

NO 83 DATE 12-28, 2000

THIS IS TO CERTIFY THAT THERE ARE NO TAXES
OR TITLES ON THIS PROPERTY FOR FIVE YEARS
TO THE DATE OF THIS INSTRUMENT
CERTIFICATION DOES NOT INCLUDE TAXES
IN THE PROCESS OF COLLECTION BY THE CITY
TREASURER.

BY Roberta Montteli
HURON COUNTY TREASURER

STATE OF MICHIGAN
HURON COUNTY
RECORDED

28 DEC 2000 3:55 PM

FRANCES L. HOLDWICK
REGISTER OF DEEDS

MASTER DEED

PTE. AUX BARQUES BEACH CLUB

Drafted By and When Recorded
Return To:

Mr. William Serra
Pte. Aux Barques Development, Inc.
2732 Arrowwood Court
Sterling Heights, Michigan 48314

MASTER DEED**TABLE OF CONTENTS**

	Page
ARTICLE 1 - TITLE AND NATURE	1
ARTICLE 2 - LEGAL DESCRIPTION	2
ARTICLE 3 - DEFINITIONS	2
3.1 Act	3
3.2 Association	3
3.3 Association Bylaws	3
3.4 Common Elements	3
3.5 Condominium Bylaws	3
3.6 Condominium Documents	3
3.7 Condominium Premises	3
3.8 Condominium Project, Condominium or Projects	3
3.9 Condominium Residence	4
3.10 Condominium Subdivision Plan	4
3.11 Consolidating Master Deed	4
3.12 Co-Owner or Owner	4
3.13 Developer	4
3.14 Development And Sales Period	4
3.15 First Annual Meeting	5
3.16 Transitional Control Date	5
3.17 Unit, Units or Condominium Unit	5
ARTICLE 4 - COMMON ELEMENTS	5
4.1 General Common Elements	5
A. Land	5
B. Roads	6
C. Electrical	6
D. Telephone	6
E. Gas	6
F. Sanitary Sewer	6
G. Water	6
H. Telecommunications	6
I. Landscaping	6
J. Common Signage	6
K. Other	7
L. Utilities	7
M. Parks	7
N. Utility Easements	7
O. Beneficial Easements	7

	P. Pool and Clubhouse	7
4.2	Limited Common Elements	7
	A. Yard Areas	7
	B. Utility Leads	7
	C. Driveways	8
4.3	Responsibilities	8
	A. Co-Owner Responsibilities	8
	(i) Units and Yard Areas	8
	(ii) Utility Services	8
	(iii) Driveways	8
	B. Association Responsibilities	9
4.4	Use of Units and Common Elements	9
4.5	Roads And Utility Systems	9
4.6	Co-Owner Negligence of Fault	9
4.7	Notice To Association of Issuance of a Certificate of Occupancy	10
ARTICLE 5 - UNIT DESCRIPTION AND PERCENTAGE OF VALUE		10
5.1	Description of Units	10
5.2	Percentage of Value	10
5.3	Modification of Units	10
ARTICLE 6 - CONSOLIDATION, MODIFICATION OF UNITS		
	LIMITED COMMON ELEMENTS	11
	A. By Developer	11
	(i) Consolidate Units, Relocate Boundaries	11
	(ii) Amend To Effectuate Modifications	12
	B. By Co-Owners	12
	C. Limited Common Elements	12
ARTICLE 7 - CONVERTIBLE AREAS		13
7.1	Designation of Convertible Areas	13
7.2	Reservation of Right to Modify Units and Common Elements	13
7.3	Compatibility of Improvements	13
7.4	Amendment of Master Deed	13
ARTICLE 8 - CONTRACTION AND EXPANSION OF CONDOMINIUM		14
8.1	Right to Contract	14
8.2	Right to Expand	14
8.3	Expansion Not Mandatory	15
8.4	Withdrawal of Land	15
8.5	Creation of Easements	15
8.6	Amendment of Master Deed	15
8.7	Redefinition of Common Elements	15
8.8	Consent of Interested Parties	16

ARTICLE 9 - EASEMENTS AND RIGHT TO DEDICATE

	ROAD AND/OR UTILITIES	16
9.1	Easements for Utilities and Maintenance of Encroachments	16
9.2	Easements Retained by Developer	17
	A. Access/Roadway Easements	17
	B. Utility Easements	17
9.3	Grant of Easements by Association	18
9.4	Easements for Maintenance, Repair and Replacement	19
9.5	Telecommunications Agreement	19
9.6	Other Community Easements	20
9.7	Reciprocal Easements, Covenants & Restrictions	20

ARTICLE 10 - AMENDMENT 20

10.1	Modifications of Units or Common Elements	20
10.2	By Developer	20
10.3	Change In Percentage of Value	21
10.4	Developer Approval	21
10.5	Termination, Vacation, Revocation, Abandonment	21
10.6	Mortgagee Consent	21
10.7	No Amendment	21

ARTICLE 11 - OPERATIVE PROVISIONS 21

11.1	Amendment of Master Deed and Modification of Percentage of Value	21
11.2	Redefinition of Common Elements	22
11.3	Consents of Interested Persons	22
11.4	Consolidating Master Deed	22

ARTICLE 12 - DEVELOPER'S RIGHT TO USE FACILITIES 22

ARTICLE 13 - ASSIGNMENT 23

MASTER DEED**PTE. AUX BARQUES BEACH CLUB**

THIS MASTER DEED is made and executed on the 21st day of December, 2000, by Pte. Aux Barques Development, Inc., a Michigan Corporation (the "Developer"), whose office is situated at 2732 Arrowwood Court, Sterling Heights, Michigan, 48314, represented herein by its sole director who is fully empowered and qualified to act on behalf of the corporation, in pursuance of the provisions of the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended (the "Act").

WHEREAS, the Developer desires, by recording this Master Deed, together with the Condominium Bylaws attached hereto as "Exhibit A" and together with the Condominium Subdivision Plan attached hereto as Exhibit "B" (both of which are hereby incorporated by reference and made a part hereof), to establish the real property described in Article 2 below, together with the improvements located and to be located thereon, and the appurtenances thereto, as a residential condominium project under the provisions of the Act.

NOW, THEREFORE, the Developer does, upon the recording hereof, establish Pte. Aux Barques Beach Club as a condominium project under the Act and does declare that Pte. Aux Barques Beach Club (the "Condominium", "Project", or "Condominium Project") shall, after its establishment, be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any other manner utilized, subject to the provisions of the Act and other applicable laws, and to the covenants, restrictions, conditions, uses, limitations, and affirmative obligations set forth in this Master Deed and Exhibits "A" and "B" 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 (defined below), their grantees, successors, heirs, executors, administrators and assigns. In furtherance of the establishment of the Condominium Project, it is provided as follows:

ARTICLE 1**TITLE AND NATURE**

The Condominium Project shall be known as Pte. Aux Barques Beach Club, Huron County Condominium Subdivision Plan No. 028. The Condominium Project is established in accordance with the Act. The Condominium Project shall consist of 45 Units, each of which shall be detached building sites and each which is intended for separate ownership and use and shall be known as a Unit (as further defined below). The Units contained in the Condominium, including the number, boundaries, dimensions and area of each Unit are set forth completely in the Condominium Subdivision Plan attached as "Exhibit B" hereto. Each Unit is established for residential purposes only and is capable of individual utilization by the Co-Owner (defined below) on account of having its own entrance from and exit to a Common Element (defined below) of the Condominium Project. The Developer is under no obligation to construct any building or other improvements upon any Unit. All buildings and improvements to be constructed upon a Unit shall comply with the Architectural Review and Control Standards and the Building and Use Restrictions set forth in Articles 6 and 7 of the Condominium Bylaws. Each Co-Owner of the Condominium Project shall have an exclusive right to his or its Unit and shall have undivided and

inseparable rights to share with other Co-Owners the Common Elements of the Condominium Project as are designed by this Master Deed.

ARTICLE 2

LEGAL DESCRIPTION

2.1 The land which is submitted to the Condominium Project established by this Master Deed is situated in the Township of Port Austin, County of Huron, State of Michigan, and described as follows:

The North half of the North half of the Northeast quarter of Section 29, Township 19 North, Range 13 East, except a parcel in the Southwest corner thereof described as the South 150.0 feet of the West 300.0 feet thereof and subject to an easement 10 feet wide, to adjoining property owners for walking purposes only to and from Creek Road and the bridge to the shore of Lake Huron.

The foregoing described land is subject to and entitled to the benefit of all easements and restrictions of record and all governmental limitations, including but not limited to those set forth in: (a) the rights of the public in any public right-of-way; (b) any rights, interest or easements in favor of the State of Michigan, the United States of America, and subject to an easement 10 feet wide to the adjoining property owners for walking purposes only to and from Creek Road and bridge to the shore of Lake Huron; (c) any other easements and rights of way of record.

ARTICLE 3

DEFINITIONS

Certain terms are utilized not only in the Master Deed and Exhibits "A" and "B" hereto, but are or may be used in various other instruments including but not limited to, the Articles of Incorporation, Bylaws, and rules and regulations of the Pte. Aux Barques Beach Club Condominium Association, a Michigan non-profit corporation, and deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment of, or transfer of, interest in the Condominium Project. Wherever used in these documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

3.1 **Act.** 'Act' means the Michigan Condominium Act, being Act 50 of the Public Acts of 1978, as amended.

3.2 **Association.** "Association" means the Pte. Aux Barques Beach Club Condominium Association, the non-profit 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 exercised by its Board of Directors unless specifically reserved to its members by the Condominium Documents or the laws of the State of Michigan.

3.3 **Association Bylaws.** "Association Bylaws" means the corporate bylaws of the Association as distinguished from the Condominium Bylaws.

3.4 **Common Elements.** "Common Elements", where used without modification, shall mean both the "General Common Elements" and the "Limited Common Elements" defined and described herein.

3.5 **Condominium Bylaws.** "Condominium Bylaws" means Exhibit "A" hereto, as may be amended from time to time in accordance herewith, 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 this Master Deed.

3.6 **Condominium Documents.** "Condominium Documents" wherever used means and includes this Master Deed and Exhibits "A" and "B" hereto and the Articles of Incorporation, Association Bylaws and rules and regulations, if any, of the Association, as these documents may be amended from time to time.

3.7 **Condominium Premises.** "Condominium Premises" means and includes the land described in Article 2 above, and the buildings, all improvements and structures thereon, and all easements, right and appurtenances now or hereafter belonging to the Condominium.

3.8 **Condominium Project, Condominium or Project.** "Condominium Project", "Condominium" or "Project" means Pte. Aux Barques Beach Club as a condominium project established in conformity with the provisions of the Act.

3.9 **Condominium Residence.** "Condominium Residence" means a residential structure built inside the perimeter of the Unit together with the permitted driveway and other improvements on the Unit or the Limited Common Elements which are appurtenant to the Unit.

3.10 **Condominium Subdivision Plan.** "Condominium Subdivision Plan" means Exhibit "B" hereto.

3.11 **Consolidating Master Deed.** "Consolidating Master Deed" means the final amended Master Deed which shall describe the Condominium Project as completed, and shall reflect the entire land area in the Condominium and all Units (but not the structures thereon) and Common Elements therein, and which shall express percentages of value pertinent to each Unit as finally readjusted. The Consolidating Master Deed when recorded in the Office of the Huron County Register of Deeds, shall supersede the previously recorded Master Deed for the Condominium and all amendments thereto. In the event the Units and Common Elements in the Condominium are established in substantial conformance with the proposed Condominium Subdivision Plan attached as Exhibit "B" to this Master Deed, the Developer shall be able to satisfy the foregoing obligation by the filing of a certificate in the office of the Huron County Register of Deeds confirming that the Units (but not the structure thereon) and Common Elements "as built" are in substantial conformity with the proposed Condominium Subdivision Plan and that no Consolidating Master Deed need be recorded.

3.12 Co-Owner or Owner. "Co-Owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which owns in fee simple one or more Units in the Condominium Project. The term "Owner," wherever used, shall be synonymous with the term "Co-Owner".

3.13 Developer. "Developer" means Pte. Aux Barques Development, Inc., a Michigan Corporation, which has made and executed this Master Deed, and its successors and assigns. Both successors and assigns shall always be deemed to be included within the term "Developer" whenever, however and wherever these terms are used in the Condominium Documents.

3.14 Development and Sales Period. "Development and Sales Periods" for the purposes of the Condominium Documents and the rights reserved to the Developer thereunder, means the period commencing with the recording of this Master Deed and continuing for so long as (i) a Corporation will be formed (ii) the Developer continues to develop, has the right to develop or proposes to develop additional Units, whichever is longer, to be held (a) in the Developer's sole discretion after 50% of the Units which may be created are sold; or (b) mandatory within (i) 54 months from the date of the first Unit conveyance; or (ii) 120 days after 75% of all Units which may be created are sold, whichever occurs first.

3.15 First Annual Meeting. "First Annual Meeting" means the initial meeting at which non-developer Co-Owners are entitled to vote for the election of all Directors and upon all other matters which properly may be brought before the meeting. Such meeting is to be held (a) in the Developer's sole discretion after 50% of the Units which may be created are sold, or (b) mandatorily within (i) 54 months from the date of the first Unit conveyance, or (ii) 120 days after 75% of all Units which may be created are sold, whichever first occurs.

3.16 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 Co-Owners unaffiliated with the Developer exceed the votes which may be cast by the Developer.

3.17 Unit, Units or Condominium Unit. "Unit, "Units" or Condominium Unit" each mean the space constituting a single complete residential Unit in the Condominium Project, as such space may be described on Exhibit "B" hereto, and shall have the same meaning as the term "Condominium Unit" defined in the Act. Unless otherwise stated, a Unit shall not include any Condominium Residence. Any Condominium Residence now or hereafter located within the boundaries of a Unit other than utility service lines, 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. The Developer does not intend to and is not obligated to install any residential structures whatsoever within the Units.

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

ARTICLE 4

COMMON ELEMENTS

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

4.1 General Common Elements.

A. **Land.** The land and beneficial easements described in Article 2 hereof, other than that portion thereof identified as Units or Limited Common Elements.

B. **Roads.** All internal roads designated on the Condominium Subdivision Plan.

C. **Electrical.** The electrical transmission service, including primary and secondary service lines intended to service residences constructed within the Units up to the point of the Unit boundary. Such service from the Unit boundary to the point of connection to the Condominium Residence shall be a Limited Common Element.

D. **Telephone.** The telephone wiring network throughout the Project up to the point of the Unit boundary. Such service from the Unit boundary to the point of connection to the Condominium Residence shall be a Limited Common Element.

E. **Gas.** The gas line network throughout the Project up to the point of the Unit boundary. Such network from the Unit boundary to the point of connection to the Condominium Residence shall be a Limited Common Element.

F. **Sanitary Sewer.** The sanitary sewer network throughout the Project up to the point of the Unit boundary. Such network from the Unit boundary to the point of connection to the Condominium Residence shall be a Limited Common Element.

G. **Water.** The water distribution system throughout the Project up to the point of the Unit boundary and the irrigation system, if any, for the common areas. Such system from the Unit boundary to the point of connection to the Condominium Residence shall be a Limited Common Element.

H. **Telecommunications.** The telecommunications and cable television systems up to the point of service connection within each Unit.

I. **Landscaping.** All landscaping, berms, trees, planting and signage for the Project within the Condominium Premises, except any landscaping, trees and planting within the Units.

J. **Common Signage.** The signage located at the entrance of the Project and all other signage identifying the Project that may hereinafter be installed by the Developer or the Association.

K. Other. Such other elements of the project not herein designated as General 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 and safety of the Project.

L. Utilities. Notwithstanding the foregoing to the contrary, to the extent that some or all of the utility, telecommunications and cable television systems and lines, including mains, service leads and equipment described above, may be owned by the local public authority or by a company that is providing the service, such utility, telecommunications and cable television lines and systems shall be General Common Elements only to the extent of the Co-Owners' interest therein, if any, and the Developer makes no warranty whatsoever with respect to the nature or extent of such interest, if any. The extent of the Developer's and Association's responsibility will be to see to it that water, sanitary sewer, telephone, electric and natural gas mains are installed within reasonable proximity to the Units.

M. Parks. The park located near Lake Huron, as designated on the Condominium Subdivision Plan.

N. Utility Easements. All utility easements in the land area between various Units, as identified in the Condominium Subdivision Plan.

O. Beneficial Easements. All off-site easements which benefit the Project, either previously created or which may be established in the future.

P. Pool and Clubhouse. If built as proposed on the Condominium Subdivision Plan, as shown on Exhibit B.

4.2 Limited Common Elements. The Limited Common Elements shall be subject to the exclusive use and enjoyment of the owner of the Unit to which such Limited Common Elements appertain, subject to the building easement and other restrictions set forth in the Condominium Documents and Declaration. The Limited Common Elements are as follows:

A. Yard Areas. Each yard area immediately surrounding a Unit as designated on the Condominium Subdivision Plan is a Limited Common Element limited to the use of the Unit it immediately surrounds.

B. Utility Leads. All utility leads lying within the Unit and adjoining yard area to the point of connection with the residential building and adjoining yard area are limited in use to the Units which they serve.

C. Driveways. Each driveway shall be limited in use to the Co-Owner of the Unit of corresponding number as designated in the Condominium Subdivision Plan, except that (i) the Co-Owners of Units 31, 32, 33 and 34 shall share a driveway; and (ii) the Co-Owners of Units 36, 37 and 38 shall share a driveway.

