

## COTTAGES AT MILL RIVER

### EXHIBIT A

### BYLAWS

#### ARTICLE I

#### ASSOCIATION OF CO-OWNERS

Cottages at Mill River, a residential condominium located in the Township of Lyon, Oakland County, Michigan, shall be administered by an Association of Co-owners which shall be a nonprofit corporation, herein referred to as the "Association," organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and required by Section 3(9) of the Act and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Co-owner shall be entitled to membership and no other person or entity shall be entitled to membership. The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to the Co-owner's Site. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Sites in the Condominium. The Association, all Co-owners in the Condominium and all persons using or entering upon or acquiring any interest in any Site therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the Condominium Documents. All terms used herein shall have the same meaning as set forth in the Master Deed to which these Bylaws are attached as an Exhibit or as set forth in the Act.

#### ARTICLE II

#### ASSESSMENTS

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

Section 1. Taxes Assessed on Personal Property Owned or Possessed in Common. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 2. Receipts and Expenditures Affecting Administration. Expenditures affecting administration of the Condominium shall include all costs incurred in satisfaction of any liability arising within, caused by or connected with the Common Elements or the administration of the Condominium. Receipts affecting administration of the Condominium shall include all sums received by the Association as proceeds of, or pursuant to, a policy of insurance securing

the interests of the Co-owners against liabilities or losses arising within, caused by or connected with the Common Elements or the administration of the Condominium.

Section 3. Determination of Assessments. Assessments shall be determined in accordance with the following provisions:

(a) The Annual Budget and Regular Assessments. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, administration, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-owner shall not affect or in any way diminish the liability of any Co-owner for any existing or future assessments. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular payments as set forth in Section 5 below rather than by special assessments. At a minimum, the reserve fund shall be equal to 10% of the Association's current annual budget (excluding that portion of the budget allocated to the reserve fund itself) on a non-cumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate, the Association should carefully analyze the Condominium to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. The Board of Directors shall annually consider the needs of the Condominium to determine if a greater amount should be set aside in reserve or if additional reserve funds should be established for any other purposes. The regular monthly Association assessments provided in this Article II, Section 3(a) shall be levied in the sole discretion of the Board of Directors.

(b) Special Assessments. Special assessments, in addition to those required in subparagraph (a) above, may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other appropriate requirements of the Association. Special assessments referred to in this subparagraph (b) shall be levied only with the prior approval of a majority of Co-owners in number and in value. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof.

The acceptance of a conveyance or the execution of a land contract by any Co-owner or purchaser of a Site shall constitute the agreement by such Co-owner or purchaser, his or her heirs, executors, administrators, or assigns, that the Board of Directors of the Association shall be vested with full power and authority to obligate all Co-owners to participate in a special assessment district, sign petitions requesting said special assessment, and consider and otherwise act on all assessment issues on behalf of the Association and all Co-owners; provided that, prior to signature by the Association on a petition for improvement, the desirability of said improvement shall be approved by an affirmative vote of not less than 51% of all Co-owners. No consent of mortgagees shall be required for approval of said improvement.

Section 4. Apportionment of Assessments. Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of management, maintenance, administration and operation of the Condominium shall be

apportioned among and paid by the Co-owners in accordance with the Percentage of Value assigned to each Site in Article VI of the Master Deed.

Section 5. Payment of Assessments and Penalty for Default. Annual assessments as determined in accordance with Article II, Section 3(a) above shall be payable by Co-owners in one (1) yearly installment (or such time frames as the Board of Directors of the Association determines from time to time), commencing with acceptance of a deed to or a land contract vendee's interest in a Site, or with the acquisition of fee simple title to a Site by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. Each installment in default for ten (10) or more days shall bear interest from the initial due date thereof at the rate of 7% per annum until each installment is paid in full. The Board of Directors may also adopt uniform late charges pursuant to Section 12 of Article VI of these Bylaws. Each Co-owner (whether one (1) or more persons) shall be, and remain, personally liable for the payment of all assessments (including interest, late charges and costs of collection and enforcement of payment) levied against the Site which may be levied while such Co-owner is the owner thereof, except a land contract purchaser from any Co-owner including the Developer shall be so personally liable and such land contract seller shall not be personally liable for all such assessments levied up to and including the date upon which, if applicable, such land contract seller actually takes possession of the Site following extinguishment of all rights of the land contract purchaser in the Site. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorneys' fees; second, to any interest and other charges for late payment on such installments; and third, to installments in default in order of their due dates. A Co-owner selling a Site shall not be entitled to any refund whatsoever from the Association with respect to any reserve, account or other asset of the Association.

Section 6. Effect of Waiver of Use or Abandonment of Site. A Co-owner's waiver of the use or enjoyment of any of the Common Elements or abandonment of the Co-owner's Site shall not exempt the Co-owner from liability for the Co-owner's contribution toward the expenses of administration.

Section 7. Enforcement.

(a) Remedies. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against the Co-owner's Site, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association may also discontinue the furnishing of any utilities or other services to a Co-owner in default upon seven (7) days' written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to vote at any meeting of the Association so long as such default continues. In a judicial foreclosure action, a receiver may be appointed to and empowered to take possession of the Site (if the Site is not occupied by the Co-owner) and to lease the Site and collect and apply the rental therefrom. All of these remedies shall be cumulative and not alternative.

