agent of a certificate signed by a licensed professional engineer or architect either confirming that those portions of the phase of the Project in which the Condominium Unit is located and which on the Condominium Subdivision Plan are designated "must be built" are substantially complete, or determining the amount necessary for substantial completion thereof, and receipt of a certificate signed by a licensed professional engineer or architect either confirming that recreational or other facilities which on the Condominium Subdivision Plan are labeled "must be

built," whether located within or outside of the phase of the Project in which the Condominium Unit is located, and which are intended for common use, are substantially complete, or determining the amount necessary for substantial completion thereof. A structure, element, facility, or other improvement shall be deemed to be substantially complete when it can be reasonably employed for its intended use and, for purposes of certification, it shall not be required to be constructed, installed, or furnished precisely in accordance with the specifications of the Project. A certificate of substantial completion shall not be determined to be a certification as to the quality of the items to which it relates. Items shall be substantially complete only after all utility mains and all access roads, to the extent such items are designated on the Condominium Subdivision Plan as "must be built," are substantially complete in accordance with the pertinent plans therefor.

If the estimated cost of substantial completion of any of these items cannot be determined by a licensed professional engineer or architect due to the absence of plans, specifications, or other details that are sufficiently complete to enable such a determination to be made, such cost shall be the minimum expenditure specified in the recorded Master Deed for completion thereof. To the extent that any item referred to in above is specifically depicted on the Condominium Subdivision Plan, an estimate of the cost of substantial completion prepared by a licensed professional engineer or architect shall be required in place of the minimum expenditure specified in the recorded Master Deed.

- (c) Release of Funds Escrowed for Completion of Incomplete Improvements. Upon furnishing Escrow Agent a certificate above evidencing substantial completion in accordance with the pertinent plans and specifications of a structure, improvement, facility, or identifiable portion thereof for which funds or other security have been deposited in escrow, Escrow Agent shall release to Developer the amount of such fund or other security specified by the issuer of the certificate as being attributable to such substantially completed item(s), provided, however, that if the amounts remaining in escrow after any such partial release would be insufficient in the opinion of the issuer of such certificate to finance substantial completion of any remaining incomplete items for which funds or other security have been deposited in escrow, only the amount in escrow in excess of such estimated cost to substantially complete shall be released by Escrow Agent to Developer. Notwithstanding a Release of escrowed

funds that is authorized or required by this section, an Escrow Agent may refuse to release funds from an escrow account if the Escrow Agent, in its judgment has sufficient cause to believe the certificate confirming substantial completion or determining the amount necessary for substantial completion is fraudulent or without factual basis.

All funds released under this sub-paragraph B shall be delivered to Developer within three (3) business days after all of the conditions causing the release have been satisfied, provided, however, the Escrow Agent shall not be obligated to release any funds until it can satisfactorily ascertain, that said funds deposited have been "paid," "settled," and "fully collected" as such terms are defined under the provision of MCL 440.4100 et sequitur.

III. Release of Interest Upon Escrowed Funds.

Escrow Agent shall be under no obligation to earn interest upon the escrowed sums held pursuant hereto. In the event that interest upon such sums is earned, however, all such interest shall be separately accounted for by the Escrow Agent and shall be held in escrow and released as and when principal deposits are released hereunder, provided, however, that all interest earned on deposits refunded to a Purchaser upon the occasion of his withdrawal from a Purchase Agreement shall be paid to Developer.

IV. Other Adequate Security.

If Developer requests that all of the escrowed funds held hereunder or any part thereof be delivered to it prior to the time it otherwise becomes entitled to receive the same, Escrow Agent may release all such sums to Developer if Developer has placed with Escrow Agent an irrevocable Letter of Credit drawn in favor of Escrow Agent in form and substance satisfactory to Escrow Agent and securing fully repayment of said sums, or has placed with Escrow Agent such other substitute security as may be permitted by law and approved by Escrow Agent.

V. In the Event Elements or Facilities Remain Incomplete.

If Escrow Agent is holding in escrow funds or other security for completion or incomplete elements or facilities under Section 103b(7) of the Act, such funds or other security shall be administered by Escrow Agent in the following manner:

1. Escrow Agent shall upon request give all statutorily required notice under Section 103b(7) of the Act.

2. If Developer, the SUNSET PINES CONDOMINIUM HOMEOWNERS ASSOCIATION, and any other party or parties asserting a claim to or interest in the escrow deposit, enter into a written agreement

(satisfactory in its terms and conditions to Escrow Agent in its absolute and sole discretion), as to the disposition of the funds or security in escrow under Section 103b(7) of the Act, Escrow Agent shall release any such escrowed funds or security, but Escrow Agent may, in its absolute and sole discretion, at any time take either of the following actions;

- (a) Initiate an interpleader action in any Circuit Court in the State of Michigan naming the Developer, the SUNSET PINES CONDOMINIUM HOMEOWNERS ASSOCIATION and all other claimants and interested parties as parties and deposit all funds or other security in escrow under Section 103b(7) of the Act with the Clerk of such Court in full acquittal of its responsibilities under this Agreement; or
- (b) Initiate an arbitration proceeding under the Commercial Arbitration Rules of the American Arbitration Association pursuant to which proceeding both the Developer and the SUNSET PINES CONDOMINIUM HOMEOWNERS ASSOCIATION shall be named as parties. Escrow Agent shall continue to hold all sums in escrow under Section 103b(7) of the Act pending the outcome of such arbitration but Escrow Agent shall not be a party to such arbitration. All issues relative to disposition of such escrow deposits or other security shall be decided by the arbitrator or arbitration panel and such decision shall be final and binding upon all parties concerned and judgment thereon may be rendered upon such award by any Circuit Court of the State of Michigan. Escrow Agent may in any event release all such escrow deposits in accordance with the arbitration decision or may commence an interpleader action with respect thereto as provided above.