4.3 Responsibilities. The respective responsibilities for the maintenance, decoration, repair and replacement of the Common Elements are as follows:

A. Co-Owner Responsibilities

(i) **Units and Yard Areas.** It is anticipated that separate Condominium Residences will be constructed on the Units. The responsibility for and the costs of maintenance, decoration, landscaping, repair, taxes, insurance, renovation and replacement of the Unit, any Condominium Residence on the Unit and the adjoining Limited Common Element yard area shall be borne by the Co-Owner of the Unit. However, the exterior appearance of any Condominium Residence built on a Unit, as well as the appearance of the Unit, shall be subject at all times to the approval of the Developer (during the Development and Sales Period), the Association and the Architectural Review Committee as set forth in the Bylaws and in duly adopted rules and regulations, and be further subject to the requirements and specifications set forth in the Bylaws. Failure of any Co-Owner to adhere to the maintenance and aesthetic standards imposed by the Developer and/or Association shall give the Developer and/or Association the right, but not the obligation, to enter upon such Unit and to perform the necessary maintenance, decoration, repair or replacement at the expense of the Co-Owner of such Unit.

(ii) **Utility Services.** Each Co-Owner will be entirely responsible for arranging for and paying all costs in connection with extension of utilities by laterals from the mains to any structures or fixtures located within the Units. All costs of electricity, water, sanitary sewer, natural gas, cable television, telephone, and any other utility services shall be borne by the Co-Owner of the Unit to which those services are furnished. All utility laterals and leads shall be maintained, repaired and replaced at the expense of the Co-Owner whose Unit they service, except to the extent that expenses are borne by an utility company or a public authority, and the Association shall have no responsibility therefor.

(iii) **Driveways.** Each Co-Owner shall be entirely responsible for arranging and paying for all costs of maintenance, repair and replacement of the driveway in its Unit except that: (i) the Co-Owners of Units 31, 32, 33 and 34 shall each be responsible for 25% of such costs with respect to the shared driveway of Units 31, 32, 33 and 34; (ii) the Co-Owners of Units 36, 37 and 38 shall each be responsible for 33⅓% of such costs with respect to the shared driveway of Units 22, 36, 37 and 38.

B. Association Responsibilities. The responsibility for and the costs of maintenance, landscaping, decoration, taxes, insurance, repair, renovation, restoration, and replacement of all of the General Common Elements, including without limitation, the private roads shown on the site plan and landscaping for the Condominium, and all shared costs for the common roadways shall be borne by the Association and such costs shall be expenses of administration to be assessed in accordance with the Condominium Documents. The Association shall not be responsible for performing any maintenance, repair or replacement with respect to any Condominium Residence, but shall have the right to do so pursuant to Section 4.6 below.

4.4 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 Project or in any manner which will interfere with or impair the rights of any other Co-Owner in the use and the enjoyment of his or its Unit or the Common Elements. No Limited Common Element may be modified or its use enlarged or diminished by the Association without the written consent of the Co-Owner to which the Limited Common Elements appertains. No Common Element shall be the subject of any action for partition unless the Project is terminated.

4.5 Roads and Utility Systems. Some or all of the utility lines, utility systems (including mains and service leads) and equipment, the telecommunications facilities and roadways described above may be owned by the local public authority or by the company that is providing the pertinent service. Accordingly, the Developer makes no warranty whatsoever with respect to the nature or extent of the Co-Owner's interest, if any. The extent of the Developer's and Association's responsibility will be to see to it that water, sanitary sewer, telephone, cable television, electric and natural gas mains are installed within reasonable proximity to, but not within the Units. Each Co-Owner will be entirely responsible for arranging for and paying all costs in connection with extension of any utilities by laterals from the mains to any structures and fixtures located with the Units.

In the event that, in the future, it shall be required by a public authority or public authorities or by a majority of Co-Owners to install additional or extended public sewer and/or public water mains to serve the Units in the Condominium, then the collective costs assessable to the Condominium Premises as a whole of installing any such additional or extended mains shall be borne by all Co-Owners in accordance with their respective percentages of value.

4.6 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 a Co-Owner to perform his or her responsibilities as set forth in the Condominium Documents, or as a result of the negligence, fault or improper conduct of a Co-Owner, the Association may perform the required work. The cost of any such maintenance, repair, decoration or replacement performed by the Association shall be the responsibility of the Co-Owner and shall be added to, and paid in full along with and as part of, his next monthly Association assessment. 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 the Condominium Documents.

4.7 Notice to Association of Issuance of a Certificate of Occupancy. Each Co-Owner shall notify the Developer and the Association in writing within three days after receipt of a temporary Certificate of Occupancy of (a) the receipt of the temporary Certificate of Occupancy, (b) the proposed location and date of closing, if applicable (c) the projected date of occupancy, and (d) the names of all persons who will live in the residence.

ARTICLE 5

UNIT DESCRIPTION AND PERCENTAGE OF VALUE

5.1 Description of Units. Each Unit in the Condominium Project is described in this Section with reference to the Condominium Subdivision Plan attached hereto as Exhibit "B". Each Unit shall consist of the space located within the Unit boundaries as shown on Exhibit "B" hereto and delineated with outlines as the "Limits of Ownership". The vertical boundaries of the Units may vary from time to time to accommodate changes in grade elevations. Accordingly, the Developer or, upon assignment, the Association shall have the right, in its sole discretion, to modify the Condominium Subdivision Plan to depict actual ground elevations and Unit boundaries. Even if no such amendment is undertaken, easements for maintenance of structures that encroach on Common Elements have been reserved in Article 9 below.

5.2 Percentage of Value. The percentage of value assigned to each Unit shall be equal. The determination that percentages of value should be equal was made after reviewing the comparative characteristics of each Unit in the Project and concluding that there are not material differences among the Units insofar as the allocation of percentage of value is concerned. The resulting percentage shall total precisely 100%. The percentage of value assigned to each Unit shall be determinative of each Co-Owner's undivided interest of the Common Elements of the Condominium Project, the proportionate share of each respective Co-Owner in the proceeds and the expenses of the administrations and the value of each Co-Owner's vote at meetings of the Association. The percentage of value allocated to each Unit may be changed only with the prior written approval of each institutional holder of a first mortgage lien on any Unit in the Project and with the unanimous consent of all of the Co-Owners expressed in an amendment to this Master Deed, fully approved and recorded, except as provided in Article 11 hereof.

5.3 Modification of Units. The size, location or elevation of Units and/or General or Limited Common Elements appurtenant or geographically proximate to any Units described in Exhibit B, as it may be revised or amended from time to time, may be modified, in Developer's sole discretion, by Amendment to this Master Deed effected solely by the Developer and its successors without the consent of any person so long as such modifications do not unreasonably impair or diminish the appearance of the Project 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. Further, the Developer may, in connection with any such amendment, re-adjust percentages of value for all Units in a manner which gives reasonable recognition to such Unit or Limited Common Element modifications based upon the method used in the original determination of percentages of value for the Project. 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 unanimously consented to such amendment or amendments to this Master Deed to effectuate the foregoing. Subject to the limitations set forth herein, proportionate reallocation of percentages of value of existing Units which Developer or its successor may determine necessary in conjunction with such amendment or amendments. All such interested persons irrevocably appoint Developer or its successors as agent and attorney for the purpose of execution of such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing.

ARTICLE 6

CONSOLIDATION, MODIFICATION OR UNITS, LIMITED COMMON ELEMENTS

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

A. By Developer. The Developer reserves the sole right during the Development and Sales Period and without the consent of any other Co-Owner or any mortgagee of any Unit to take the following action:

(i) **Consolidate Units: Relocate Boundaries.** The Developer shall have the right, subject to applicable governmental authority, to consolidate under single ownership two or more Units which are located adjacent to one another, and relocate any boundaries between adjoining Units. Such consolidation of Units and relocation of boundaries of Units shall be given

effect by an appropriate amendment or amendments to this Master Deed in the manner provided by law, which amendment or amendments shall be prepared by and at the sole discretion of the Developer, its successors or assigns.

(ii) **Amend to Effectuate Modifications.** In any amendment or amendments resulting from the exercise of the rights reserved to the Developer above, each portion of the Unit or Units resulting from the consolidation or relocation of boundaries shall be separately identified by number and the percentage of value as set forth in Article 5 hereof for the Unit or Units subdivided, consolidated or as to which boundaries are relocated shall be proportionately allocated to the resultant new Condominium Units in order to preserve a total value of 100% for the entire Project resulting from the amendment or amendments to this Master Deed. The precise determination of the readjustments in percentage of value shall be within the sole judgment of Developer. These readjustments, however, shall reflect a continuing reasonable relationship among percentages of value based upon the original method of determining percentages of value for the Project. Any amendment or amendments to this Master Deed shall also contain any further definitions of Common Elements as may be necessary to adequately describe the Units in the Condominium Project as so modified. All of the Co-Owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to an amendment or amendments of this Master Deed to effectuate the foregoing and to any proportionate reallocation of percentages of value of Units which the Developer or its successors as agent and attorney-in-fact for the purpose of execution of any amendment or amendments to this Master Deed and all other documents necessary to effectuate the foregoing. Amendments may be affected without the necessity of re-recording an entire Master Deed or the Exhibits hereto.

B. By Co-Owners. Subject to applicable governmental approval, Co-Owners of adjoining Units may relocate boundaries between their Units or eliminate boundaries between two or more Units upon written request to and approval by the Association in accordance with Section 48 of the Act. Upon receipt of the request, the president of the Association shall present the matter to the Board of Directors for review and, if approved by the Board, cause to be prepared an amendment to this Master Deed duly relocating the boundaries, identifying the Units involved, reallocating percentages of value and providing the conveyancing between or among the Co-Owners involved in relocation of boundaries. The Co-Owners requesting relocation of boundaries shall bear all costs of resulting amendments. Any relocation or elimination of boundaries shall not become effective, however, until the amendment to this Master Deed has been recorded in the office of the Huron County Register of Deeds and until all applicable governmental approvals have been obtained.

C. Limited Common Elements. Subject to Section 4.4 hereof, Limited Common Elements shall be subject to assignment and reassignment in accordance with Section 39 of the Act and in furtherance of the rights to consolidate or relocate boundaries described in Article 11.

ARTICLE 7

CONVERTIBLE AREAS

7.1 Designation of Convertible Areas. The Units and the Common Elements are hereby designated as Convertible Areas and such Convertible Areas may be modified as provided herein.

7.2 Reservation of Right to Modify Units and Common Elements. The Developer reserves the right, in its sole discretion, during a period ending ten (10) years from the date of the recording of this Master Deed, to modify the size, location, design or elevation of Units and/or General or Limited Common Elements appurtenant or geographically proximate to such Units, including construction of privacy areas, courtyards, atriums, patios, decks, privacy fences, awnings and other private amenities on all or any portion of the Convertible Areas above designated for such purpose on the Condominium Subdivision Plan. The foregoing list is intended only to be illustrative, not exclusive. The precise number, nature, size and location of Unit extensions and/or private amenities which may be constructed shall be determined by Developer in its sole judgment, but nothing herein contained shall obligate Developer to construct any such amenities whatsoever. Any private amenity, other than a Unit extension, shall be assigned by the Developer as a Limited Common Element appurtenant to an individual Unit.

7.3 Compatibility of Improvements. All improvements constructed within the Convertible Areas described above shall be reasonably compatible with the structure on other portions of the Condominium Project.

7.4 Amendment of Master Deed. Modification of Units and Common Elements within this Condominium Project shall be given effect by appropriate amendments to this Master Deed in the manner provided by law, which amendments shall be prepared by and at the discretion of the Developer and in which the percentages of value set forth in Article 5 hereof shall be proportionately readjusted, if the Developer deems it to be applicable, in order to preserve a total value of 100% of the entire Project resulting from such amendments to this Master Deed. The precise determination of the readjustments in percentages of value shall be made within the sole judgment of the Developer. Such readjustments, however, shall reflect a continuing reasonable relationship among percentages of value based upon the original method of determining percentages of value for the Project. Such amendments to the Master Deed shall also contain such further definitions and re-definitions of General or Limited Common Elements as may be necessary to adequately describe and service the Units and Common Elements being modified by such amendments. In connection with any such amendments, the Developer shall have the right to change the nature of any purposes of this Article, including, but not limited to, the connection of the roadways and sidewalks in the Project to any roadways and sidewalks that may be located on, or planned for the Convertible Area, and to provide access to any Unit from the roadways and sidewalks located in the Project.

ARTICLE 8

CONTRACTION AND EXPANSION OF CONDOMINIUM

8.1 Right to Contract. As of this date this Master Deed is recorded, the Developer intends to establish a Condominium Project consisting of forty-five (45) Units on the land described in Article 2 hereof all as shown on the Condominium Subdivision Plan. Developer reserves the right, however, to establish a Condominium Project consisting of fewer Units than described above and to withdraw from the Project all or some portion of the land in the Condominium other than that constituting any portion of the roadways immediately adjacent to such Units. Therefore, any other provisions of this Master Deed to the contrary notwithstanding, the number of Units in this Condominium Project may, at the option of the Developer, from time to time, within a period ending no later than six years from the date of recording this Master Deed, be contracted to any number determined by the Developer in its sole judgment, but in no event shall the number of Units be less than two.

8.2 Right to Expand. Any other provision of this Master Deed notwithstanding, certain adjoining parcels may be added to the Project in the future, such parcels currently being owned by parties other than the Developer. Developer has entered, or may enter, into agreements with certain adjoining land owners with respect to possible future expansion of the Project which may occur at the option of the Developer within a period ending no later than six (6) years from the date of recording this Master Deed. Additional Units, if any will be constructed upon the following described land which is specifically depicted as the "Future Expansion" in the Condominium Subdivision Plan (which additional land is hereinafter referred to as the "Area of Future Development") the descriptions of the Area of Future Development are as follows:

FUTURE DEVELOPMENT

Commencing at the Northeast Corner of Section 29, T19N-R13E, Pt. Aux Barques Township, Huron County, Michigan; thence S88°33'53"W 33.01 feet to the Point of Beginning; RUNNING THENCE S0°13'27"E 310.22 feet along the Westerly Right of Way line of Itellems Road; thence S88°44'40"W 51.01 feet; thence S48°22'39"W 342.87 feet; thence S66°20'20"W 63.52 feet; thence N89°49'12"W 111.45 feet; thence N42°50'53"W 239.40 feet; thence S88°44'40"W 172.77 feet; thence S42°51'24"W 96.78 feet; thence S88°44'40"W 71.93 feet; thence N36°16'50"E 97.17 feet; thence N0°13'27"W 80.93 feet; thence N58°13'15"E 260.54 feet; thence N31°07'38"E 180.0 feet; thence N88°33'53"E 577.46 feet to the Point of Beginning. Being a part of the Northeast 1/4 of Section 29, T19N-R13E, Pt. Aux Barques Township, Huron County, Michigan. Subject to easements and right of ways of record.

FUTURE DEVELOPMENT

Commencing at the Northeast Corner of Section 29, T19N-R13E, Pt. Aux Barques Township, Huron County, Michigan; thence S0°13'27"E 660.32 feet along the East line of said Section 29; thence S88°44'40"W 385.40 feet to the Point of Beginning; RUNNING THENCE S88°44'40"W 520.12 feet; thence N01°15'20"W 150.0 feet; thence N88°44'40"E 25.32 feet; thence N42°51'24"E 96.78 feet; thence N88°44'40"E 115.16 feet; thence S42°50'53"E 238.41 feet; thence S89°49'12"E 154.06 feet; thence S0°15'20"E 37.33 feet to the Point of Beginning. Being a part of the Northeast 1/4 of Section 29, T19N-R13E, Pt. Aux Barques Township, Huron County, Michigan. Subject to easements and right of ways of record.

8.3 Expansion Not Mandatory. Nothing herein contained shall in any way obligate the Developer to enlarge the Condominium Project beyond the phase established by this Master Deed and the Developer may, in its discretion enter into agreements to establish all or a portion. There are no restrictions on the election of the Developer to expand the Project other than as explicitly set forth herein. There is no obligation on the part of the Developer to enter into agreements to add to the Condominium Project. In the event that this Condominium Project is not expanded or if it is not expanded to its full potential size hereunder, Developer reserves the right, in its discretion, to amend this Master Deed to provide coordinated and combined maintenance between or among this Condominium Project and such other residential development or developments or to obtain or grant easements, as need be established.

8.4 Withdrawal of Land. In connection with such contraction, the Developer unconditionally reserves the right to withdrawal from the Condominium Project such portion or portions of the land described in Article 2 as is not reasonably necessary to provide access to or otherwise serve the Units included in the Condominium Project as so contracted. The Developer reserves the right to use the portion of the land so withdrawn to establish, in its sole discretion, a rental development, a separate condominium project (or projects) or any other form of development.

8.5 Creation of Easement. In the event of any such contraction, the Developer reserves for the benefit of itself, its successors or assigns, and all owners of the land described in Article 2, or any portion or portions thereof, an easement for the unrestricted use of all roads and walkways in the Condominium for the purpose of ingress or egress to and from all or any portion of the Condominium Project as so contracted. Likewise, to the extent that any General Common Elements are withdrawn from the Condominium, the Developer shall cause any necessary non-exclusive easements to be created over such withdrawn General Common Elements for the benefit of the Units which remain in the Condominium Project.