(b) Foreclosure Proceedings. Each Co-owner, and every other person who

from time to time has any interest in the Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the statutory lien that secures payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the Condominium shall be deemed to have authorized and empowered the Association to sell or cause to be sold the Site with respect to which the assessment(s) is or are delinquent to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by Michigan law. The Association, acting on behalf of all Co-owners, may bid at the foreclosure sale, and acquire, hold, lease, mortgage, or convey the Site sold.

(c) Notice of Action. The Association may not commence proceedings to foreclose a lien for unpaid assessments without recording and serving a notice of lien in the following manner:

(i) The notice of lien shall set forth the legal description of the Condominium Site or Sites to which the lien attaches, the name of the Co-owner of record thereof, the amount due the Association as of the date of the notice, exclusive of interest, costs, attorneys' fees and future assessments.

(ii) The notice of lien shall be in recordable form, executed by an authorized representative of the Association, and may contain such other information as the Association deems appropriate.

(iii) The notice of lien shall be recorded in the office of the register of deeds in the county in which the Condominium is situated and shall be served upon the delinquent Co-owner by first class mail, postage prepaid, addressed to the last known address of the Co-owner at least ten (10) days in advance of the commencement of the foreclosure proceedings.

(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, plus any late charges, shall be chargeable to the Co-owner in default and shall be secured by the lien on the Site.

Section 8. Liability of Mortgagee. Notwithstanding any other provisions of the Condominium Documents, if the mortgagee of a first mortgage of record or other purchaser of a Condominium Site obtains title to the Condominium Site as a result of foreclosure of the first mortgage, such person, its successors and assigns, is not liable for the assessments by the Association chargeable to the Site which became due prior to the acquisition of title to the Site by such person and the expiration of the period of redemption from such foreclosure. The deficiency created as a result of such unpaid assessments may be absorbed by the Association in the Association's general operating budget or be dealt with in any other fashion that the Association's Board of Directors deems appropriate, including, but not limited to, treating the unpaid assessments as common expenses collectible from all of the Co-owners.



Section 9. Developer's Responsibility for Assessments. Notwithstanding any other provisions of the Condominium Documents to the contrary, the Developer shall not pay regular monthly Association assessments for Sites which are owned by the Developer but unoccupied, but shall at all times pay all expenses of maintaining, repairing and replacing the Sites that it owns. Developer shall in no event be liable for any assessment levied in whole or in part to purchase any Site from the Developer or to finance any litigation or other claims against the Developer, any cost of investigating and preparing such litigation or claim or any similar or related costs.

Section 10. Unpaid Assessments Due on Site Sale; Statement of Unpaid Assessments. Upon the sale or conveyance of a Condominium Site, all unpaid assessments against the Condominium Site plus interest, late charges, fines, costs and attorneys' fees shall be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except (a) amounts due the State of Michigan or any subdivision thereof for taxes or special assessments due and unpaid on the Site and (b) payments due under first mortgages having priority thereto. A purchaser of a Condominium Site is entitled to a written statement from the Association setting forth the amount of unpaid assessments outstanding against the Site and the purchaser is not liable for any unpaid assessment in excess of the amount set forth in such written statement, nor shall the Site be subject to any lien for any amounts in excess of the amount set forth in the written statement. Any purchaser or grantee who fails to request a written statement from the Association as provided herein at least five (5) days before the sale, or to pay unpaid assessments against the Site at the closing of the Site purchase if such a statement was requested, shall be liable for any unpaid assessments against the Site together with interest, costs and attorneys' fees incurred in connection with the collection thereof.

Section 11. Property Taxes and Special Assessments. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

Section 12. Construction Liens. A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

### ARTICLE III

#### JUDICIAL ACTIONS AND CLAIMS

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

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

Section 1. 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.

Section 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 ("litigation evaluation meeting") for the express purpose of evaluating the merits of the proposed civil action. The written notice to the Co-owners of the date, time and place of the litigation evaluation meeting shall be sent to all Co-owners not less than twenty (20) days before the date of the meeting and shall include the following information copied onto 8-1/2" x 11" paper:

(a) A certified resolution of the Board of Directors setting forth in detail the concerns of the Board of Directors giving rise to the need to file a civil action and further certifying that:

(i) it is in the best interests of the Association to file a lawsuit;

(ii) that at least one member of the Board of Directors has personally made a good faith effort to negotiate a settlement with the putative defendant(s) on behalf of the Association, without success;

(iii) litigation is the only prudent, feasible and reasonable alternative;

and

(iv) the Board of Directors' proposed attorney for the civil action is of the written opinion that litigation is the Association's most reasonable and prudent alternative.

(b) A written summary of the relevant experience of the attorney ("litigation attorney") the Board of Directors recommends be retained to represent the Association in the proposed civil action, including the following information:

(i) the number of years the litigation attorney has practiced law; and

(ii) the name and address of every condominium and homeowner association for which the attorney has filed a civil action in any court, together with the case number, county and court in which each civil action was filed.

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

(d) The litigation attorney's written estimate of the cost of the civil action through a trial on the merits of the case ("total estimated cost"). The total estimated cost of the civil action shall include the litigation attorney's expected fees, court costs, expert witness fees, and all other expenses expected to be incurred in the civil action.

(e) The litigation attorney's proposed written fee agreement.

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

Section 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.

Section 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.

Section 5. Co-owner Vote Required. At the litigation evaluation meeting the Co-owners shall vote on whether to authorize the Board of Directors to proceed with the proposed civil action and whether the matter should be handled by the litigation attorney. The commencement of any civil action by the Association (other than a suit to enforce these Bylaws or collect delinquent assessments) shall require the approval of two-thirds (2/3) in number and in value of the Co-owners. Any proxies to be voted at the litigation evaluation meeting must be signed at least seven (7) days prior to the litigation evaluation meeting.