VI. Proof of Occurrence; Confirmation of Substantial Completion; Determination of Cost to Complete.

Escrow Agent may require reasonable proof of occurrence of any of the events, actions, or conditions stated herein before releasing any sums held by its pursuant to any Purchase Agreement either to Purchaser thereunder or to Developer. Whenever Escrow Agent is required hereby to confirm that a facility, element, structure, improvement, or identifiable portion of any of the same is substantially complete in accordance with the pertinent plans, and specifications therefor, it may base such confirmation entirely upon the certificate of a licensed professional engineer or architect. Likewise, all estimates and determinations of the costs to substantially complete any incomplete elements, facilities, improvements, or structures shall be based entirely upon such determinations and estimates as are furnished by such engineer or architect. No inspections of the Project or any portion thereof by an representative of Escrow Agent shall be

deemed necessary hereunder, nor must any cost estimates or determinations be made by Escrow Agent and Escrow Agent may rely entirely upon certificates, determinations, and estimates as described above in retaining and releasing all escrowed funds hereunder.

VII. Limited Liability of Escrow Agent; Right to Deduct Expenses from Escrow Deposits.

Upon making delivery of the funds deposited with Escrow Agent pursuant to any Purchase Agreement and performance of the obligations and services stated therein and herein, Escrow Agent shall be released from any further liability thereunder and hereunder, it being expressly understood that liability is limited by the terms and provision set forth in such Agreements and in this Agreement, and that by acceptance of this Agreement, Escrow Agent is acting in the capacity of a depository and is not, as such, responsible or liable for the sufficiency, correctness, genuineness, or validity of the instruments submitted to it, or the marketability of title to any Unit sold under any other Agreements. Escrow Agent is not responsible for the failure of any banks used by it as an escrow depository for funds received by it under this Agreement.

Further, Escrow Agent is not a guarantor of performance by Developer under the Condominium Documents or any Purchase Agreement and escrow Agent undertakes no responsibilities whatever with respect to the nature, extent, or quality of such performance thereunder or with regard to the conformity of such performance to the terms of such documents, to the plans and specifications for the Project, to local or state laws or in any other particular. So long as Escrow Agent relies in good faith upon any certificate, cost estimate, or determination of the type described in Section 6, Escrow Agent shall have no liability whatever to Developer, any Purchaser, any Co-Owner, or any other party for any error in such certificate, cost estimate, or determination, or for any act or omission by the Escrow Agent in reliance thereon.

Except in instances of gross negligence or willful misconduct, Escrow Agent's liability hereunder shall in all events be limited to return, to the party or parties entitled thereto, of the funds retained in escrow (or which were replaced by security) less any reasonable expenses which Escrow Agent may incur in the administration of such funds otherwise hereunder, including, without limitation, reasonable attorney fees and litigation expenses paid in connection with the defense, negotiation, or analysis or claims against it, by reason of litigation or otherwise, arising out of the administration of such escrowed funds, all of which costs Escrow Agent shall be entitled without notice to deduct from amounts on deposit hereunder.

VIII. Limited Liability of Architect and Engineer.

A licensed professional architect or engineer undertaking to make a certificate hereunder shall be held to the normal standard of care required of a member of that profession in determining substantial completion and the estimated cost of substantial completion under the Act, but such architect or engineer shall not be required to have designed the improvements or item or to have inspected it or have supervised construction or installation of the improvement or item. The certificate by a licensed professional architect or engineer shall not be construed to limit the Developer's liability for any defect in construction. For purposes of this Escrow Agreement, "licensed professional engineer or architect" means a member of those professions who satisfies all requirements of the laws of this State for the practice of the profession, and who is not an employee of the Developer or of a firm in which the Developer, or an officer or director of the Developer, is a principal or holds ten percent (10%) or more of the outstanding shares of that firm.

IX. Notices.

All notices required or permitted hereunder and all notices of change of address shall be deemed sufficient if personally delivered or sent by registered mail, postage pre-paid and return receipt requested, addressed to the recipient party at the address shown below such party's signature to this Agreement or upon the pertinent Purchase Agreement. For purposes of calculating time periods under the provisions of this Agreement, notice shall be deemed effective upon mailing or personal delivery, whichever is applicable.

X. Changes in Circumstances.

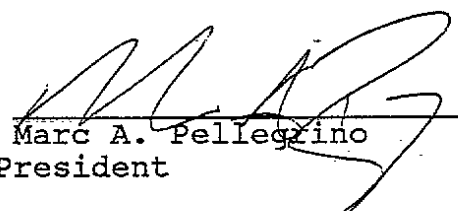
The disability, bankruptcy, insolvency, or absence of a Purchase, Developer, or Escrow Agent, or any of them, shall not affect or prevent performance by the Escrow Agent of its obligations and instructions hereunder.

XI. No Notification.

If no notification has been received by Escrow Agent within three (3) years from the date of this Escrow Agreement, Escrow Agent may, after thirty (30) days written notice to Developer and Purchaser, deliver the escrowed assets to the Clerk of the Circuit Court of Livingston County, Michigan.

DEVELOPER:
P.B. & J. CONSTRUCTION, INC.

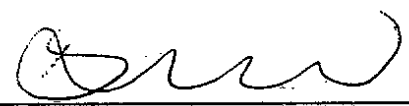
Dated: 3-31, 1999

By: 

Marc A. Pellegrino
Its President

ESCROW AGENT:
GREAT LAKES TITLE OF MICHIGAN

Dated: 3-31, 1999

By: 

Deborah Webb
Its Escrow Manager