8.6 Amendment of Master Deed. Any contraction or expansion in size of this Condominium Project shall be given effect by appropriate amendments to this Master Deed in the manner provided by law, which amendments shall be prepared by and at the discretion of the Developer or its successors and, if necessary, in which the percentages of value set forth in Article 5 hereof shall be proportionately readjusted in order to preserve a total value of 100% for the entire Project resulting from such amendments to this Master Deed. The precise determination of the readjustment in percentage of value shall be within the sole judgment of the Developer. Such readjustment, however shall reflect a continuing reasonable relationship among percentages of value based upon the original method of determining percentages of value for the Project.

8.7 Redefinition of Common Elements. Such amendments to the Master Deed shall also contain such further definitions and redefinition's of General or Limited Common Elements as may be necessary to adequately describe, save and provide access to the Units in the Condominium Project as so contracted. In connection with any such amendments, Developer shall have the right to change the nature of any Common Elements previously included in the Project for any purpose reasonably necessary to achieve the purposes of this Article, including, but not limited to, the connection of roadways and sidewalks that may be located on, or planned for the area which is withdrawn from the Project, and to provide access to any Unit that is located on, or planned for the withdrawn area from the roadways and sidewalks located in the Project.

8.8 Consent of Interested Parties. 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 amendments to this Master Deed as may be proposed by Developer to effectuate the foregoing and to any proportionate reallocation of percentages of value of Units which Developer may determine necessary in conjunction with such amendments. All such interested persons irrevocably appoint Developer as agent and attorney-in-fact for the purpose of execution of such amendments to the Master Deed and all documents necessary to effectuate the foregoing. Such amendments may be effected without the necessity of re-recording the entire Master Deed to the Exhibits hereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits hereto.

ARTICLE 9

EASEMENTS AND RIGHT TO DEDICATE ROAD AND/OR UTILITIES

9.1 Easement For Utilities and Maintenance of Encroachments. There shall be easements to, through and over the land in the Condominium Project (including all Units) for the continuing maintenance, repair, replacement and enlargement of any utilities in the Condominium as depicted on the Condominium Subdivision Plan as the same may be amended from time to time. In the event any portion of structure located within a Unit encroaches upon another Unit or Common Element due to shifting, settling, moving of a building, or due to survey errors, or construction deviations or change in ground elevations, reciprocal easements shall exist for the maintenance of any encroachment for so long as the encroachment exists, and for maintenance thereof after rebuilding in the event of destruction.

9.2 Easement Retained by Developer.

A. Access/Roadway Easement. Developer hereby reserves for the benefit of itself, its successors and assigns, perpetual easements for access to and utilization of the roadways within the Condominium Project. In the event Developer, its successors or assigns, utilizes and/or connects with roadways located on the Condominium Premises for the benefit of other land, the Developer shall be obligated to pay all of the expenses reasonably necessary to restore the Condominium Premises to their state immediately prior to such utilization or connection. All expenses of maintenance, repair and replacement of any roadways referred to in this subsection shall be shared by the Condominium Project and any developed portions of the lands which are served by such roadways. The Co-Owners of this Condominium Project shall be responsible from time to time for payment of a proportionate share of said expenses which shall be determined by multiplying such expenses times a fraction, the numerator of which is the number of Units in this Condominium and the denominator of which is comprised of the numerator plus all other dwelling Units and building sites established on the land which benefits from such roadways. Without limiting the generality of the foregoing, Developer hereby reserves the right to grant a limited easement for ingress and egress over a part of the Roadways in the Project in order to give access to the owners of certain land located to the north and/or south and/or east and/or west of the Project. The Developer reserves the right at any time prior to two years after the expiration of the Development and Sales Period, and the Association shall have the right thereafter, to dedicate to the public any right-of-way as may be required by the local public authority or as may be determined by the Association. Any right-of-

way dedication may be made by the Developer without the consent of any Co-Owner, mortgagee or other person and shall be evidenced by an appropriate amendment to this Master Deed and to Exhibit "B" hereto, recorded in the Huron County Records. 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 of effectuate the forgoing right-of-way dedication.

B. Utility Easements. Developer hereby reserves for the benefit of itself, its successors and assigns perpetual easements to utilize, tap, tie into, extend and enlarge all utility mains located in the Condominium Premises, including, but not limited to, water, gas, telephone, electrical, cable television, storm and sanitary sewer mains and storm water retention and detention areas. In the event Developer, its successors or assigns, utilize, taps, ties into, extends or enlarges any utilities located on the Condominium Premises, it shall be obligated to pay all expenses reasonably necessary to restore the Condominium Premises to their state immediately prior to such utilization, tapping in, extension to enlargement. All expenses of maintenance, repair and replacement of any utility mains referred to in this Section shall be shared by this Condominium Project and any developed portions of the land which are served by such utility mains. The Co-Owners of this Condominium Project shall be responsible from time to time for payment of a proportionate share of said expenses, which share shall be determined by multiplying such expenses times a fraction, the numerator of which is the number of Units in this Condominium Project, and the denominator of which is comprised of the numerator plus all other dwelling Units and building sites on the land which benefits from such mains. Notwithstanding the foregoing, all such expenses are to be paid and shared only if such expenses are not borne by a governmental agency or public utility and the expense sharing shall be applicable only to utility mains and the expenses of maintenance, upkeep, repair and replacement of utility leads shall be borne by individuals Co-Owners to the extent such leads are located on the Condominium Project and by the owner or owners of the land upon which are located the dwelling which such lead or leads service.

The Developer reserves, for the benefit of itself and its successors and assigns, the right at any time prior to the two years after the expiration of the Development and Sales Period to grant easements for utilities over, under and across the Condominium Project to appropriate governmental agencies or public utility companies and to transfer title of utilities to state, county or local government. Any easements or transfers of title may be covered by the Developer without the consent of any Co-Owner, mortgagee or other person and shall be evidenced by an appropriate amendment to this Master Deed and to Exhibit "B" hereto, recorded in the Huron County Records. 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 any amendment or amendments of this Master Deed to effectuate the foregoing easement or transfer of title. Specifically, the Developer reserves the right at any time to dedicate to the public a Road Right-of-Way of such width, up to a maximum of sixty-six (66) feet, as may be required by the government agency having jurisdiction over the Roadway in the Project, shown as a General Common Element in the Condominium Subdivision Plan. Any such right-a-way dedication may be made by the Developer during the Construction and Sales Period and by the Association thereafter without the consent of any Co-Owner, mortgagee, land contract vendor or other person and shall be evidenced by an appropriate amendment to this Master Deed and to the Condominium Subdivision Plan and recorded in the Huron County Records. Such dedication shall be made upon request thereafter by the governmental agency having jurisdiction. 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.

9.3 Grant of Easements by Association. The Association, acting through its lawfully constituted Board of Directors shall be empowered and obligated to grant any easements, licenses, rights-of-entry and rights-of-way over, under and across the Condominium or with respect to easements across other land benefitting the Condominium Premises for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the Condominium Project, subject, however, to the approval of the Developer so long as the Development and the Sales Period has not expired. No easements created under the Condominium Documents may be modified, nor may any of the obligations with respect thereto be varied, without the consent of each person benefitted or burdened thereby.

9.4 Easements For Maintenance, Repair and Replacement. The Developer, the Association and all public and private utilities shall have any easements as may be necessary over the Condominium Project, including all Units and Common Elements, to fulfill any responsibilities of maintenance, repair, decoration or replacement which they or any of them are required or permitted to perform under the Condominium Documents or by law or to respond to any emergency or common need of the condominium. While it is intended that each Co-Owner shall be solely responsible for the performance and costs of all maintenance, repair and replacement of and decoration of the Condominium Residence and all other appurtenances and improvements constructed or otherwise located within his Unit and its appurtenant Limited Common Elements, it is nevertheless a matter of concern that a Co-Owner may fail to properly maintain the exterior of his Unit or any Limited Common Elements appurtenant thereof in a proper manner and in accordance with the standards set forth in Condominium Bylaws. Therefore, in the event a Co-Owner fails, as required by this Master Deed or the Condominium Bylaws, to properly and adequately maintain, decorate, repair, replace or otherwise keep his Unit or any improvements or appurtenances located therein or any Limited Common Elements appurtenant thereto, the Association (and/or the Developer during the Development and Sales Periods) shall have the right, and all necessary easements in furtherance thereof, (but not the obligation) to take whatever action or actions it deems desirable to so maintain, decorate, repair or replace the Unit, its appurtenances or any of its Limited Common Elements, if any, all at the expenses of the Co-Owner of the Unit. Failure of the Association (or the Developer) to take any action shall not be deemed a waiver of the Association's (or the Developer's) right to take any such action at a future time. 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 paid in full along with and as part of his monthly 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 actions, foreclosure of the lien securing payment and imposition of fines.

9.5 Telecommunications Agreement. 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 make or cause to be made any installation and/or grant any easements, licenses and other rights of entry, use and access and to enter into any contract or agreement, including wiring agreements, right-of-way agreements, access agreements and multi-unit 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 provided for telecommunication, videotext, broad band cable, satellite dish, earth antenna

and similar services (collectively, "Telecommunications") to the Project or any Unit therein. 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 any telecommunications or other company or entity in connection with such service, including fees, if any, for the privilege of installing any telecommunications-related equipment or sharing periodic subscriber service fees, shall be receipts affecting the administration of the Condominium Project within the meaning of the Act and shall be paid over to and shall be the property of the Association.

9.6 Other Community Easements. The Developer or the Association shall have the right to grant such further easements, including without limitation, easements for access purposes over or with respect to General Common Elements of the Condominium as may be necessary or desirable in furtherance of development, community usage, coordinated maintenance and operation of the Condominium.

9.7 Reciprocal Easements, Covenants And Restrictions. This Master Deed is subject to the documents and agreements referred to in Article 2 hereof and Developer hereby expressly confirms the reservation of rights in creation of obligations set forth in those documents.

ARTICLE 10

AMENDMENT

10.1 Modification of Units or Common Elements. No Unit dimension may be modified in any material way without the consent of the Co-Owner and mortgagee of the Unit to be modified nor may the nature or extent of Limited Common Elements, if any, or the responsibility for maintenance, repair or replacement of any Common Elements be modified without the written consent of the Co-Owner and mortgagee of any Unit to which the Limited Common Elements are appurtenant or serve, except as otherwise expressly provided to the contrary in other portions of this Master Deed, the Condominium Bylaws and/or other Condominium Documents.

10.2 By Developer. Prior to two years after the expiration of the Development and Sales Period, the Developer may (without the consent of any Co-Owner 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 any documents and to make any other amendments to the Master Deed and to the Condominium Bylaws attached hereto as Exhibit "A" and other Condominium Documents as do not materially affect any rights of any Co-Owners or mortgagee in the Project.

10.3 Change in Percentage of Value. The value of the vote of any Co-Owner and the corresponding proportion of common expenses assessed against any Co-Owner shall not be modified without the written consent of the affected Co-Owner and his mortgagee nor shall the percentage of value assigned to that Unit be modified without like consent, except as otherwise provided herein.

10.4 Developer Approval. During the Development and Sales Period, the Condominium Documents shall not be amended nor shall the provisions thereof be modified in any way without the written consent of the Developer.

10.5 Termination, Vacation, Revocation, Abandonment. The Condominium Project may not be terminated, vacated, revoked or abandoned without the written consent of 66⅔% of all non-developer Co-Owners. The right of the Developer to contract the Project shall not be affected by this Section.

10.6 Mortgagee Consent. Whenever a proposed amendment would materially alter or change the rights of mortgagees generally, then the amendments shall require the approval of 66⅔% of all mortgagees of records allocating one vote for each mortgage held.

10.7 Amendment. Except as otherwise specifically provided herein, the Master Deed and the condominium may be amended with the consent of 66⅔% percent of the Co-Owners.

ARTICLE 11

OPERATIVE PROVISIONS

11.1 Amendment of Master Deed and Modification of Percentage of Value. Any changes in size of the Condominium Project pursuant to Article 7 or 8 shall be given effect by an appropriate amendment or amendments to this Master Deed in the manner provided by law, which amendment or amendments shall be prepared by and at the discretion of the Developer or its successors and in which the percentages of value set forth in Article 5, above, shall be proportionately adjusted or readjusted or readjusted in order to preserve a total value of 100% for the entire Project resulting from any amendment or amendments to this Master Deed. The precise determination of the adjustments or readjustments in percentages or value shall be within the sole judgment of the Developer. The adjustments or readjustments, however, shall reflect a continuing reasonable relationship among percentages of value based upon the method of original determination of percentages of value for the Project.

11.2 Redefinition of Common Elements. The amendment or amendments to this Master Deed shall also contain any further definitions and redefinition's of Common Elements as may be necessary to adequately describe, provide access to and service the additional phase being added to the Project by the amendment. In connection with any amendment or amendments, the Developer shall have the right to change the nature of any Common Element previously included in the Project for any purpose reasonably necessary to achieve the purposes of this Article.

11.3 Consents of Interested Persons. 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 any amendment or amendments of this Master Deed as may be proposed by Developer to effectuate the purposes of Articles 7 and 8 and to any proportionate reallocation of percentages of value of existing Units which the Developer or its successors may determine necessary in conjunction with any amendment or amendments. All interested persons irrevocably appoint the Developer, or its successors, their agent and attorney-in-fact for the purpose of execution of any amendments to this Master Deed and all other documents necessary to effectuate the foregoing. Amendments may be effected without the necessity of re-recording an entire Master Deed or the Exhibits thereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits

hereto; provided, however, that a Consolidating Master Deed, when recorded, shall supersede the previously recorded Master Deed and all amendments thereto.

11.4 Consolidating Master Deed (optional). A Consolidating Master Deed shall be recorded pursuant to the Act when the Project is finally completed as determined by the Developer in order to incorporate into one set of instruments all successive stages of development. The Consolidating Master Deed, when recorded, shall supersede the previously recorded Master Deed and all amendments thereto. In the event the Units and Common Elements in the Condominium are established in substantial conformance with the proposed Condominium Subdivision Plan attached as Exhibit "B" to this Master Deed, the Developer shall be able to satisfy the foregoing obligation by the filing of a certificate in the office of the Huron County Register of Deeds confirming that the Units (but not the structures thereon) and Common Elements "as built" are in substantial conformity with the proposed Condominium Subdivision Plan and that no Consolidating Master Deed need be recorded.

ARTICLE 12

DEVELOPER'S RIGHT TO USE FACILITIES

Developer, its successors and assigns, agents and employees may maintain such offices, reasonable parking, storage areas and other facilities on the premises of the Condominium Project as it deems necessary to facilitate the development and sale of the Project. Developer shall have such access to, from, and over the Project as may be reasonable to enable the development and sale of Condominium Project. Developer shall pay the cost related to such use and restore the facilities to habitable status upon termination of such use.

ARTICLE 13

ASSIGNMENT

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

"DEVELOPER"

WITNESSES:

PTE. AUX BARQUES DEVELOPMENT, INC.

Carol J. Macey
Carol J. Macey

By: William L. Serra
WILLIAM L. SERRA
Its President

Mary K. Walorop
MARY K. WALOROP

STATE OF MICHIGAN)
) §
COUNTY OF MACOMB)

On this 26th day of DECEMBER, 2000, the foregoing Master Deed was acknowledged before me by WILLIAM L. SERRA, in his capacity as President of Pte. Aux Barques Development, Inc., a Michigan Corporation.

Mary K. Walorop
Notary Public Lapeer County Acting in
MACOMB County, Michigan
My Commission Expires: 6/11/2002

MARY K. WALOROP
Notary Public, Lapeer County, MI
My Commission Expires June 11, 2002

C:\Misc\Serra\Master Deed - Condo Docs

CONSENT OF MORTGAGEE TO RECORDING OF MASTER DEED

Macomb Community Bank consents to the recording of a Master Deed upon certain property (see attached legal description) upon which it has a mortgage, as recorded in Liber 821, pages 555, 561 inclusive of Huron County Records.

WITNESSES:

Janet Alcini
Janet Alcini
Wendy Dyda
Wendy Dyda

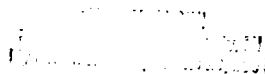
MACOMB COMMUNITY BANK

By: Sam A. Locricchio
Sam A. Locricchio
Its: Executive Vice-Pres.

STATE OF MICHIGAN)
)SS
COUNTY OF MACOMB)

On this 22nd day of December, 2000, before me personally appeared Sam A. Locricchio, who, being first duly sworn, acknowledges that he signed this Consent of Mortgagee to Recording of Master Deed on behalf of Macomb Community Bank.

Janet K. Alcini
Notary Public, Macomb County, MI
My commission expires:



Legal Description

Commencing at the northeast corner of Section 29, Township 19 north, Range 13 east, Port Austin Township, Huron County, Michigan; thence South 0 degrees 13 minutes 27 seconds east, 460.32 feet along the north and south quarter line of said Section 29; thence south 88 degrees 44 minutes 40 seconds west, 33.01 feet to the point of beginning; running thence south 0 degrees 13 minutes 27 seconds east, 100.0 feet along the westerly right of way line of Hellems Road; thence south 88 degrees 44 minutes 40 seconds west, 238.65 feet; thence north 48 degrees 22 minutes 39 seconds east, 154.37 feet along the southeasterly right of way line of a private road; thence north 88 degrees 44 minutes 40 seconds east, 122.83 feet along the southerly right of way line of a private road to the point of beginning. Being in and a part of the northeast quarter of Section 29, Township 19 north, Range 13 east, Port Austin Township, Huron County, Michigan. Subject to easements and rights of way of record.

Parcel Identification No.: 332-0029-001-00

Commonly known as: 8879 Hellems Road, Port Austin Twp.