Section 6. Litigation Special Assessment. All legal fees incurred in pursuit of any civil action that is subject to Sections 1 through 10 of this Article III shall be paid by special assessment of the Co-owners ("litigation special assessment"). The litigation special assessment shall be approved at the litigation evaluation meeting (or at any subsequent duly called and noticed meeting) by a majority in number and in value of all Co-owners in the amount of the estimated total cost of the civil action. If the litigation attorney proposed by the Board of Directors is not retained, the litigation special assessment shall be in an amount equal to the estimated total cost of the civil action, as estimated by the attorney actually retained by the Association. The litigation special assessment shall be apportioned to the Co-owners in accordance with their respective Percentage of Value interests in the Condominium and shall be collected from the Co-owners on a monthly basis. The total amount of the litigation special assessment shall be collected monthly over a period not to exceed twenty-four (24) months.

Section 7. Attorney's Written Report. During the course of any civil action authorized by the Co-owners pursuant to this Article III, the retained attorney shall submit a written report ("attorney's written report") to the Board of Directors every thirty (30) days setting forth:

(a) The attorney's fees, the fees of any experts retained by the attorney, and all other costs of the litigation during the thirty (30) day period immediately preceding the date of the attorney's written report ("reporting period").

(b) All actions taken in the civil action during the reporting period, together with copies of all pleadings, court papers and correspondence filed with the court or sent to opposing counsel during the reporting period.

(c) A detailed description of all discussions with opposing counsel during the reporting period, written and oral, including, but not limited to, settlement discussions.

(d) The costs incurred in the civil action through the date of the written report, as compared to the attorney's estimated total cost of the civil action.

(e) Whether the originally estimated total cost of the civil action remains accurate.

Section 8. 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.

Section 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.

Section 10. Disclosure of Litigation Expenses. The attorneys' fees, court costs, expert witness fees and all other expenses of any civil action filed by the Association ("litigation expenses") shall be fully disclosed to Co-owners in the Association's annual budget. The litigation expenses for each civil action filed by the Association shall be listed as a separate line item captioned "litigation expenses" in the Association's annual budget.



## ARTICLE IV

### INSURANCE

Section 1. Extent of Coverage. The Association shall, to the extent appropriate given the nature of the Common Elements of the Condominium, carry fire and extended coverage, vandalism and malicious mischief and liability insurance, and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements and such other insurance as the Board of Directors deems advisable. All such insurance shall be carried and administered in accordance with the following provisions:

(a) Responsibilities of Association. All such insurance shall be purchased by the Association for the benefit of the Association, and the 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 the Common Elements. All Common Elements of the Condominium shall be insured against fire and other perils covered by a standard extended coverage endorsement, if appropriate, in an amount equal to the appropriate percentage of maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association.

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

(d) Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association and the Co-owners and their mortgagees, as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Condominium unless all of the institutional holders of first mortgages on Sites in the Condominium have given their prior written approval.

Section 2. Authority of Association to Settle Insurance Claims. Each Co-owner, by ownership of a Site in the Condominium, shall be deemed to appoint the Association as the Co-owner's true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Common Elements, with such insurer as may, from time to time, be designated to provide such insurance for the Condominium. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

Section 3. 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 Site owned together with the Residence and all other improvements therein, for the Co-owner's personal property located therein or thereon or elsewhere on the Condominium. All such insurance shall be carried by each Co-owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs. Each Co-owner also shall be obligated to obtain insurance coverage for personal liability for occurrences within the Site owned and the improvements located therein in the minimum amount of \$500,000, combined single limit. Each Co-owner shall deliver certificates of insurance to the Association from time to time to evidence the continued existence of all insurance required to be maintained by the Co-owner hereunder. In the event of the failure of an 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 Site which may be collected from the Co-owner in the same manner that Association assessments may be collected in accordance with Article II hereof. Each Co-owner shall be obligated to obtain any other personal insurance coverage that the Co-owner wishes to carry. The Association shall under no circumstances have any obligation to obtain any of the insurance coverage described in this Section 3 or any liability to any person for failure to do so.

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

## ARTICLE V

### RECONSTRUCTION OR REPAIR

Section 1. Reconstruction or Repair Unless Unanimous Vote to the Contrary. If any part of the Condominium shall be partially or completely destroyed, it shall be reconstructed or repaired unless it is determined by all Co-owners and first mortgagees that the Condominium shall be terminated.

Section 2. Repair in Accordance with Master Deed and Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the plans and specifications for the Condominium to a condition as comparable as possible to the condition existing prior to damage unless the Co-owners shall unanimously decide otherwise.

Section 3. Responsibility for Reconstruction and Repair. If the damage is only to a part of a Site which is the responsibility of a Co-owner to maintain and repair, it shall be the responsibility of the Co-owner to repair such damage in accordance with Section 4 hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association.

Section 4. Damage to Part of Site Which a Co-owner Has the Responsibility to Repair. Each Co-owner shall be responsible for the reconstruction and repair of all Structures located within their Site.

Section 5. Association Responsibility for Reconstruction and Repair. The Association shall be responsible for the reconstruction and repair of the Common Elements (except as specifically otherwise provided in the Master Deed) and any incidental damage to a Site caused by such Common Elements or the reconstruction and repair thereof. Immediately after a casualty causing damage to property for which the Association has the responsibility of repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the repayment of the costs thereof are insufficient, assessments shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation. Assessments pursuant to this Article V, Section 5 may be made by the Association without a vote of the Co-owners.

Section 6. Timely Reconstruction and Repair. Subject to Section 1 of this Article V, if damage to Common Elements or a Site adversely affects the appearance of the Condominium, the Association or Co-owner responsible for the reconstruction and repair thereof shall proceed with replacement of the damaged property without delay.

Section 7. Eminent Domain. The following provisions shall control upon any taking by eminent domain:

(a) The provisions of Section 133 of the Condominium Act of Michigan shall apply.

(b) In the event the Condominium continues after a taking by eminent domain, the remaining portion of the Condominium shall be re-surveyed and the Master Deed amended accordingly by the Association.

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

Section 8. Notices to Certain Mortgagees. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC"), or in the event any mortgage is held by or insured by the United States Department of Housing and Urban Development ("HUD"), the Association shall give FHLMC and HUD written notice at such address as it may from time to time direct of any loss to or taking of the Common Elements of the Condominium, or any loss to or taking of any Site, or part thereof, if the loss or taking exceeds \$10,000 in amount.

Section 9. Priority of Mortgagees in Proceeds. Nothing contained in the Condominium Documents shall be construed to give a Co-owner or any other party priority over any rights of first mortgagees of Condominium Sites pursuant to their mortgages in the case of a distribution to Condominium Site owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Sites and/or Common Elements.

## ARTICLE VI

### RESTRICTIONS

#### Section 1. Architectural Control.

(a) No Structure may be commenced, erected, installed, placed, or maintained upon any Site unless or until the Co-owner of such Site has submitted the following documentation to the Architectural Control Committee (which shall be initially controlled by Developer as provided in Section 2 of this Article VI) and the Architectural Control Committee has approved all of such documentation in writing:

(i) A topographic survey of the Site prepared and certified by a licensed engineer or architect showing existing and proposed grades, all trees on the Site having a dbh of six (6) inches or greater, and the proposed location of each Structure (including without limitation, the Residence and all drives and walks) located or to be located upon the Site.

(ii) Construction and architectural plans prepared by a licensed engineer and architect including dimensioned floor plans, typical sections and front, rear and side elevations for the Structure to be constructed upon or in the Site.

(iii) Specifications for each Structure setting forth the square footage of the Structure, the type and quality of all materials and workmanship and including a detailed finish schedule for all exterior materials, products and finishes, with actual samples of all exterior materials.

(iv) A construction schedule specifying the commencement and completion dates of construction of each Structure, as well as such other dates as the Architectural Control Committee may specify in its sole discretion.

(v) A perspective drawing if deemed necessary by the Architectural Control Committee to interpret adequately the exterior design.

(b) A Co-owner (including land contract and option purchasers of Sites from Developer) shall submit two (2) copies of the aforescribed documents to the Architectural Control Committee, and the Architectural Control Committee shall retain one (1) copy of each document for its records.

(c) Developer intends and desires that all Structures within the Condominium be architecturally harmonious and architecturally pleasing and that the design and location of such Structures take into account the preservation of trees and the natural environment of the Condominium. In order to insure that such goals are accomplished, the Architectural Control Committee shall, in its sole discretion, have the right to approve or disapprove the appearance,



construction, materials, proposed location, design, specifications or any other attribute of any Structure.

(d) A Co-owner may only construct, install or place upon a Site those Structures and landscaping that have been approved in writing by the Architectural Control Committee in the manner set forth herein. Before construction of any Residence or making any exterior improvement, change, or elevation change upon any Site, a Co-owner shall receive the written approval of the Architectural Control Committee. No application for a building permit or application for any other governmental approval or construction shall be filed until written approval of the Architectural Control Committee is received. No Structure shall be erected by anyone other than a licensed residential builder. The Architectural Control Committee shall approve in advance the licensed residential builder engaged by the Co-owner to construct a Residence and any other improvements on the Co-owner's Site. The Architectural Control Committee may require that such builder or Co-owner furnish to the Association adequate security, in the Architectural Control Committee's sole discretion, to protect the Association against costs and expenses which it might incur in connection with the failure to complete construction in a timely and diligent manner in accordance with the approved plans and specifications for the Residence and other improvements.

(e) The following additional requirements, restrictions and regulations shall apply to all construction activities on Sites in the Condominium unless waived in writing by the Architectural Control Committee:

(i) The Architectural Control Committee shall have the right to establish and enforce such rules and regulations relative to the performance of construction activities within the Condominium (whether or not in connection with the construction, repair or maintenance of a Residence or other Structure) as the Architectural Control Committee determines to be appropriate in order to maintain the tranquility, appearance and desirability of the Condominium.

(ii) Prior to the commencement of any construction activities, the Co-owner (or the land contract or option purchaser of the Site from Developer) shall install all soil erosion controls required by the Township, Oakland County, and any other governmental authority having jurisdiction and the Architectural Control Committee. The soil erosion control measures may include, without limitation, silt fencing, seeding, mulch and stone. Moreover, before commencing such construction activities relative to the building of a Residence on a Site, the Co-owner of the Site (or the land contract or option purchaser of the Site from Developer) may be required to post with the Developer a Five Hundred Dollar (\$500) deposit to ensure that during and after construction the road on which the Site is located is maintained in a good and clean condition and free of any dirt, mud or other debris arising from the construction activities. The instructions for disposition of the deposit shall give the Developer the discretion to determine whether or not the Co-owner of the Site (or land contract or option purchaser of the Site from Developer) has complied with this paragraph.