EXHIBIT "A" TO THE MASTER DEED

CONDOMINIUM BYLAWS

PTE. AUX BARQUES BEACH CLUB CONDOMINIUM

TABLE OF CONTENTS

ARTICLE 1 - ASSOCIATION OF CO-OWNERS	1
1.1 Formation; Membership	1
1.2 Definitions	1
1.3 Voting	1
A. Vote	1
B. Eligibility to Vote	2
C. Designation of Voting Representative	2
D. Annual Meeting	2
E. Quorum	2
F. Voting	2
G. Majority	2
H. Other Provisions	3
1.4 Association Bylaws	3
1.5 Any Dispute, Claim or Grievance	3
ARTICLE 2 - ASSESSMENTS	3
2.1 Personal Property Taxes Assessed Against Association	3
2.2 Expenditures and Receipts Affecting Administration of the Project	3
2.3 Determination of Assessments	4
A. Budget	4
B. Special Assessment	4
C. Other Assessments	4
2.4 Appointment of Assessments and Penalty for Default	5
2.5 Waiver of Use or Abandonment of Unit	5
2.6 Enforcement	6
A. Foreclosure Proceedings	6
B. Notice of Actions	6
C. Other Remedies	7
D. Expenses of Collection	7
2.7 Liability of Mortgagee	7
2.8 Developer's Responsibility for Assessments	7
2.9 Taxing Authority	8
2.10 Liens	8
2.11 Statement as to Unpaid Assessments	8
ARTICLE 3 - JUDICIAL ACTIONS AND CLAIMS	8
3.1 Board of Directors' Recommendation to Co-Owners	9
3.2 Litigation Evaluation Meeting	9
3.3 Independent Expert Opinion	10
3.4 Fee Agreement with Litigation Attorney	10

3.5	Co-Owner Vote Required	10
3.6	Litigation Special Assessment	10
3.7	Attorney's Written Report	11
3.8	Monthly Board Meetings	11
3.9	Changes in the Litigation Special Assessment	11
3.10	Disclosure of Litigation Expenses	11
ARTICLE 4 - INSURANCE		12
4.1	Extent of Coverage	12
A.	Responsibility of Association	12
B.	Insurance of Common Elements	12
C.	Premium Expenses	12
D.	Proceeds of Insurance Policies	12
4.2	Authority of Association to Settle Insurance Claim	12
4.3	Responsibilities of Co-Owners	13
4.4	Waiver of Right of Subrogation	13
4.5	Indemnification	13
ARTICLE 5 - RECONSTRUCTION OR REPAIR		14
5.1	Association Responsibility for Repair	14
5.2	Timely Reconstruction And Repair	14
5.3	Co-Owner's Responsibility	14
5.4	Eminent Domain	14
A.	Taking Of General Common Elements	14
B.	Taking Of Unit Or Improvements Thereon	15
C.	Continuation of Condominium After Taking	15
D.	Notification of Mortgagees	15
E.	Applicability of the Act	15
5.5	Priority of Mortgage Interest	15
ARTICLE 6 - ARCHITECTURAL AND BUILDING		
SPECIFICATIONS AND USE RESTRICTIONS		15
6.1	Architectural Review Committee	15
6.2	Preliminary Plans	16
6.3	Plans and Specifications	16
6.4	Disapproval of Plans or Improvements	16
6.5	Approval Time Schedule	17
6.6	Committee Approval	17
6.7	Review Fee	17

ARTICLE 7 - BUILDING AND USE RESTRICTIONS	17
7.1 Purpose	17
7.2 General Conditions	17
7.3 Residential Use	18
7.4 Leasing and Rental	18
7.5 Building On Unit	19
7.6 Character and Size of Building	19
7.7 Exterior of Buildings	19
7.8 General Common Elements	19
7.9 Lot Splits	19
7.10 Maintenance of Improvements	19
7.11 Prohibited Buildings	20
7.12 Pools	20
7.13 Fences	20
7.14 Construction Period	20
7.15 Construction Activity and Environmental Controls	20
7.16 Permitted Activity on Unit or Within Project	20
7.17 Animals	21
7.18 Vehicles, Boats and Other Modes of Transportation	21
7.19 Parking Restrictions	21
7.20 Tents; Trailers	21
7.21 Sales Agency and/or Business Office	21
7.22 Destruction of Building by Fire, Etc.	21
7.23 Litter and Pollution	22
7.24 Sanitary Sewage System	22
ARTICLE 8 - MORTGAGES	22
8.1 Notice to Association	22
8.2 Insurance	22
8.3 Notification of Meetings	22
ARTICLE 9 - AMENDMENTS	22
9.1 Proposal	22
9.2 Meeting	23
9.3 Voting	23
9.4 When Effective	23
9.5 Binding	23
ARTICLE 10 - COMPLIANCE	23
ARTICLE 11 - REMEDIES FOR DEFAULT	24
11.1 Relief	24
A. Legal Action	24

B.	Recovery of Costs	24
C.	Removal and Abatement	24
D.	Assessment of Fines	24
11.2	Non-Waiver of Right	24
11.3	Cumulative Rights, Remedies and Privileges	24
11.4	Enforcement of Provisions of Condominium Documents	25
ARTICLE 12 - ASSESSMENT OF FINES	.....	25
12.1	General	25
12.2	Procedures	25
A.	Notice	25
B.	Opportunity to Defend	25
C.	Default	25
D.	Hearing and Decision	25
12.3	Amounts	25
12.4	Collection	26
ARTICLE 13 - RIGHTS AND POWERS RESERVED TO DEVELOPER AND/OR ASSOCIATION	.....	26
ARTICLE 14 - FIRST ANNUAL MEETING OF CO-OWNERS	.....	27
ARTICLE 15 - ADVISORY COMMITTEE	.....	28
ARTICLE 16 - BOARD OF DIRECTORS	.....	29
16.1	Management Agent	29
16.2	Actions of the First Board of Directors	29
16.3	Officers	29
ARTICLE 17 - RECORDS	.....	30
ARTICLE 18 - INDEMNIFICATION OF OFFICERS AND DIRECTORS	.....	30
18.1	Third-Party Actions	30
18.2	Actions in the Right of the Association	31
18.3	Mandatory And Permissive Payments	31
18.4	Expenses Advances	32
18.5	Insurance	32
18.6	Constituent Corporations	32
18.7	Continuation Of Indemnification	32
ARTICLE 19 - SEVERABILITY	.....	32

CONDOMINIUM BYLAWS

PTE. AUX BARQUES BEACH CLUB

HURON COUNTY

ARTICLE 1

ASSOCIATION OF CO-OWNERS

1.1 Formation; Membership . Pte. Aux Barques Beach Club, a residential condominium project located in the Township of Port Austin, County of Huron, Michigan shall be administered by an association of Co-owners which shall be a non-profit corporation, hereinafter called the "Association," organized the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Master Deed these Bylaws, the Article of Incorporation, Bylaws and duly adopted rules and regulations of the Association, and the laws of the State of Michigan. These Bylaws shall constitute the Bylaws referred to in the Master Deed and required by Section 3 (B) of the Act. Each Co-owner shall be entitled to membership and no other person or entity shall be entitled to membership; provided, however, that no contractor or builder (other than Developer) who purchases for resale shall be deemed a Co-owner entitled to membership. In the event of a contractor or builder described above shall be deemed the Co-owner and 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 of his Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed and other Condominium Documents for the Condominium Project available at reasonable hours to Co-Owners, prospective purchases and prospective mortgagees of Units in the Condominium Project. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any unit therein or in the Common Elements thereof shall be subject to the provisions and terms set forth in the Condominium Documents.

1.2 Definitions. Capitalized terms used herein without further definition shall have the meaning ascribed to them in the Master Deed or the Act unless the context dictates otherwise.

1.3 Voting. Voting by members of the Association shall be in accordance with the following:

A. Vote. Except as limited in these Bylaws, each Co-owner shall be entitled to one vote for each Unit owned.

B. Eligibility to Vote. No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until that Co-owner has presented evidence of ownership of a Unit in a Condominium Project to the Association. Except as provided in Section 13.1 of these Bylaws, no Co-Owner, other than the Developer, shall be entitled to vote prior to the first annual meeting of members held in accordance with Section 14.1. The vote of each Co-owner may only be cast by the individual representative designated by the Co-owner in the notice required in Subsection C, below, or by a proxy given by the 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 the period notwithstanding the fact that the Developer may own no Units at some time or from time to time during that period. At and after the first annual meeting of members, the Developer shall be entitled to one vote for each Unit which it owns.

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

D. Annual Meeting. There shall be an annual meeting of the members of the Association commencing with the first annual meeting held as provided in Section 14.1. Other meetings may be provided for in the Bylaws of Pte. Aux Barques Beach Club Condominium Association, a Michigan non-profit corporation (the "Association Bylaws"). Notice of time place and subject matter of all meetings shall be given as provided in the Association Bylaws.

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

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

G. Majority. A majority, except where otherwise provided herein, shall consist of more than 50% of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically

herein, a majority may be required to exceed the simple majority above set forth of designated voting representatives present in person or by proxy, or by written ballot, if applicable, at a given meeting of the members of the Association.

H. Other Provisions. Other provisions as to voting by members, not inconsistent with the provisions herein contained, may be set forth in the Association Bylaws.

1.4 Association Bylaws. The Association shall provide the designation, number, terms of office, qualifications, manner of election, duties, removal and replacement of the officers of the Association and may contain any other provisions pertinent to officers of the Association in furtherance of the provisions and purposes of the Condominium Documents and not inconsistent therewith. Officers may be compensated but only upon the affirmative vote of more than 66% of all Co-owners.

1.5 Any Dispute, Claim, or Grievance. Any dispute, claim, or grievance arising out of, or relating to, the interpretation or application of the Declaration (Michigan: Master Deed), bylaws, or management agreement, if any shall, upon request of the parties thereto, be submitted to arbitration before the disinterested members of the Board; or, if the Board or the Association is a party, each party shall select an arbitrator and both of the arbitrators so selected shall in turn select a third arbitrator. The commercial arbitration commenced hereunder, and the parties thereto shall accept the decision of the arbitrators as final and binding. The management agreement shall contain provisions making the section applicable to all parties thereto.

ARTICLE 2

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 Unit and the Co-owners thereof in accordance with the following provisions:

2.1 Personal Property Taxes Assessed Against Association. 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 administrative.

2.2 Expenditures and Receipts Affecting Administration of the Project. 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 Project shall constitute expenditures affecting the administration of the project, 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 Project shall constitute receipts affecting the administration of the Condominium Project, within the meaning of Section 54(4) of the Act.

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

A. Budget. The Board of Directors of the Association shall established an annual budget (the "Budget") in advance for each fiscal year and the Budget shall project all expenses for the forthcoming year which may be required for the proper operation, management, and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced by the Association on a periodic basis must be established in the Budget and must be funded by regular payments as set forth in Section 2.4, below, rather than by special assessments. At a minimum, the reserve fund shall be equal to 10% of the Association's current annual Budget on a non-cumulative basis. The Association of Co-owners should carefully analyze the needs and requirements of the Condominium Project to determine if a greater amount should be set aside or if additional reserve funds should be established for other purposes from time to time. Upon adoption of the Budget by the Board of Directors, copies of the Budget shall be delivered to each Co-Owner and the assessment for the year shall be established based upon the Budget, although the delivery of the copy of the Budget to the Co-owner shall not affect the liability of any Co-owner for any existing or future assessments. If the Board of Directors, at any time determines, in their sole discretion, that the assessments levied are or may prove to be insufficient (i) to pay the costs of operation and management of the Condominium; (ii) to provide repairs or replacements of existing Condominium Elements; (iii) to provide additions to the Common Elements not exceeding \$750.00 per year for the entire Condominium Project; or (iv) in the event of emergencies; then the Board of Directors shall have the authority to increase the general assessment or to levy additional assessment(s) as it shall deem necessary. The Board of Directors also shall have the authority, without Co-owner consent, to levy assessments for repair and reconstruction in the event of casualty pursuant to the provisions of Article V hereof. The discretionary authority of the Board of Directors to levy assessments pursuant to this Article shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by an creditors of the Association or the members thereof.

B. Special Assessment. Special assessments, in addition to those required in Subsection A, above, may be made by the Board of Directors from time to time (if approved by the Co-owners as hereinafter provided) to meet other needs or requirements of the Association, including, but not limited to (i) assessments for capital improvements for additions to Common Elements, (ii) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 2.6 hereof or (iii) assessments for any other appropriate purposes not elsewhere herein described. Special assessments referred to in Subsection B, (but not including those assessments referred to in Subsection A, above, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than 66% 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.

C. **Other Assessments.** In addition to the assessments set forth above, the Association shall collect a pro rata share from each Co-owner of all assessment's levied against the Association pursuant to the Declaration and other documents referred to in Article 2 of the Master Deed. The default and enforcement provisions contained in this Article and in Articles 10 and 11 shall apply with respect to the collection of all assessments levied pursuant to the foregoing documents.

2.4 **Appointment of Assessments and Penalty for Default.** Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with their percentage of value as set forth in the Master Deed. Annual assessments as determined in accordance with Subsection 2.3A, above shall be due by Co-owners as of the first day of each fiscal year of the Association and may be payable by the Co-owners in annual installments, the first of which shall be due on the first day of the fiscal year of the Association and the remaining annual installments due on the first day of each fiscal year of the Association thereafter. Notwithstanding the foregoing, the Board of Directors may accept semi-annual installments of payment of annual assessments. Assessments in default shall bear interest from the date of default (regardless of when notice of default is given) at the rate of the lesser of 7% per annum or the maximum legal rate of interest permitted by law, until paid in full. The Association may levy reasonable late charges or fines for late payment in addition to interest, including assessment of fines for chronic or continuing late payment of assessments. Each Co-owner (whether One or more persons) shall be, and remain, personally liable for the payment of all assessments pertinent to his Unit which may be levied, which Co-owner is the owner thereof (including interest, fines for late payment, late charges and all costs of collection and enforcement of payment), except that a land contract purchaser from any Co-owner (including the Developer) shall be so personally liable and the land contract seller shall not be personally liable for all assessments 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 as follows:

- A. The cost of collection and enforcement of payment, including actual attorneys' fees;
- B. To any interest charges and fines for late payment on the installments; and
- C. To installments in default in order to their due dates.

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

2.6 Enforcement. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by any lawful means, including but not limited to, a lawsuit for a money judgment or by foreclosures of the statutory lien that secures payment of assessments. In the event of default by any Co-owner and the payment of any installments of the assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of annual assessment for the pertinent fiscal year immediately due and payable.

A. Foreclosure Proceedings. Each Co-owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose 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 Project, shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Project acknowledges that at the time of acquiring title to such Unit, he was notified of the provisions of this Subsection 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 nonpayment prior to the sale of the subject Unit.

B. Notice of Actions. Notwithstanding the foregoing, neither a foreclosure action nor a lawsuit for a money judgment shall be commenced until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at their last known address of a written notice that one or more installments of the annual assessment or any special assessment(s) 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 (10) days after the date of mailing. Such written notice shall be accompanied by a written notice of lien in affidavit form and executed by an authorized representative or attorney of the Association that sets forth: (i) the affiant's capacity to make the affidavit; (ii) the statutory and other authority of 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-owners(s) of record. The notice of lien shall be recorded in the Office of the Register of Deeds in the county in which the Project is located prior to the commencement of any foreclosure proceeding, but it need not be recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the 10-day period, the Association may take such remedial action as may be available to it thereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notice the delinquent Co-owner and shall inform him that he may request a judicial hearing by bringing suit against the Association.

C. Other Remedies. In the event of default by any Co-owner in the payment of any installment of the annual assessment or any special assessment(s) levied against his Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year and all outstanding special assessments immediately due and payable. A Co-owner in default shall not be entitled to vote at any meeting of the Association and shall not be entitled to use any of the General Common Elements so long as the default continues. Other services to a Co-owner in default on seven days written notice of the Co-owner in default of its election to do so. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him. The Association shall be entitled to collect interest and all reasonable costs and expenses incurred in pursuing its default remedies as outlined above including, but not limited to actual attorneys' fees and/or legal expenses.

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

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

2.8 Developer's Responsibility for Assessments. The Developer of the Condominium, although a member of the Association, shall not be responsible at any time for payment of the regular Association assessments. The Developer, however, shall at all times pay expenses of maintaining the Units that it owns, including the improvements located thereon, together with a proportionate share of all current maintenance expenses actually incurred by the Association from time to time (excluding reserves) for street and utility maintenance, landscaping, sign lighting and snow removal but excluding management fees and expenses related to maintenance and use of those Units that are not owned by the Developer. For purposes of the foregoing sentence, the Developer's proportionate share of such expenses shall be based upon the ratio of all Units owned by the Developer at the time the expense is incurred to the total number of Units then in the Project. In no event shall the Developer be responsible for payment of any assessments for deferred maintenance, reserves for replacement, for capital improvements or other special assessments, except with respect to Units owned by it on which a completed building is located. Any assessments levied by the Association against the Developer for other purposes shall be void without the Developer's prior written consent. Further, the Developer shall in no event be liable for any assessment levied in whole or in part to purchase any Unit from the Developer or to finance any litigation or other claims against the Developer, any cost

of investigating and preparing such litigation or claim or any similar related costs. A "completed building" shall mean a building with respect to which a Certificate of Occupancy has been issued by the County of Huron.

2.9 Taxing Authority. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

2.10 Liens. Any construction lien arising pursuant to the laws of the State of Michigan will respect to the Condominium or any Unit therein shall be subject to Section 132 of the Act.

2.11 Statement As to Unpaid Assessments. Pursuant to the provisions of Section 111 of the Act, the purchaser of any Unit may request a statement from the Association setting forth the outstanding amount of any unpaid Association assessments thereon, whether regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated herein. Upon the payment of that sum which the period states, the Association's lien for assessments as to each Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request a statement at least five days prior to the closing of the purchase of such Unit, shall render any unpaid assessments and the lien securing the unpaid assessment, together with interest, costs and attorneys' fees incurred in the collection thereof, 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 amounts due the state, any subdivision thereto and first mortgages of record.

ARTICLE 3

JUDICIAL ACTIONS AND CLAIMS

Actions on behalf of and against the Co-owners shall be brought in the name of the Association. Subject to the express limitations on actions in these Bylaws and in the Association's Articles of Incorporation, the Association may assert, defend or settle claims on behalf of all Co-owners in connection with the Common Elements of the Condominium. As provided in the Articles of Incorporation or Bylaws of the Association, the commencement of any civil action (other than one to enforce these Bylaws or collect delinquent assessments) shall require the approval of a majority in number and in value of the Co-owners, and shall be governed by the requirements of this Article 3. The requirements of this Article 3 will ensure that the Co-owners are fully informed regarding the prospects and likely costs of any civil action the Association proposes to engage in, as well as the ongoing status of any civil actions actually filed by the Association. These requirements are imposed in order to reduce both the cost of litigation and the risk of improvident litigation, and in order to avoid the waste of the Association's assets in litigation where reasonable and prudent alternatives to

the litigation exist. Each Co-owner shall have standing to sue to enforce the requirements of this Article 3. The following procedures and requirements apply to the Association's commencement of any civil action other than an action to enforce these Bylaws or to collect delinquent assessments:

3.1 Board of Directors' Recommendation to Co-owners. The Association's Board of Directors shall be responsible in the first instance for recommending to the Co-owners that a civil action be filed, and supervising and directing any civil actions that are filed.

3.2 Litigation Evaluation Meeting. Before an attorney is engaged for purposes of filing a civil action on behalf of the Association, the Board of Directors shall call a special meeting of the Co-owners (the "Litigation Evaluation Meeting") for the express purpose of evaluating the merits of the proposed civil action. The written notice to the Co-owners of the date, time and place of the Litigation Evaluation Meeting shall be sent to all Co-owners not less than twenty (20) days before the date of the meeting and shall include the following information copied onto 8-1/2" x 11" paper.

A. A certified resolution of the Board of Directors setting forth in detail the concerns of the Board of Directors giving rise to the need to file a civil action and further certifying that: (i) it is in the best interest of the Association to file a lawsuit; (ii) that at least one member of the Board of Directors has personally made a good faith effort to negotiate a settlement with the putative defendant(s) on behalf of the Association, without success; (iii) litigation is the only prudent, feasible and reasonable alternative; and (iv) the Board of Directors' proposed attorney for the civil action is of the written opinion that litigation is the Association's most reasonable and prudent alternative.

B. A written summary regarding a "Litigation Attorney", which the Board of Directors recommends be retained to represent the Association in the proposed civil action, including the following information: (i) The number of years the Litigation Attorney has practiced law; and (ii) The name and address of every condominium and homeowner association for which the Litigation Attorney has filed a civil suit; and (iii) the court in which each civil action was filed.

C. The Litigation Attorney's written estimate of the amount of the Association's likely recovery in the proposed lawsuit, net of legal fees, court costs, expert witness fees and all other expenses expected to be incurred in the litigation.

D. The Litigation Attorney's written estimate of the cost of the civil action through a trial on the merits of the case (the "Total Estimated Cost"). The Total Estimated Cost of the civil action shall include the Litigation Attorney expected fees, court costs, expert witness fees, and all other expenses expected to be incurred in the civil action.

E. The Litigation Attorney's proposed written fee agreement.

F. The amount to be specially assessed against each Unit in the Condominium to fund the estimated cost of the civil action both in total and on a monthly per Unit basis, as required by Section 6 of this Article 3.

3.3 Independent Expert Opinion. If the lawsuit relates to the condition of any of the Common Elements of the Condominium, the Board of Directors shall obtain a written independent expert opinion as to reasonable and practical alternative approaches to repairing the problems with the Common Elements, which shall set forth the estimated costs and expected viability of each alternative. In obtaining the independent expert opinion required by the preceding sentence, the Board of Directors shall conduct its own investigation as to the qualifications of any expert and shall not retain any expert recommended by the Litigation Attorney or any other attorney with whom the Board of Directors consults. The purpose of the independent expert opinion is to avoid any potential confusion regarding the condition of the Common Elements that might be created by a report prepared as an instrument of advocacy for use in a civil action. The independent expert opinion will ensure that the Co-owners have a realistic appraisal of the condition of the Common Elements, the likely cost of repairs to or replacement of the same, and the reasonable and prudent repair and replacement alternatives. The independent expert opinion shall be sent to all Co-owners with the written notice of the Litigation Evaluation Meeting.

3.4 Fee Agreement with Litigation Attorney. The Association shall have a written fee agreement with the Litigation Attorney, and any other attorney retained to handle the proposed civil action. The Association shall not enter into any fee agreement that is a combination of the retained attorney's hourly rate and a contingent fee arrangement unless the existence of the agreement is disclosed to the Co-owners in the text of the Association's written notice to the Co-owners of the Litigation Evaluation Meeting.

3.5 Co-owner Vote Required. At the Litigation Evaluation Meeting the Co-owner shall vote on whether to authorize the Board of Directors to proceed with the proposed civil action and whether the matter should be handled by the Litigation Attorney. The commencement of any civil action by the Association (other than a suit to enforce these bylaws or collect delinquent assessments) shall require the approval of a majority in number and in value of the Co-owners. Any proxies to be voted at the Litigation Evaluation Meeting must be signed at least seven (7) days prior to the Litigation Evaluation Meeting.

3.6 Litigation Special Assessment. All legal fees incurred in pursuit of any civil action that is subject to Section 1 through 10 of this Article 3 shall be paid by special assessment of the Co-owners (the "Litigation Special Assessment"). The Litigation Special Assessment shall be approved at the Litigation Evaluation Meeting (or at any subsequent duly called and noticed meeting) by a majority in number and in value of all Co-owners in the amount of the estimated total cost of the civil action. If the Litigation Attorney proposed by the Board of Directors is not retained, the Litigation Special Assessment shall be in an amount equal to the estimated total cost of the civil action, as estimated by the attorney actually retained by the Association. The Litigation Special Assessment shall be apportioned to the Co-owners in accordance with their respective percentage of value interests in the Condominium and shall be collected from the Co-owners on a monthly basis. The total amount of the Litigation Special Assessment shall be collected monthly over a period not to exceed twenty-four (24) months.

3.7 Attorney's Written Report. During the course of any civil action authorized by the Co-owners pursuant to this Article IX, the retained attorney shall submit a written report (the "Attorney's Written Report") to the Board of Directors every thirty(30) days setting forth:

A. The Attorney's fees, the fees of any experts retained by the attorney and all other costs of the litigation during the thirty (30) day period immediately preceding the date of the Attorney's Written Report (the "Reporting Period").

B. All actions taken in the civil action during the Reporting Period, together with copies of all pleadings, court papers and correspondence filed with the court or sent to opposing counsel during the Reporting period.

C. A detailed description of all discussion with opposing counsel during the Reporting Period, written and oral, including, but not limited to, settlement discussions.

D. The costs incurred in the civil action through the date of the Attorney's Written Report, as compared to the attorney's estimated total cost of the civil action.

E. Whether the originally estimated total cost of the civil action remains accurate.

3.8 Monthly Board Meetings. The Board of Directors shall meet monthly during the course of any civil action to discuss and review:

A. The status of the litigation;

B. The status of settlement efforts, if any; and

C. The Attorney's Written Report

3.9 Changes in the Litigation Special Assessment. If, at any time during the course of a civil action, the Board of Directors determines that the originally estimated total cost of the civil action or any revision thereof is inaccurate, the Board of Directors shall immediately prepare a revised estimate of the total cost of the civil action. If the revised estimate exceeds the Litigation Special Assessment previously approved by the Co-owners, the Board of Directors shall call a special meeting of the Co-owners to review the status of the litigation, and to allow the Co-owners to vote on whether to continue the civil action and increase the Litigation Special Assessment. The meeting shall have the same quorum and voting requirements as a Litigation Evaluation Meeting.

3.10 Disclosure of Litigation Expenses. The attorney's fees, court costs, expert witness fees and all other expenses of any civil action filed by the Association (the "Litigation Expenses") shall be fully disclosed to Co-owners in the Association 's annual budget. The Litigation Expenses for each civil action filed by the Association shall be listed as a separate line item captioned "litigation expenses" in the Association's annual budget.

ARTICLE 4

INSURANCE

4.1 Extent of Coverage. The Association shall, to the extent appropriate in light of the nature of the General Common Elements of the Project, carry liability insurance and worker's compensation insurance in minimum amounts to be determined by the Developer or the Association in its discretion, but in no event less than what is customary for a project of this type. The Association shall carry any other insurance the Association may deem applicable, desirable or necessary, pertinent to the ownership, use and maintenance of the Common Elements of the Condominium Project and the administration of the Condominium Project. The Board of Directors shall have the right to require that the Association carry officer's and director's liability insurance in such amount determined by the Board of Directors. Such insurance shall be carried and administered in accordance with the following provisions.

A. Responsibility of Association. All 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.

B. Insurance of Common Elements. If determined necessary by the Board of Directors, all General Common Elements of the Condominium Project shall be insured against fire and other perils covered by a standard extended coverage endorsement, replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association. The Association shall not be responsible, in any way, for maintaining insurance with respect to Limited Common Elements, if any.

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, the Developer and the Co-owners and their mortgagees, as their interest may appear, provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article 5 of these bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction and in no event shall hazard insurance proceeds be used for any purpose other than for repairs, replacement or reconstruction of the project unless all of the institutional holders of first mortgages on Units in the Project have given their written approval.

4.2 Authority of Association To Settle Insurance Claims. Each Co-owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning insurance pertinent

to the Condominium Project and the General Common Elements appurtenant thereto, with such insurers as may from time to time provide such insurance for the Condominium Project. Without limiting the generality of the foregoing, the Association as said attorney, to the extent authorized by the Board of Directors, shall have full power and authority to purchase and maintain such insurance, to collect and remit premium therefor, to collect proceeds and to distribute the same to the Association, the Developer, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to settle all insurance claims, to execute releases of liability and to execute all documents and to do all things on behalf of the Co-owners and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

4.3 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 Unit owned by such Co-owner and for the Co-owner's personal property located therein or thereon or elsewhere on the Condominium Project. All policies shall contain standard mortgage clauses naming the mortgagees or the services of mortgages, as the case may be. There is no responsibility on the part of the Association to insure any such improvements or personal property whatsoever. All insurance each Co-owner is required to carry shall be an amount equal to the full replacement value, excluding foundation and excavation costs. Each Co-owner shall be obligated to obtain insurance coverage for personal liability for occurrences associated with his Unit (naming the Association and the Developer as additional insurers), 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 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. Each policy shall provide for notification to the Association and each first mortgage holder named in the mortgage clause at least 10 days prior to cancellation or material change in coverage. 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 thereunder. In the event of the failure of a Co-owner to obtain such insurance or to provide evidence thereof to the Association, the Association may obtain such insurance on behalf of such Co-owner and the premiums therefor shall constitute a lien against the Co-owner's Unit which may be collected from the Co-owner in the same manner that Association assessments may be collected in accordance with Article 3 hereof.

4.4 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 the Co-owner or the Association.

4.5 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 any other Co-owners, the Developer or the Association may suffer as a result of defending any claim arising out of an occurrence or within an 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 4.5 shall not be constructed to give any insurer any subrogation rights or other right or claims against any individual Co-owner, whatsoever.

ARTICLE 5

RECONSTRUCTION OR REPAIR

5.1 Association Responsibility For Repair. Except as otherwise provided in the Master Deed, the Association shall be responsible for the reconstruction, repair and maintenance of the General Common Elements. Immediately after 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 replace the damaged property to a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association or if at any time during such reconstruction or repair, or upon completion of the reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property insufficient amounts to provide funds to pay the estimated or actual cost of repair.

5.2 Timely Reconstruction And Repair. If damage to General Common Elements or a Unit adversely affects the appearance or utility of the Project, the Association or Co-owner responsible for the reconstruction, repair and maintenance thereof shall thereafter proceed with replacement of the damaged property without delay.

5.3 Co-owner's Responsibility. Each Co-owner shall be responsible for all landscaping, maintenance, decoration, repair, and replacement required within his Unit, appurtenant Limited Common Elements and as otherwise provided in Article 4 of the Master Deed.

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

A. Taking of General Common Elements. If any portion of the General Common Elements is taken by eminent domain, the award shall be allocated to the Co-owners and their mortgagees in proportion to their respective undivided interests in the Common Elements and the affirmative vote of more than 50% of the Co-owners shall determine whether to rebuild, repair or replace the portions so taken or to take any other action as they deem appropriate. The Association, acting through its Board of Directors, may negotiate on behalf of all Co-owners for any taking of Common Elements and any negotiated settlement approved by not less than 66% of the Co-owners shall be binding on all Co-owners.

B. Taking of Unit or Improvements Thereon. In the event of any taking of all or any portion of a Unit or any improvements thereon by eminent domain, the award for that taking shall be paid to the Co-owner of that 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, that Co-owner and his mortgagee shall, after acceptance of the condemnation award thereafter, be divested of all interest in the Condominium Project.

C. Continuation of Condominium After Taking. In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be re-surveyed and the Master Deed amended accordingly, and, if any unit shall have been taken, then Article 5 of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentage of value of the remaining Co-owners based upon the continuing value of the Condominium of 100%. The amendment maybe affected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval by any Co-owner, but only with the prior written approval of all institutional holders of first mortgage liens on individual Units in the Project.

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 of 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.

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

ARTICLE 6

ARCHITECTURAL AND BUILDING SPECIFICATIONS AND USE RESTRICTIONS

6.1 Architectural Review Committee. No Condominium Residence, fence, wall, outbuilding or other structure or exterior improvements shall be commenced, erected or maintained on any Unit or any Limited Common Element appurtenant thereto, nor shall any exterior addition to or change or alteration therein or change in the exterior appearance thereof be made until the plans and specifications showing in the kind size, shape, height, colors, materials, topography and location

of the same on the Unit shall have been submitted to and approved in writing by the Architectural Review Committee (the "Committee"). The Committee shall be composed of two (2) persons appointed by the Developer. Committee members are not required to be members of the Association, and may be employees, officers, directors, agents or affiliates of the Developer. Each member of the Committee shall serve until he or she resigns or is replaced by a subsequent appointee. The Developer shall delegate or assign its power of appointment of Committee members to its successors, assigns or to the Association after all Units in the Condominium have been sold to persons other than builders. The Developer may make such delegations at any time sooner in its sole discretion. Neither the Developer nor the Committee shall have any liability whatsoever for the approval or disapproval of any plans or specifications.

6.2 Preliminary Plans. Preliminary plans may first be submitted to the Committee for preliminary approval.

6.3 Plans and Specifications. Plans and specifications for final approval by the Committee shall include the following:

A. Complete plans and specifications sufficient to secure a building permit in the Township and/or County, including a dimensional plot plan showing the lot or units and placement of all improvements.

B. Front elevation, side elevation and rear elevation of the building, plus elevations of any walls and fences.

C. A perspective drawing, if deemed necessary by the Committee, to interpret adequately the exterior design.

D. Data as to the size, materials, colors and textures of all exteriors, including roof coverings and any fences and walls.

E. One set of blueprints to be left with the Committee until construction is completed.

F. Any other data, drawings or materials with the Committee requests in order to fulfill its function.

6.4 Disapproval of Plans or Improvements. The Committee may disapprove plans because of non-compliance with any of the restrictions set forth in the Condominium Documents, or because of dissatisfaction with the grading and drainage plan, the location of the structure on the lot, the materials used, the color scheme, the finish, design, proportion, shape, height, style or appropriateness of the proposed improvements, landscaping or alteration of because of any matter of thing, which in the judgment of the Committee, would render the proposed improvement or

alteration inharmonious with or out of keeping with the objectives of the Committee, the Condominium, the Subdivision, or with improvements erected or to be erected on other units or lots in the Subdivision, including purely aesthetic considerations.

6.5 Approval Time Schedule. In the event that Committee fails to approve or disapprove plans within thirty (30) days after proper submission, then such approval will not be required, but all other limitations, conditions and restrictions set forth in the Condominium Documents shall apply and remain in force as to such plans.

6.6 Committee Approval. Committee approval shall be deemed given if the plans and specifications submitted for approval are marked or stamped as having been finally approved by the Committee and are dated and signed by two (2) members of the committee who were validly serving on the Committee on the date of such approval.

6.7 Review Fee. The Committee may charge a review fee to any Co-owner for the purposes of reviewing plans for the construction of a building. The fee may not be utilized for the purposes of paying salaries to any members of the Committee, but shall be utilized exclusively for the purposes of reimbursing actual expenses of the Committee, including but not limited to, professional review fees of independent consultants.

ARTICLE 7

BUILDING AND USE RESTRICTIONS

7.1 Purpose. These restrictions are intended to perpetuate a beautiful, serene, private single family residential community and to enhance the value of property within the Project. To that end, the natural environment will be preserved and controlled for the common good and the quality of all Condominium Residences and improvements constructed shall be harmonious and meet certain minimum aesthetic standards in order to maximize friendly and tranquil relations among Co-owners. Individual responsibilities are clarified based on mutual respect, and certain conduct is prohibited, based on common sense. Finally, enforcement of these restrictions and flexibility to provide future reasonable regulations to meet changing circumstances and needs of future Co-owners is vested in the Association.