(iii) No approval by the Architectural Control Committee shall be valid if the Structure or improvement violates any of the restrictions or requirements set forth in this Master Deed, except in cases where waivers have been granted as provided for in this Master Deed.

(iv) The Architectural Control Committee may disapprove plans because of noncompliance with any of the restrictions or requirements set forth in this Article VI or because of reasonable dissatisfaction with the grading and drainage plan, the location of the Structure on the Site, the materials used, the color scheme, the finish, design, proportions, shape, height, style or appropriateness of the proposed improvement or alteration or because of any matter or thing which, in the reasonable judgment of the Architectural Control Committee, would render the proposed improvement or alteration inharmonious or out of keeping with the objectives of the Architectural Control Committee or with Structures erected on other Sites in the Condominium.

(v) In connection with approval of the landscaping plan, the Architectural Control Committee shall have the right to require the Site Co-owner to escrow a deposit equal to the reasonable costs of installing the landscaping for the Site pursuant to the approved landscaping plan, but in any event not less than One Thousand Dollars (\$1,000). Any such deposit may be used by the Architectural Control Committee to pay for the cost of installing the landscaping if the Site Co-owner fails to install the approved landscaping in a timely manner (as provided in Article VI, Section 4(m) of these Bylaws) or in accordance with the approved landscaping plan. The Architectural Control Committee shall be entitled to receive from the Site Co-owner an administrative fee in the amount of 20% of the cost of any work performed by the Architectural Control Committee on a Site pursuant to this paragraph. The Architectural Control Committee will give ten (10) days' prior notice to the Site Co-owner of the Architectural Control Committee's intent to use escrowed funds to complete landscaping on the Co-owner's Site. The Architectural Control Committee shall have no obligation to maintain the deposit in an interest bearing account.

(f) The Architectural Control Committee shall have five (5) business days after the receipt of all required plans and specifications to issue a written approval or denial. If the Architectural Control Committee fails to issue a written approval or denial of the plans and specifications within the five (5) business day period, then written approval will not be required and the plans and specifications submitted shall be deemed to comply with this Article and the Master Deed.

(g) The Architectural Control Committee may charge a review fee, not to exceed Two Hundred Fifty Dollars (\$250), in connection with the review of plans and specifications for any Structure or combination of Structures on any Site, or in regard to the substantial alteration of any Structure. The fee may not be utilized for the purpose of paying any salary to any member of the Architectural Control Committee, but exclusively for the purpose of reimbursing the actual expenses of the Architectural Control Committee, including, without limitation, the professional fees of independent consultants to the Architectural Control Committee.

(h) Every member of the Architectural Control Committee (each such member hereafter a "Committee Member") shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, incurred by or imposed upon any such Committee Member in connection with any proceeding to which such Committee Member may

be a party, or may become involved, by reason of that Committee Member being or having been a Committee Member, whether or not a Committee Member at the time such expenses are incurred, except in such cases wherein the Committee Member is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of such Committee Member's duties.

Section 2. Architectural Control Committee. Except as otherwise expressly provided herein, the Architectural Control Committee shall have exclusive jurisdiction over the rights of approval and enforcement set forth in this Master Deed. The Developer shall be a member of the Architectural Control Committee and shall also have the exclusive right to appoint and remove all members of the Architectural Control Committee in its sole discretion until such time as certificates of occupancy have been issued for Residences on 100% of the Sites in the Condominium. There shall be no surrender of this right prior to the issuance of certificates of occupancy for Residences on 100% of the Sites in the Condominium, except in a written instrument in recordable form executed by Developer and specifically assigning to the Association the power to appoint and remove the members of the Architectural Control Committee. From and after the date of such assignment or later expiration of Developer's exclusive power of appointment and removal, the Architectural Control Committee shall be appointed by the Board of Directors of the Association, and Developer shall have no further responsibilities with respect to any matters of approval or enforcement set forth herein. The Architectural Control Committee shall consist of at least one (1) but no more than three (3) persons. Neither Developer nor any member of the Architectural Control Committee shall be compensated from assessments collected from the members of the Association for the time expended in architectural control activities.

Section 3. Uses Permitted. No Site subject hereto shall be used except for residential purposes. No Site in the Condominium shall be used or shall have any improvement made to it or erected upon it in violation of the ordinances or requirements of the Township or such other governmental entity as may have jurisdiction thereover. Notwithstanding the foregoing, Developer may conduct any of the activities expressly described in the Master Deed or its Exhibits.

Section 4. Building Restrictions. Except as otherwise permitted herein, no Structure may be constructed, installed, or placed on a Site except for one detached Residence which shall not exceed the zoning ordinance height limitation of the municipality in which the Structure is located and which Residence shall include an attached private garage for not more than three (3) cars for the sole use of the Co-owner or occupant of the Site on which such Residence and garage shall have been erected; provided, that each Residence constructed upon any Site shall have at least a two (2) car garage attached thereto, constructed at the time of and in conjunction with construction of such Residence, subject further to the following restrictions:

(a) Square Footage and Type of Construction. All Residences within the Condominium shall contain the following minimum square footage requirements:

- (i) single story: 1,300 square feet.

The square footage areas of any garage or basement shall not be included in computing whether the foregoing minimum square footage requirements have been met. ALL RESIDENCES SHALL BE OF BRICK VENEER, FRAME, VINYL OR OTHER GENERALLY ACCEPTABLE BUILDING MATERIALS ACCEPTABLE TO THE DEVELOPER OR ANY

COMBINATION THEREOF. ALUMINUM SIDING IS EXPRESSLY PROHIBITED.

(b) Site Size. Except with respect to Sites modified by the Developer, no Site shall be divided and/or reduced in size by the conveyance of a part thereof, or by the use and/or addition of a part thereof in conjunction with or as part of any adjacent Site to constitute a building site other than precisely as indicated within the recorded Plan of the Condominium; provided, however, that if any of the Sites shall be altered and reduced in total area by the taking, use or purchase of a portion thereof for a public purpose by a public agency, this provision shall not apply to prohibit the construction of a Residence upon such Site as reduced in size.

(c) Building Lines. No Structure shall be placed, erected, installed or located on any Site nearer to the front, side or rear Site line than the distances shown on the Plan and as permitted by the ordinances of the Township in effect at the time of installation of such Structure. The Township's setback requirements, as provided in the Judgment, are as follows:

- (i) Curvilinear lots are fifty (50) feet wide (tangent definition) at thirty-five (35) feet from the back of curb or seventy (70) feet back on lots with converging sidelines.
- (ii) For all lots, the front setback is thirty-five (35) feet and the rear setback is twenty-five (25) feet.
- (iii) There shall be fifteen (15) feet of separation between buildings on all fifty (50) foot wide lots.

Front, rear and side yards smaller than above shall only be permitted if a variance from the setback or setbacks is granted by the Architectural Control Committee. A variance from the Township is also necessary. Approval of a variance by the Architectural Control Committee of setbacks of less than those established above will be permitted if the grade, soil or other physical conditions pertaining to a Site justify such a variance.

(d) Trees. All Co-owners (including land contract and option purchasers of any Site from Developer) shall comply with the Township's woodlands ordinance then in effect, if any, in connection with any proposed tree removal.

(e) Nuisances. No noxious or offensive activity shall be carried on or upon any Site, nor shall anything be done thereon which may be or become an annoyance or nuisance to the other Sites or Co-owners.

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



(g) Street Cleaning. The Developer shall have the right from time to time to cause the streets in the Condominium to be cleaned and to assess all Co-owners engaged in construction on or within thirty (30) days prior to the cleaning for a pro rata share (based on the number of Sites owned regardless of whether construction has commenced) of the cost of the street cleaning. In the event the Township or any other governmental authority issues a warning or ticket for a violation of ordinance or law on any Site, Developer shall have the right to remediate the item for which a warning or ticket is issued and assess the Co-owner of the Site (including the land contract or option purchaser of the Site from Developer) on which the work was done for the cost of the same. Any such cost assessed shall be a lien on the Site assessed as provided in Article II of these Bylaws.

(h) Unightly Conditions. It shall be the responsibility of each Co-owner to prevent the development of any unclean, unsightly or unkempt conditions of Structures or ground on such Site which shall tend to substantially decrease the beauty of the Condominium as a whole or any specific area thereof. No lawn ornaments, sculptures or statues shall be placed or permitted to remain on any Site. No unsightly condition shall be maintained upon any courtyard, deck, patio or porch and only furniture and equipment consistent with ordinary courtyard, deck, patio or porch use shall be permitted to remain there during seasons when the same are reasonably in use and no furniture or equipment of any kind shall be stored on decks, patios or porches during seasons when the same are not reasonably in use.

(i) Driveways and Garages. The location of all driveways shall be approved by the Architectural Control Committee prior to construction. All driveways shall be paved with concrete and/or brick pavers and shall be completed prior to occupancy of the Residence to be served by such driveway, except to the extent delayed or prohibited by strikes or adverse weather conditions, in which event, such paving shall be completed within sixty (60) days after the termination of such strike or adverse weather conditions. When unattended, cars must be parked in garages with the garage doors closed.

(j) Temporary Structures. Trailers, tents, shacks, tool sheds, barns or any temporary buildings of any design whatsoever are expressly prohibited within the Condominium and no temporary Residence shall be permitted in an unfinished residential building. This shall not prevent the erection of a temporary storage building for materials and supplies to be used in the construction of a Residence, and which shall be removed from the premises on completion of the Structure, and shall not prevent use by any builder or contractor of trailers for material storage or model offices during the period of construction in the Condominium, provided that, before erecting any such Structure, the builder or contractor obtains any necessary permits from the Township and the approval of the Architectural Control Committee of the location, style and design of any such Structures, and further provided the same shall be removed at the completion of construction in the Condominium.

(k) Signs. No signs or other advertising devices shall be displayed which are visible from the exterior of a Site or on the Common Elements, including lawn or window "For Sale" signs, provided, however, window "For Sale" signs may be permitted only with the approval of two-thirds (2/3) in number and in value of all Co-owners and the written approval of the color and size of such "For Sale" signs by the Board of Directors. The Board of Directors may establish rules permitting the posting of "For Sale" flyers in designated General Common Element areas and may establish additional restrictions concerning the display and placement of signs.

(l) Aesthetics. The Common Elements shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in the Master Deed or in duly adopted rules and regulations of the Association. All rubbish, trash, garbage and other waste shall be regularly removed from each Site and shall not be allowed to accumulate therein. Trash receptacles shall at all times be maintained inside each individual garage and shall not be permitted to remain elsewhere except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. It shall be the responsibility of each Co-owner to prevent the development of any unclean, unsightly or unkempt conditions of buildings or ground on the Co-owner's Site which shall tend to substantially decrease the beauty of the Condominium as a whole or any specific area thereof. The yard area within each Site and surrounding each Residence shall not be used in any way for the drying, shaking, or airing of clothing or other fabrics. Except by the Developer so long as Developer owns and offers for sale at least one (1) Site in the Condominium, no building materials, landscaping materials or firewood shall be stockpiled on any Site.