7.2 General Conditions. The following general conditions shall be in effect:

A. Co-owners shall maintain their Condominium Residences and Units in a good and attractive condition and prevent the development of any unclean, unsightly conditions that negatively affect the views from adjacent Units or the natural Beauty of the Project as a whole.

B. Co-owners shall maximize the use of parking areas to assure the visibility of vehicles from roads and other Units is minimized.

C. Co-owners shall store garbage and trash in covered sanitary containers inside utility rooms or basements, and not on the Unit or Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection.

D. Co-owners shall be responsible for damage or disruption to the Common Elements including roads, drains, sewer, water, gas, plumbing, electrical, telephone, and other utility lines and conduits.

E. Co-owners shall treat all other Co-owners and their guests with respect and courtesy at all times.

F. Co-owners shall endeavor to participate in Association affairs to the maximum possible extent. Co-owners shall be responsible to see that they and their guests and invitees observe the restrictions and terms and conditions of these Bylaws and Master Deed at all times.

7.3 Residential Use. All Units shall be used for residential purposes only and no building of any kind whatsoever shall be erected, re-erected, moved or maintained thereon except a Condominium Residence on each Unit as hereinafter provided. Each Condominium Residence shall be designed and erected for occupation by a single family.

7.4 Leasing and Rental. A Co-owner may lease his or her Unit for the same purposes set forth in Section 7.1; provided that no Co-owner shall lease less than an entire Unit and no tenant shall be permitted to occupy a Unit except under written lease, the term of which shall not be less than six months. The terms of all leases and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents and all tenants shall comply with the terms and conditions of the Condominium Documents. In the event a Co-owner desires to rent a Unit, the Co-owner shall so notify the Association at least ten (10) days prior to the occupancy of the Unit by the proposed tenant, and at the same time, shall supply the Association with the name of the proposed tenant and the term of the lease. If the Association, at any time, determines that the tenant or other occupant has failed to comply with the terms and conditions of the Condominium Documents, the Association may, but shall not be obligated to, notify the Co-owner of the alleged violation. The Co-owner shall have five (5) days after the receipt of the notice to investigate and correct the alleged violation or to advise the Association that no violation has occurred. If after the five (5) days period of the Association believes that the alleged breach has not been cured or may be repeated, then the Association may, but shall not be obligated to, institute on its behalf or derivatively by the Co-owner on behalf of the Association, if it is under the control of the Developer, an action for eviction against the tenant or other occupant and simultaneously for money damages against the Co-owner and tenant or other occupant for breach of the conditions of the Condominium Documents. The relief provided for this Section may be by summary proceeding. The Association may hold the Co-owner, tenant and other occupant liable for any damages to the General or Limited Common Elements caused by the Co-owners, the tenant or other occupant.

7.5 **Building On Unit.**- No mobile home may be affixed to or stored on any Unit at any time.

7.6 **Character and Size of Buildings.** No dwelling shall be constructed on any Unit of less than the following sizes, excluding basements, garage, porch and patio areas: (a) in the case of a one-story building, the living area thereof shall be not less than one thousand three hundred [1,300] square feet and be at least 28 feet in width facing the front yard; (b) in the case of a one and one-half story building, the living area thereof shall not less than one thousand five hundred [1,500] square feet and be at least 28 feet in width; and (c) in the case of a two-story building, the living area shall be not less than one thousand six hundred [1,600] square feet and be at least 28 feet in width facing the front yard. No building greater than two (2) stories shall be constructed on any Unit. All computations of square footage for the determination of the permissibility of erection of dwelling under this Section shall be exclusive of basements or similar areas which are not normally classified as useable areas.

7.7 **Elevations: Exterior of Buildings.** All dwellings built on any Unit shall have: (a) Front to back trusses or conventional roof framing element with minimum pitches of 5:12 and at least one side to side truss or conventional roof framing architectural element facing the front elevation with a minimum pitch of 6:12, Second floor dormers with lean-to roofs at rear elevations may have a minimum roof pitch of 4:12; (b) Dimensional or wood shingles; (c) Exteriors elevations shall be one of the following: (1) Brick Veneer, (2) Stone, (3) Wood siding with Brick Veneer and/or stone, (4) All Wood siding without exposed butt seams and with decorative brick or stone accents, (5) All Premium Vinyl Woods Grain Siding with decorative brick or stone accents, (6) All Log Construction. The use of the following exterior elevation construction materials is expressly prohibited: Cement Block, Cinder Block; Concrete; Aluminum; Slag; Plywood or other inferior wood siding substitutes such as Texture III; and Unpainted or Non-Factory painted windows and Doors. Colors of all exterior elevation materials shall be neutral or earth tone, white or black. Any exposed foundation walls shall be covered with materials compatible with the balance of the exterior elevation. All homes will have full basements. No used construction materials shall be utilized, except reclaimed brick. Front yards and Front elevations shall face the street.

7.8 **General Common Elements.** No building or any part thereof shall be erected on any part of the General Common Elements.

7.9 **Lot Splits.** Lot splits of a Unit are not permitted.

7.10 **Maintenance of Improvements.** Each Co-owner, at his sole cost and expense, shall keep all improvements on his Unit in good condition and in good repair at all times.

7.11 Prohibited Building. No carport, or any other outbuilding shall be constructed on any Unit, except for gazebos and woods barns, sheds of not less than 16 feet in height and not less than 100 square feet and not more than 1000 square feet at ground level. Barns will be set on garage side and have matching architectural colors and shingles, same as the home's authentic style and proportions with traditional roofs to match homes.

7.12 Pools. No above ground swimming pools shall be constructed on any unit without special permission.

7.13 Fences. With respect to the back yard, no walls, or other obstructions along boundary lines shall be permitted. Decorative wood privacy fencing not extending past the front or rear building lines (including rear patios and attached decks) and not lying within the conservation Easements shall be permitted within side yards. Decorative wood screening of dog runs, below ground swimming pools and hot tubs not living with the Conservation easement are also permitted. Decorative wood screening shall not exceed six feet in height.

7.14 Construction Period. During construction, every Unit shall be kept reasonably free and clear of construction debris and rubbish and in an orderly and neat appearance. Once begun, construction shall be completed within a reasonable time, which in no event shall exceed one year from the date such construction is started. No Unit shall be occupied unless completed according to approved plans and driveways have been graded. Within thirty (30) days following substantial completion, all unused construction material, equipment and supplies must be removed. Areas of any Unit disturbed by construction shall be finish graded and seeded with cover, as soon as construction activities and weather permits, but in no event, longer than three (3) months following occupancy.

7.15 Construction Activity and Environmental Controls. Certain areas within the Project are protected and restricted in perpetuity in the Condominium. In addition to the soil erosion and storm water protection measures required by law, all soils disturbed by construction with 20 feet of the Lake area must be covered with hay or straw. Such measures shall be maintained until permanent ground cover has re-established over disturbed soils. Violation of these restrictions may result in criminal penalties, civil damages as well as the imposition of restoration sanctions. In addition, the Michigan Department of Environmental Quality, the United States Department of Army Corps of Engineers, and other federal, state and local governmental agencies, enforcement also may be brought by private persons under the Michigan Environmental Protection Act. These restrictions shall remain in full force and effect, regardless of future changes in federal, state, or local laws regulating wetlands and notwithstanding issuance of any permits by any federal, state or local governmental agency, except for fill permitted, if any.

7.16 Permitted Activity on Unit or Within Project. (a) No activity shall be carried on at any Unit or on the Common Elements, which is dangerous, unsightly, unpleasant or is otherwise detrimental to the appearance of the Project or which becomes an annoyance to, endangers the security or property of others or unreasonably diminishes or destroys the quiet enjoyment of other Co-Owners; (b) no manufacturing, assembling or storage of materials or inventories shall be carried

out at any Unit; (c) no retail business shall be carried on at any Unit; (d) no unreasonably noisy activity shall occur at any time; (e) no activity shall be carried on that increases the normal cost of liability insurance of the Association; (f) hunting and trapping of birds, deer and other animals is prohibited; (g) the discharge of firearms and other weapons is prohibited; (h) no commercial signs shall be erected or displayed, except for one "For Sale" sign not exceeding six [6] square feet for a Condominium Residence may be placed on a Unit.

7.17 Animals. No more than four domestic animals, of which not more than two may be dogs, may be kept at any Unit any time. Any continually barking dog which is heard by other Co-Owners, shall not be permitted to remain, as determined by the Association in its sole discretion. No vicious or dangerous pets or animals shall be kept at any time. Pets causing any destruction or other nuisance at the Project shall not be permitted to remain. Pets are not allowed to run loose on any Unit or in the Project and Co-owners shall assure that all pets have such care and restraint so as not be obnoxious or offensive on account of noise, odor or unsanitary conditions and are leashed and attended while on the Common Elements at all times. Co-Owners shall immediately collect and dispose of fecal deposits of their pets. Co-Owners shall be responsible at all times for injury or damage caused by their pets. No pets will be allowed on beach area.

7.18 Vehicles, Boats and Other Modes of Transportation. Boats, camping trailers, personal watercraft, all-terrain vehicles, snowmobiles, and all vehicle trailers shall be parked within garages and barns; except that one boat and no more than two personal watercraft or two snowmobiles and/or two all-terrain vehicles may be parked outside any Unit at any time. No camping trailer shall be parked on any Unit for longer than three consecutive days in any week or for more than forty-five days per year.

7.19 Parking Restrictions. There shall be no parking within any roadways or road rights, from 12:00 a.m. to 7:00 a.m. Commercial vehicles and trucks shall be parked in garages, except for deliveries in the normal course of business.

7.20 Tents; Trailers. No tent or camping trailer shall be parked or placed on any site for longer than five (5) consecutive days in any week, or for more than forty-five(45) days per year.

7.21 Sales Agency and/or Business Office. Notwithstanding anything to the contrary herein, the Developer and/or any builder may construct and maintain a sales agency and/or business office on any Unit which they may own, or may use a model house for such purposes. The Developer and/or such builders may continue to maintain such a facility for use as long as they have an ownership interest in any Unit.

7.22 Destruction of Building By Fire, Etc. Any debris resulting from the destruction in whole or in part of any dwelling or building on any Unit shall be removed with all reasonable dispatch from such lot in order to prevent an unsightly or unsafe condition.

7.23 Litter and Pollution. No Co-owner shall throw or allow to accumulate on his or any other Unit or any Common Area, trash, refuse or rubbish of any kind. No Co-owner shall dump or otherwise dispose of chemicals, motor oil, paint, gasoline or petroleum distillates in, over or within the Condominium or the sanitary or storm drains serving the Condominium.

7.24 Sanitary Sewage System. To functionally operate the pressure sewer system within the Condominium, each single-family residence will buy and install (at the Owner's expense) a grinder pump from the Port Austin Sewer and Water Authority. This grinder pump will be installed by an approved contractor and will be owned by the Owner of the Unit to which it is installed. However, the grinder pump will be maintained and operated by the Port Austin Sewer and Water Authority, and the pump station will be located within an easement in front of each Unit, as shown on Exhibit "B" attached hereto.

ARTICLE 8

MORTGAGES

8.1 Notice to Association. Any Co-owner who mortgages his Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Units". The Association may, at the written request of a mortgagee of any Unit, report any unpaid assessments due from the Co-owners of such Unit. The Association shall give to the holder of any first mortgage covering any Unit in the Project written notification of any default in the performance of the obligations of the Co-owner of such unit that is not cured within 60 days.

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

8.3 Notification of Meetings. Upon request submitted to the Association, any institutional holder of a 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 9

AMENDMENTS

9.1 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 or more in

number of the members or by instrument in writing signed by them. Prior to the Transitional Control Date, these Bylaws may be amended by the Developer without approval from any other person so long as any amendment does not materially alter or change the right of a Co-owner or mortgagee.

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

9.3 **Voting.** Except as expressly limited in Section 9.4, these Bylaws may be amended by the Association at any regular annual meeting or a special meeting called for such purpose, by an affirmative vote of not less than 66% of all Co-owners and, if the amendment will materially alter or change the rights of mortgagees, then also with the written consent of not less than 66% of all mortgagees.

9.4 **When Effective.** Any amendment to these Bylaws (but not the Association Bylaws) shall become effective upon recording of the amendment in the Office of the Huron County Register of Deeds. Without the prior written consent of the Developer, no amendment shall be effective which will or might affect a right reserved to the Developer under the Condominium Documents.

9.5 **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 Project irrespective of whether any persons actually receive a copy of the amendment.

ARTICLE 10

COMPLIANCE

The Association of Co-owners and all present or future Co-owners, tenants, future tenants, or any other occupants or persons acquiring an interest in or using the facilities of the Project in any manner are subject to and shall comply with the Act, as amended, the Condominium Documents, and Rules and Regulations promulgated by the Association and other applicable laws. 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 Provisions of the Act shall govern.

ARTICLE 11

REMEDIES FOR DEFAULT

11.1 **Relief.** Except as may otherwise have been agreed pursuant to Article 3, any default by a Co-owner shall entitle the Association or another Co-owner to the following relief:

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

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

C. **Removal and Abatement.** The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements, Limited or General, or upon any Unit (but not inside any building) 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; provided, however, that no construction shall be altered or demolished except pursuant to judicial process. The Association shall have no liability to any Co-owner arising out of any removal and abatement.

D. **Assessment of Fines.** The Violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted board of Directors, of monetary fines for such violations in accordance with Article XI of these Bylaws.

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

11.3 **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 cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, not shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to that party at law or in equity.

11.4 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 12

ASSESSMENT OF FINES

12.1 General. The violation by any Co-owner, occupant, tenant or guest, of any of the 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 for violations whether they occur as a result of his personal actions or the actions of his guests, tenants or any other person admitted through such Co-owner to the Condominium Premises.

12.2 Procedures. Upon any such violation being alleged by the Board of Directors, the following procedures will be followed:

A. Notice. Notice of the violation (the "Notice"), including the Condominium Document provisions violated together with a description of the factual nature of the alleged offense set forth with reasonable specificity sufficient to 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 the Co-owner at the address as shown in the notice required to be filed with the Association pursuant to Subsection 1.3C of these Bylaws.

B. Opportunity To Defend. The offending Co-owner shall have an opportunity to appear before the Board of Directors and offer evidence in defense of the alleged violation. The appearance before the Board of Directors 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 response to the Notice constitutes a default.

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

12.3 Amounts. Upon violation of any of the provisions of the Condominium Documents and after default of the offending Co-owner or upon the decision of the Board of Directors as recited above, the Board of Directors shall have the right to authorize the Association to levy fines in the

form and amount determined by the Board of Directors, in its sole discretion. Such fines may, but not necessarily, include only a warning for a first offense if deemed appropriate by the Board of Directors, and the Board of Directors, at its option may increase the amount of fines for repeat or continued offenses, all as determined by the Board of Directors in its sole and absolute discretion.

12.4 Collection. The fines levied pursuant to Section 12.3 above, shall be assessed against the Co-owner and shall be due and payable within 30 days of the Co-owners receiving notice of such assessment for such fines. 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 2, Article 10 and Article 11 of these Bylaws.

ARTICLE 13

RIGHTS AND POWERS RESERVED TO DEVELOPER AND/OR ASSOCIATION

13.1 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 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 Development and Sales Period as defined in Article 3 of the Master Deed. 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, on the Developer's right 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 Architectural Review 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 any documents which shall not be terminable in any manner thereunder and which shall be governed only in accordance with the terms of their creation or reservation and not hereby).

13.2 No dwelling or other exterior improvement of any kind shall be constructed, nor shall any modification be made to the exterior of any Condominium Residence, unless detailed architectural plans and specifications (including a dimensioned plot plan showing conservation easements boundaries within twenty feet of all proposed construction activity, a proposed grading plan and drawings of all proposed building elevations) have been submitted to and approved in writing by the Association or the Architectural Review committee, as applicable. In approving or rejecting any plans, the reasonable suitability of the proposed structure, improvement or modification to the Site

and the degree of harmony with the overall Project and compliance with Condominium Bylaws shall be considered. The Association may waive any architectural control necessary to permit the movement of any historic home or structure to a site or the authentic reproduction of an historic home or structure on a site deemed compatible with the subdivision. The Association may regulate and make reasonable rules and regulations from time to time to implement and clarify the terms of these Bylaws. In order to have flexibility to meet unforeseen circumstances and changing needs and desires of future Co-owners, the Association may enact additional reasonable rules and regulations including, but not limited to:

- Use, maintenance and improvements to the Common Elements
- The disposal of garbage and trash
- Traffic, parking and pedestrian safety
- Perimeter security
- Uses and hours of operation of the subdivision park
- Future street lighting

If voluntary compliance can be achieved, the Association may impose fines for violations of these restrictions in accordance with Section 12.3 of these Bylaws. If court enforcement becomes necessary, the legal fees of the Association shall be assessed against any Owner in violation.

ARTICLE 14

FIRST ANNUAL MEETING OF CO-OWNERS

14.1 The first annual meeting of members of the Association may be convened only by the Developer and may be called in the Developer's discretion, at any time on or before the earlier of the dates provided for the first annual meeting in this Article 14. The date, time and place of meeting shall be set by the Board of Directors and at least 10 days' written notice shall be given to each Co-owner. Thereafter, an annual meeting shall be held on such date as is specified in the Association Bylaws. The phrase "Unit that maybe created" as used in this Section and elsewhere in the Condominium Documents means the maximum number of Units in all phases of the Condominium as stated in the Master Deed.

14.2 Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-Owners of 25% of the Units that may be created at least one director and not less than 25% of the Board of Directors of the Association shall be elected by non-Developer Co-owners. Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners of 50% of the Units that may be created, not less than 33 1/3% of the Board of Directors shall be elected by non-Developer Co-owners. Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners of 75% of the Units that may be created, and before conveyance of 90% of the Units, the first annual meeting shall be called and the non-Developer Co-owners shall elect all Directors on the Board of Directors, except that the Developer shall have the right to designate at

least one Director as long as the Developer owns and offers for sale at least 10% of the Units in the Project or as long as 10% of the Units that may be created remain unsold. When the required percentage levels of conveyance have been reached, the Developer shall notify the non-Developer Co-owners and request that they hold a meeting and elect the required Director or Directors, as the case may be.

14.3 Notwithstanding the formula provided in Section 14.2 above, 54 months after the first conveyance of legal or equitable title to a non-Developer Co-owner of a Unit in the Project, if title to not less than 75% of the Units that may be created have not been conveyed, the first annual meeting shall be called and the non-Developer Co-owners have the right to elect as provided in the Condominium Documents, a number of members of the Board of Directors of the Association equal to the percentage of Units they hold, and the Developer has the right to elect as provided in the Condominium Documents, a number of members of the Board of Directors equal to the percentage of Units which are owned by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in Section 14.2. Application of this Subsection does not require a change in the size of the Board of Directors as determined in the Condominium Documents.

14.4 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 Section 14.2, or if the product of the number of members of the Board of Directors multiplied by the percentage of Units held by the non-Developer Co-owners under Section 14.3 results in a right of non-Developer Co-owners to elect a fractional number of members of the Board of Directors, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board of Directors that the non-Developer Co-owners have the right to elect. After application of this formula, the Developer shall have the right to elect the remaining members of the Board of Directors. Application of this Subsection shall not eliminate the right of the Developer to designate one member as provided in Subsection A.

ARTICLE 15

ADVISORY COMMITTEE

15.1 Within one year after conveyance of legal or equitable title to the first Unit in the Condominium to a non-Developer Co-owner or within 120 days after conveyance to purchasers of legal or equitable title to one-third of the total number of Units that may be created, whichever first occurs, an advisory committee (the "Advisory Committee") of non-Developer Co-owners shall be established. The Advisory Committee shall meet with the Condominium Board of Directors for the purpose of facilitating communication and aiding the transition of control to the Association. The

Advisory Committee shall cease to exist automatically when a majority of the Board of Directors of the Association is elected by non-Developer Co-owners. The Developer may remove and replace at its discretion at anytime any member of the Advisory Committee who has not been elected thereto by the Co-owners.

ARTICLE 16

BOARD OF DIRECTORS

16.1 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 affiliated or related thereto) at reasonable compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. In the event the Board of Directors does employ professional management for the Association, the Board of Directors shall secure the written approval of each institutional holder of a first mortgage lien on any Unit prior to terminating professional management and assuming self-management. In no event shall the Board of Directors 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 years or which is not terminable by the Association upon 90 days written notice thereof and without payment of a termination fee to the other party, and no such contract shall violate the provisions of Section 55 of the Act. In addition to the foregoing, any contract for management or other services by and between the Association and the Developer or any affiliate of the Developer shall provide that such contract is voidable by the Board of Directors of the Association on the Transitional Control Date or within 90 days thereafter, and 30 days notice at any time thereafter for cause. To the extent any management contract extends beyond one year after the Transitional Control date, the excess period under the contract may be voided by the Board of Directors of the Association by notice to the management at least 30 days before the expiration of the one-year period.

16.2 Action of the First Board of Directors. All of the actions (including without limitation, the adoption of these Bylaws and any rules and regulations for the Association, and in 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 before the first annual meeting of members, shall be binding upon the Association in the same manner as though such actions have been authorized by a Board of Directors duly elected by the members of the Association at the first or any subsequent annual meeting of members, provided that such actions are consistent with the powers and duties of the Board of Directors described in these Bylaws, the Association Bylaws, or any other Condominium Documents.

16.3 Officers. The Association Bylaws shall provide for the designation, number ,terms of office, qualifications, manner of election, duties, matter of removal and replacement of the officers of the Association and doing of all things not prohibited by the Condominium Documents or required

by the Condominium Documents to be exercised and done by the Co-owners. The Association Bylaws may contain any other provisions pertinent to the officers of the Association. Officers may be compensated, but only upon the affirmative vote of more than 66% of the Co-owners.

ARTICLE 17

RECORDS

17.1 The Association shall keep detailed books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual financial statement within 90 days following the end of the Association's fiscal year upon request thereof. The costs of any accounting expenses shall be expenses of administration. The Association also shall maintain on file current copies of the Master Deed for the Project, any amendments thereto and all other Condominium Documents and shall permit all Co-owners, prospective purchasers and prospective mortgagees interested in the Project to inspect them during reasonable hours.

ARTICLE 18

INDEMNIFICATION OF OFFICERS AND DIRECTORS

18.1 Third-Party Actions. The Association shall indemnify a person who was or is a party or is threatened to be made a party to a threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, other than an action by or in the right of the corporation, by reason of the fact that the person is or was a Director or officer of the Association, or is or was serving at the request of the Association as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not for profit, against expenses, including attorneys' fees, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit, or proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be consistent with and not in contravention of these Bylaws or the Master Deed, and with respect to a criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful. The termination of an action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Association or its shareholders, and, with respect to a criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

18.2 Actions in the Right of the Association. The Association shall indemnify a person who was or is a party to or is threatened to be made a party to a threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that the person is or was a Director or officer of the Association, or is or was serving at the request of the Association as a director, officer, partner or trustee of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, against expenses, including actual and reasonable attorneys' fees, and amounts paid in settlement incurred by the person in connection with the action or suit, if the person acted in good faith and in a manner the person reasonably believed to be consistent with and not in contravention of these Bylaws or the Master Deed. However, indemnification shall not be made for a claim, issue, or matter in which the person has been found liable to the association unless and only to the extent that the court in which the action or suit was brought has determined upon application that, despite the adjudication of liability but in view all circumstances of the case, the person is fairly and reasonably entitled to indemnification for the expenses which the court considers proper.

18.3 Mandatory And Permissive Payments. To the extent that a Director or officer of the Association has been successful on the merits or otherwise in defense of an action, suit, or proceeding referred to in Section 18.1 or Section 18.2, or in defense of a claim, issue, or matter in the action, suit, or proceeding, the successful party shall be indemnified against expenses, including actual and reasonable attorneys' fees, incurred by him or her in connection with the action, suit, or proceeding and an action, suit, or proceeding brought to enforce the mandatory indemnification provided in this Section. An indemnification under Section 18.1 or Section 18.2, unless ordered by a court shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the Director or officer is proper in the circumstances because a person has met the applicable standard of conduct set forth in Sections 18.1 and 18.2. This determination shall be made in any of the following ways:

A. By a majority vote of a quorum of the Board of Directors consisting of Directors who were not parties to the action, suit, or proceeding.

B. If the quorum described in Subsection A is not obtainable, then by a majority vote of a committee of Directors who are not parties to the action. The committee shall consist of not less than two disinterested Directors.

C. By independent legal counsel in a written opinion.

D. By the shareholders.

If a person is entitled to indemnification's thereunder for a portion of expenses including attorney's fees, judgments, penalties, fines and amounts paid in settlement but not for the total amount thereof, the Association may indemnify the person for the portion of the expenses, judgment, penalties, fines or amounts paid in settlement for which the person is entitled to be indemnified.

18.4 Expense Advances. Expenses incurred in defending a civil or criminal action, suit, or proceeding described in Section 18.1 or Section 18.2 may be paid by the Association in advance of the final disposition of the action, suit, or proceeding upon receipt of an undertaking by or on behalf of the Director or officer to repay the expenses if it is ultimately determined that the person is not entitled to be indemnified by the Association. The undertaking shall be by unlimited general obligation of the person on whose behalf advances are made but need not be secured.

18.5 Insurance. The Board of Directors may require the Association to purchase and maintain insurance on behalf of any person who is or was a Director or officer of the Association, or is or was serving at the request of the Association as a Director or officer of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have power to indemnify him against such liability under Section 18.1 and 18.2. However, the total amount of expenses advanced pursuant Section 18.4 or indemnified from all sources combined shall not exceed the amount of action expenses incurred by the person seeking indemnification or advancement of expenses.

18.6 Constituent Corporations. For the purposes of this Article 18, references to the Association include all constituent corporations absorbed in a consolidation or merger and the resulting or surviving corporation, so that a person who is or was a director or officer of such constituent corporation or is or was serving at the request of such constituent corporation as a director or officer of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise whether for profit or not shall stand in the same position under the provisions of this Article with respect to the resulting or surviving corporation as he would if he had served the resulting or surviving corporation in the same capacity.

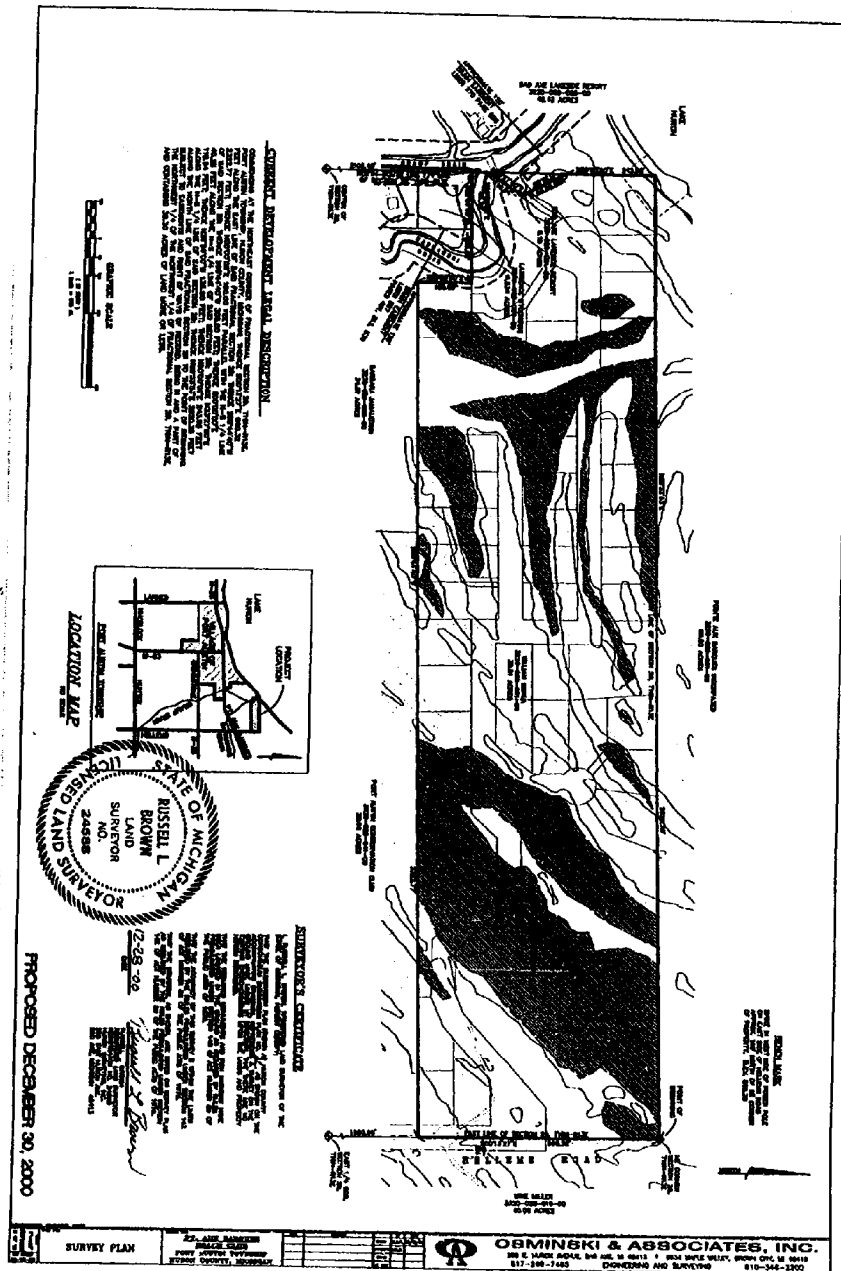
18.7 Continuation Of Indemnification. The indemnification provided for in this Article 18 continues as to a person who ceases to be a Director or officer shall inure to the benefit of the heirs, executors, and administrators of the person.