(m) Street Trees and Landscaping. Each Co-owner (including land contract and option purchasers of Sites from Developer) shall plant one (1) street tree on the Site owned (or purchased on land contract or option from Developer, unless lot dimensions require otherwise. Two (2) street trees are required for all corner Sites, unless lot dimensions require otherwise. All such street trees shall be deciduous trees approved in advance by Developer (anticipated to be Norway Maple or similar canopy tree), and shall be of the minimum size necessary to meet the Township's street tree requirement for the Site. All street trees shall be placed in locations approved by Developer in its sole discretion. When planted, each street tree shall be equidistant from the other street trees on the Site and the street trees located (or to be located) on the Site(s) adjacent to the Site on which the trees are planted, unless lot dimensions require otherwise. Basic landscaping, including finish grading, an underground irrigation system and sodding must be completed within ninety (90) days after the closing of the sale of a newly-constructed Residence, or occupancy, whichever is sooner. If, however, such closing or occupancy occurs after October 1 of any year, then the Site shall be sodded and appropriately landscaped by June 1 of the following year. Each Co-owner shall be responsible to maintain and replace the street trees planted in the street right of way adjacent to the Co-owner's Site as provided in this subparagraph (m). The first year survival of street trees may be secured by a bond posted with Developer in an amount established by Developer in its sole discretion. In the event any street tree dies, the Co-owner of the Site abutting the right of way in which the street tree is planted shall replace the dead tree with deciduous trees approved in advance by Developer, in the minimum size required by the Township, at the Co-owner's sole cost and expense. If the Co-owner fails to make such a replacement within thirty (30) days after written request to do so from the Association, the Association may replace the tree and assess the Co-owner with the cost of replacing the dead tree. Any such special assessment shall be a lien on the Co-owner's Site as provided in Article II of these Bylaws. The Association shall not be obligated to replace dead trees pursuant to this subparagraph (m), any rights exercised hereunder being entirely at the discretion of the Association.

Section 5. Alterations and Modifications of the Common Elements. No Co-owner shall make alterations to the Common Elements, limited or general, without the express written approval of the Board of Directors. The Developer may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium as provided herein and in any rules and regulations of the Association.

Section 6. Activities. No immoral, improper, unlawful or offensive activity shall be carried on in any Site or upon the Common Elements, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium, nor shall any unreasonably noisy activity occur in or on the Common Elements or within any Site at any time. No Co-owner shall do or permit anything to be done or keep or permit to be kept in the Co-owner's Site or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved, which increased cost may be assessed to and collected from the Co-owner in the manner provided in Article II hereof.

Section 7. Storage and Parking of Vehicles. No trailers, boats, boat trailers, house trailers, campers, RVs, junk cars, motorcycles, motor homes, snowmobiles, snowmobile trailers, recreational vehicles, commercial vehicles (other than those present temporarily on business for a period not to exceed eight (8) hours), ATVs, jet skis, other recreational vehicles of any kind, or any trailer used for any type or kind of vehicle may be parked or stored in the Condominium, unless parked in an area specifically designated therefor by the Board of Directors and approved in advance by the Township. The Board of Directors may, by duly adopted rule or regulation, further regulate the parking of automobiles on the roads and drives in the Condominium. Automobiles may be stored in a Co-owner's garage so long as such vehicles are operational.

Section 8. Solar Panels. No solar panel, solar collector or similar device shall be placed, constructed, altered, or maintained on any Site.

Section 9. Animals or Pets. Without the prior written consent of the Board of Directors, no animal or pet other than: (i) one (1) dog and one (1) cat; (ii) one (1) dog or one (1) cat, or (iii) two (2) cats, shall be kept in the Condominium by any Co-owner. Any pets kept in the Condominium shall have such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions. No savage, exotic or dangerous animal shall be kept. No animal may be permitted to run loose upon the Common Elements, and any animal shall at all times be attended by a responsible person while on the Common Elements. No animal may be tethered or chained anywhere in the Overall Development, whether to poles, trees or otherwise. Any person who causes or permits an animal to be brought or kept on the Condominium property shall indemnify and hold harmless the Association for any loss, damage or liability that the Association may sustain as a result of the presence of such animal on the Condominium property. Notwithstanding the foregoing, the following breeds of dogs are prohibited from all Sites and the Overall Property: (i) American Pit Bull Terrier; (ii) American Staffordshire Terrier; (iii) Doberman Pinscher; (iv) Rottweiler; and (v) any crossbreeds of dogs that contain one or more of these breeds. As such, Co-owners shall not own (or house for any period of time) any of the aforementioned breeds of dogs and shall be responsible for notifying guests and invitees that the aforementioned breeds are prohibited from all Sites and the Overall Property. The Board of Directors may, by duly adopted rule or regulation, further regulate the keeping of animals or pets, including, but not limited to, rules concerning defecation by animals or pets. The term "animal or pet" as used in this Section shall not include small animals that are constantly caged such as small birds or fish. All pets must be registered with the Board of Directors of the Association.

Section 10. Common Elements. The Common Elements shall be used only for passive recreation and for no other purpose. Golfing, basketball and all other active sports are



prohibited. Activities in the Common Elements shall be carried on in such a manner as to avoid disturbing or otherwise offending other Co-owners. Basketball hoops and play areas are prohibited. The Common Elements shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No Co-owner may leave personal property of any description (including, by way of example and not limitation, bicycles, vehicles, chairs and benches) unattended on or about the Common Elements. Use of all Common Elements may be limited to such times and in such manner as the Board of Directors shall determine by duly adopted regulations.