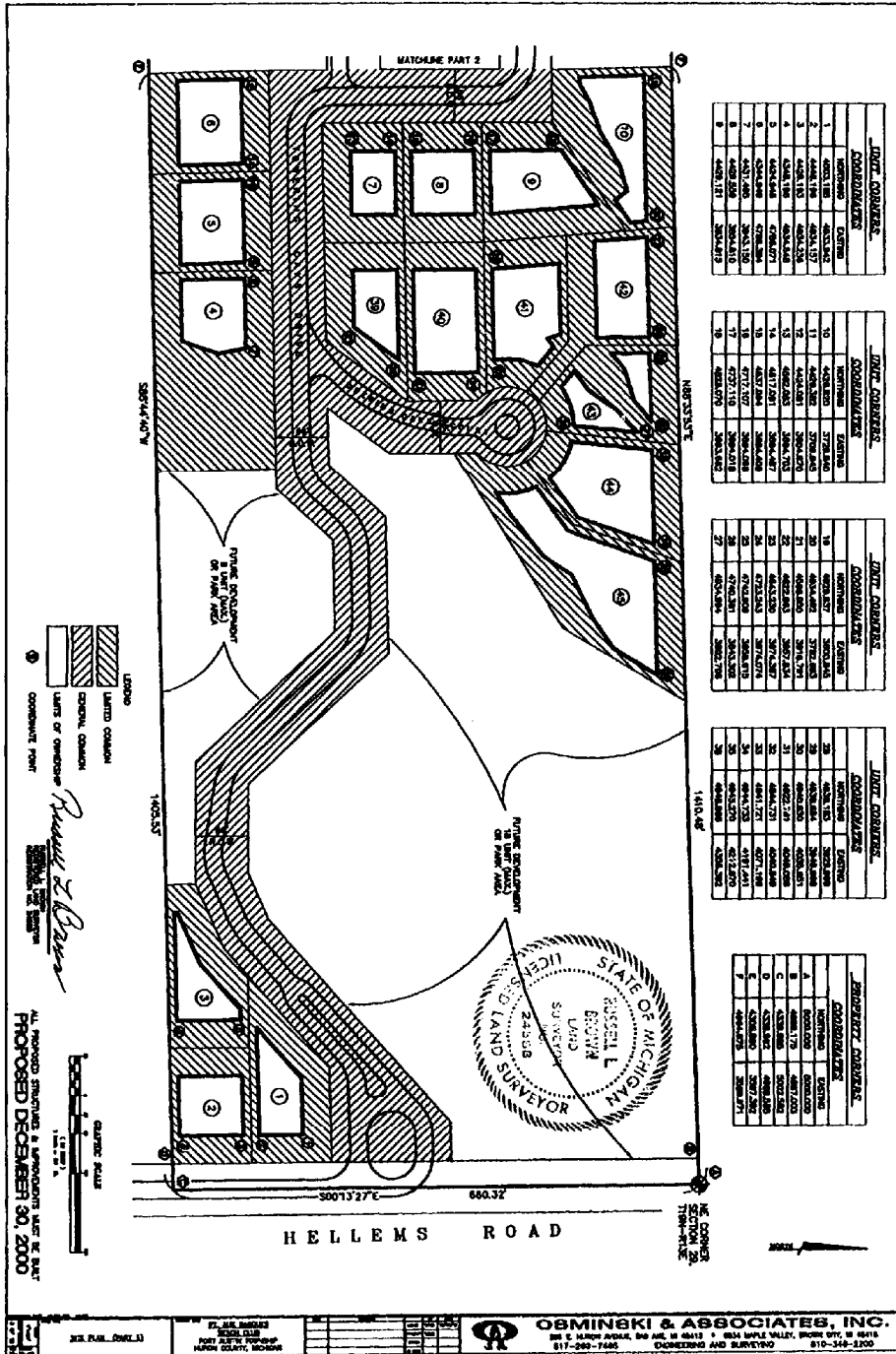
ARTICLE 19

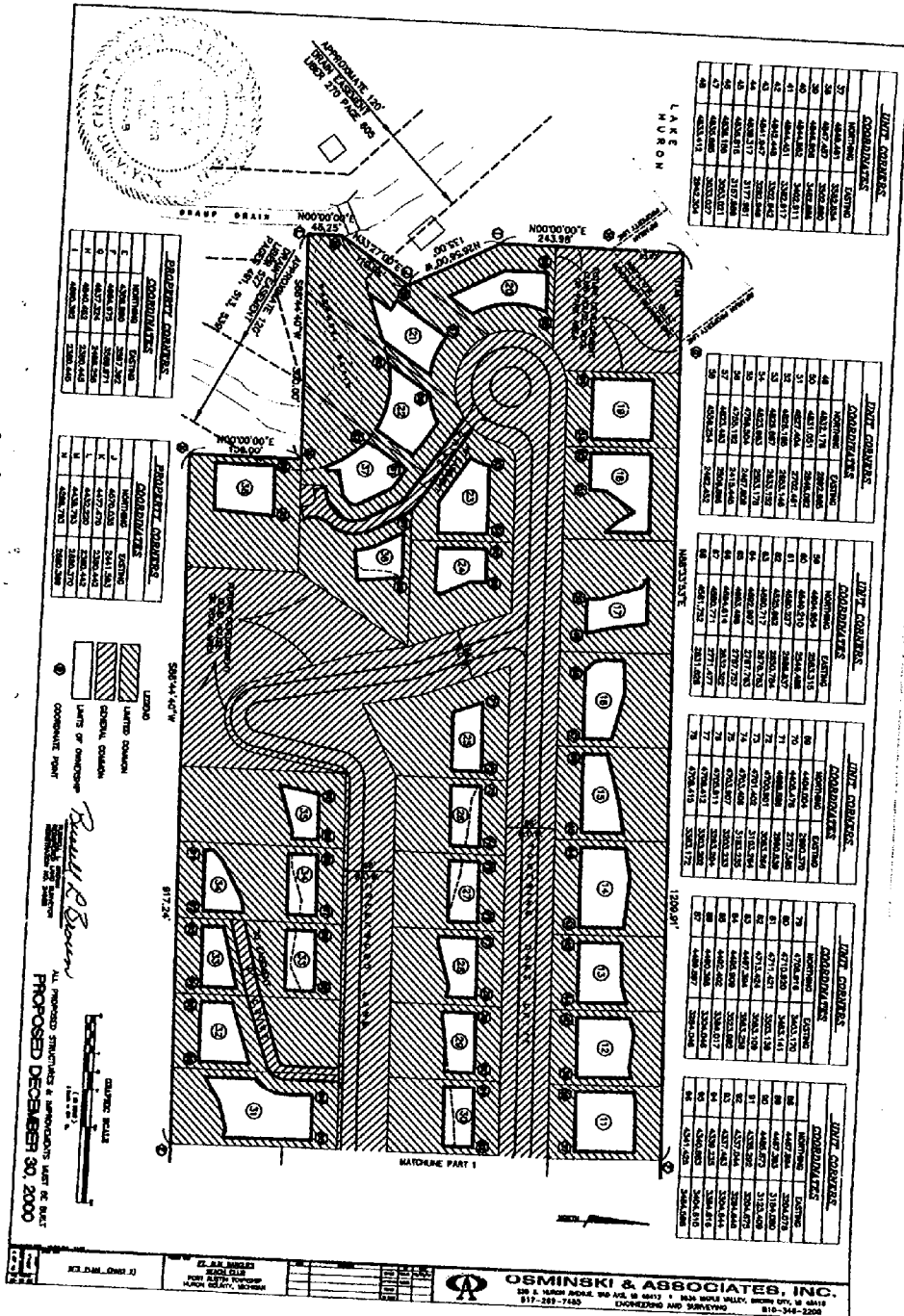
SEVERABILITY

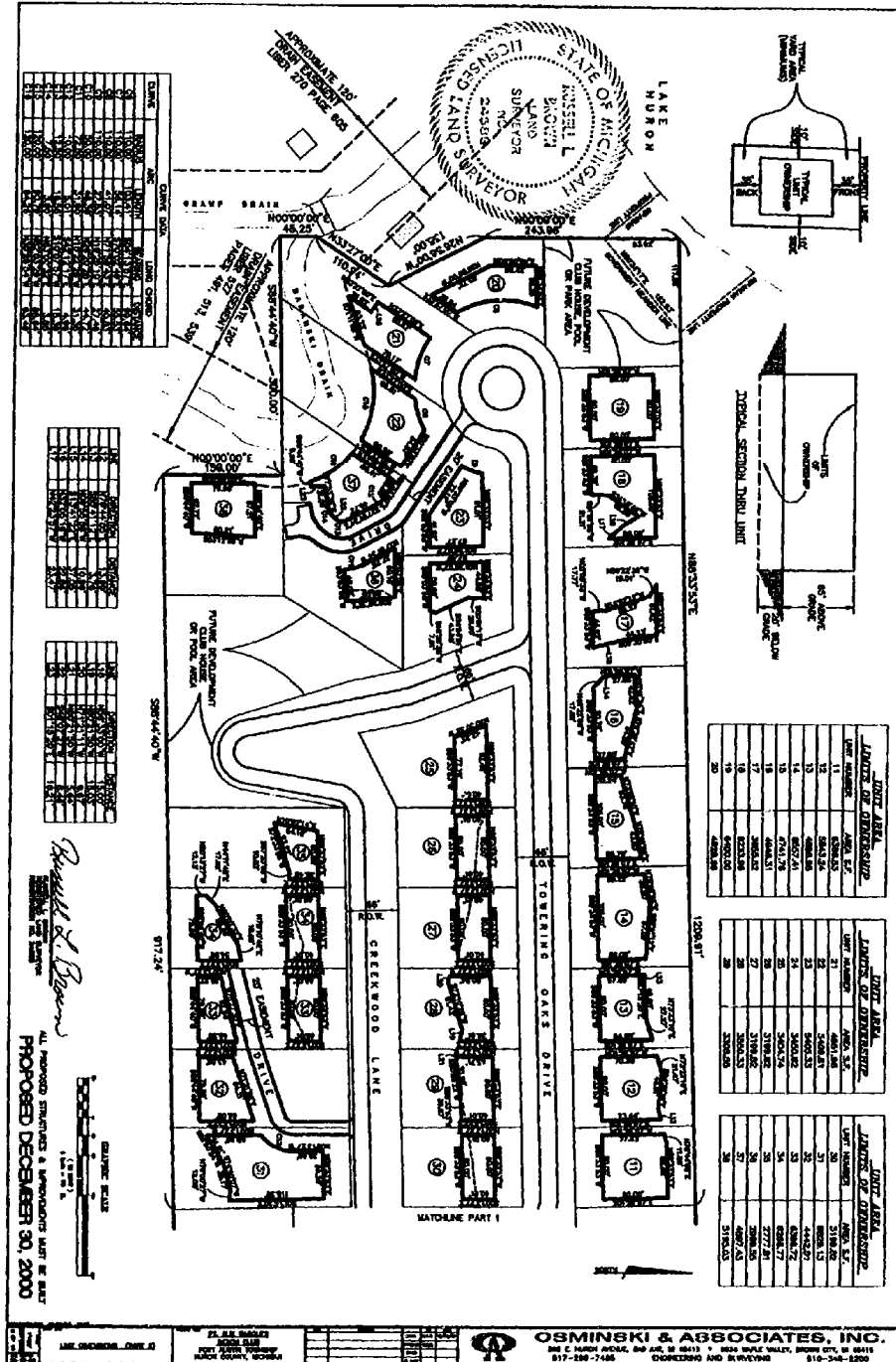
19.1 In the event that any of the terms, provisions, or covenants of these Bylaws or the Condominium Documents are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms,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

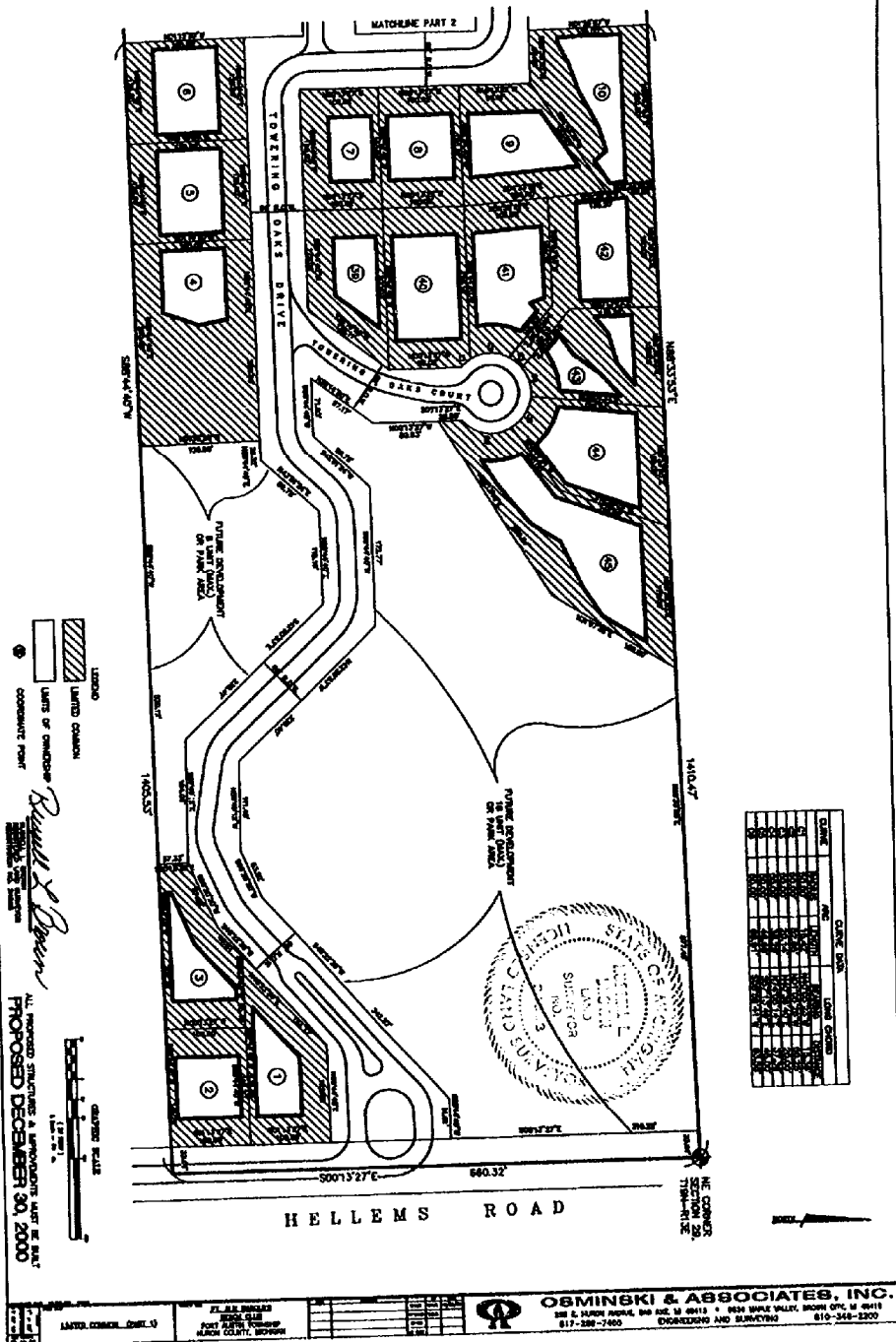
OSMINSKI & ASSOCIATES, INC.
228 S. HAZEN AVENUE, 2ND FLOOR, ST. LOUIS 63103 • 800 MAPLE VALLEY, BIRMINGHAM, AL 35215
617-286-7485 ENGINEERING AND SURVEYING 810-348-2200

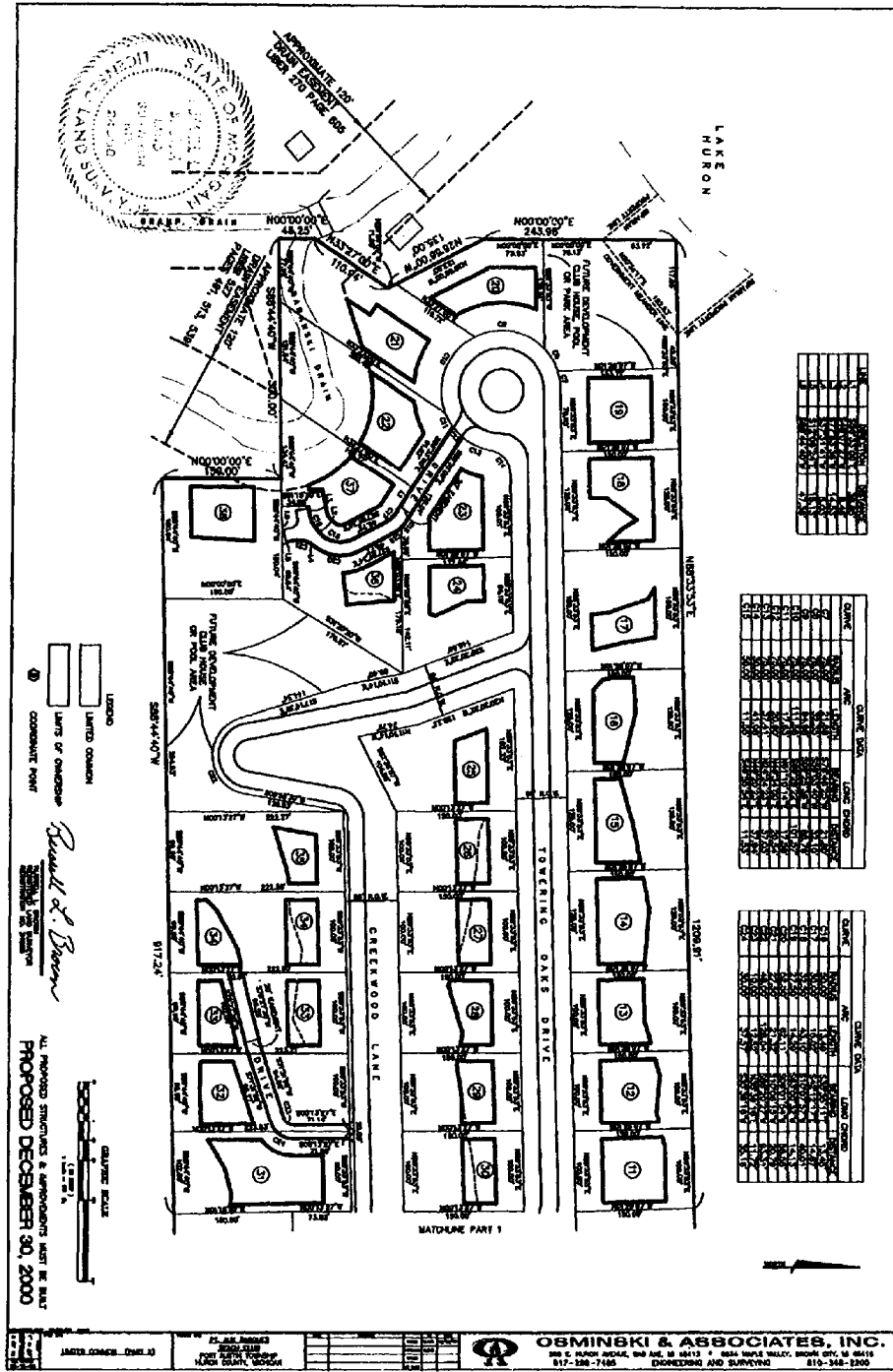












CLIMATE DATA	LAND COVER
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9
10	10
11	11
12	12
13	13
14	14
15	15
16	16
17	17
18	18
19	19
20	20
21	21
22	22
23	23
24	24
25	25
26	26
27	27
28	28
29	29
30	30
31	31
32	32
33	33
34	34
35	35
36	36
37	37
38	38
39	39
40	40
41	41
42	42
43	43
44	44
45	45
46	46
47	47
48	48
49	49
50	50
51	51
52	52
53	53
54	54
55	55
56	56
57	57
58	58
59	59
60	60
61	61
62	62
63	63
64	64
65	65
66	66
67	67
68	68
69	69
70	70
71	71
72	72
73	73
74	74
75	75
76	76
77	77
78	78
79	79
80	80
81	81
82	82
83	83
84	84
85	85
86	86
87	87
88	88
89	89
90	90
91	91
92	92
93	93
94	94
95	95
96	96
97	97
98	98
99	99
100	100

CLIMATE DATA	LAND COVER
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9
10	10
11	11
12	12
13	13
14	14
15	15
16	16
17	17
18	18
19	19
20	20
21	21
22	22
23	23
24	24
25	25
26	26
27	27
28	28
29	29
30	30
31	31
32	32
33	33
34	34
35	35
36	36
37	37
38	38
39	39
40	40
41	41
42	42
43	43
44	44
45	45
46	46
47	47
48	48
49	49
50	50
51	51
52	52
53	53
54	54
55	55
56	56
57	57
58	58
59	59
60	60
61	61
62	62
63	63
64	64
65	65
66	66
67	67
68	68
69	69
70	70
71	71
72	72
73	73
74	74
75	75
76	76
77	77
78	78
79	79
80	80
81	81
82	82
83	83
84	84
85	85
86	86
87	87
88	88
89	89
90	90
91	91
92	92
93	93
94	94
95	95
96	96
97	97
98	98
99	99
100	100

CLIMATE DATA	LAND COVER
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9
10	10
11	11
12	12
13	13
14	14
15	15
16	16
17	17
18	18
19	19
20	20
21	21
22	22
23	23
24	24
25	25
26	26
27	27
28	28
29	29
30	30
31	31
32	32
33	33
34	34
35	35
36	36
37	37
38	38
39	39
40	40
41	41
42	42
43	43
44	44
45	45
46	46
47	47
48	48
49	49
50	50
51	51
52	52
53	53
54	54
55	55
56	56
57	57
58	58
59	59
60	60
61	61
62	62
63	63
64	64
65	65
66	66
67	67
68	68
69	69
70	70
71	71
72	72
73	73
74	74
75	75
76	76
77	77
78	78
79	79
80	80
81	81
82	82
83	83
84	84
85	85
86	86
87	87
88	88
89	89
90	90
91	91
92	92
93	93
94	94
95	95
96	96
97	97
98	98
99	99
100	100