Section 11. Rules and Regulations. Reasonable regulations consistent with all laws and the Condominium Documents concerning the use of the Common Elements or the rights and responsibilities of the Co-owners and the Association with respect to the Condominium or the manner of operation of the Association and of the Condominium may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors (or its successors), provided, however, any regulation affecting the rights of Developer, in Developer's sole discretion, shall require the prior written approval of Developer. Copies of all rules, regulations and amendments thereto shall be furnished to all Co-owners or posted on a General Common Element. Any such regulation or amendment may be revoked at any time by the affirmative vote of a majority of the Co-owners.

Section 12. Association's Right of Access. The Association or its duly authorized agents shall have access to each Site and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agent shall also have access to each Site and any Limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Site. It shall be the responsibility of each Co-owner to provide the Association means of access to the Co-owner's Site and any Limited Common Elements appurtenant thereto during all periods of absence and in the event of the failure of such Co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to any Site or any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of such damage. Subject to the foregoing and other provisions in the Master Deed and these Bylaws, each Co-owner shall be entitled to exclusive occupancy and control over the Co-owner's Site and all Limited Common Elements appurtenant thereto.

Section 13. Landscaping. No Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Elements unless approved by the Board of Directors in writing or unless permitted by the Master Deed or the regulations of the Association.

Section 14. No Weapons or Hunting. No Co-owner shall use, or permit the use by any guest or member of such Co-owner's family, of any firearms, air rifles, pellet guns, B-B guns, bow and arrows, sling shots, or other similar weapons, projectiles or devices anywhere on or about the Condominium for any reason whatsoever, including, but not limited to, the hunting of animals.

Section 15. Air Conditioners. No external air conditioning unit shall be placed in or attached to a window or wall of any Residence or Structure. No compressor or other



component of a central air conditioning system (or similar system, such as a heat pump) shall be so located upon any Site so as to be visible from the public street upon which such Site fronts, and, to the extent reasonably possible, all such external equipment shall be so located on any Site so as to minimize the negative impact thereof on any adjoining Site, in the terms of noise and appearance. In general, such equipment shall be located at least twelve and one-half (12.5') feet from any Site boundary line and shall be completely screened by an evergreen landscape screening unless an exception is approved by the Architectural Control Committee. All air conditioning equipment must be screened with landscape materials.

Section 16. Basketball Hoops and Play Structures. As conditioned herein, Co-owners may have one (1) basketball hoop on a Site, provided that such basketball hoop is: (a) beyond the front setback of the Site; and (b) not attached to any residence or structure on the Site. Prior to erecting, installing or placing any basketball hoop, play structure or equipment on a Site, a Co-owner must submit a written request to the Architectural Control Committee for approval, which request shall include specifications including the dimensions and materials of each basketball hoop, play structure or equipment. The Architectural Control Committee may approve or deny approval of the basketball hoop, play structure or equipment in its sole discretion.

Section 17. General Restrictions.

(a) No Clothes Lines. No clothes lines or outside drying of laundry shall be permitted.

(b) Mail Boxes. All mail boxes shall be of size, color and design approved by the Architectural Control Committee and all costs associated with the installation and maintenance of mailboxes shall be the responsibility of Co-owners. Notwithstanding the foregoing, the Association may (at its sole discretion) assume responsibility for mailbox maintenance and provide for the payment of such maintenance as Co-owner assessments pursuant to Article II herein. All mail boxes shall be located uniformly with reference to the Residences in accordance with post office requirements. The Association may determine (at its sole discretion) that cluster mailboxes are appropriate for the Condominium and provide for the payment of costs associated with cluster mailboxes as assessments pursuant to Article II herein.

(c) Swimming Pools and Spas. In-ground and above-ground swimming pools are prohibited. Spas are permitted on the patio area of a Site, but are subject to the prior review and written approval of the Architectural Control Committee and the permitting requirements of the Township. All approved spa areas shall be landscaped to minimize the visual impact upon adjacent residences and shall not be visible from any roads. All spa mechanical equipment will be located in the rear yard of the residence, will not extend past the side of the residence, and will be fully concealed from view. Notwithstanding the foregoing, Developer makes no representations or warranties concerning the suitability of any Site for installation of a spa. Each Co-owner, by acceptance of a deed for a Site, understands that the installation of a spa may include costs associated with soil compaction, among other costs.

Section 18. Fences and Walls. No fence or wall which surrounds the perimeter of a Site shall be permitted. Fences in a side yard adjoining a public or private street shall not exceed sixty (60) inches in height, and all fences shall comply with the provisions of Section 19 of this Article VI. Where such fences abut a Common Element, no fence shall be erected

except on condition that the Co-owner of such Site regularly cuts, cleans and maintains the area of such Site between said fence and the Common Element. Wrought iron and other decorative fencing (but not fencing of the wire type commonly known as "cyclone fencing") may be used on any Site for the purpose of enclosing heating and cooling equipment, in locations approved by the Architectural Control Committee. Any such approved and permitted fencing shall have a vertical balustrade pattern and no additional ornamentation. All fences are subject to approval by and permitting requirements of the Township and shall not exceed the minimum height permitted by the Township.

Section 19. Sight Distance at Intersection. No fence, wall, hedge, or shrub planting greater than three (3) feet in height above the roadways shall be placed or permitted to remain on any corner Site within the triangular area formed by the street property lines and a line connecting them at points thirty (30) feet from the intersection of the street lines, or in the case of a rounded property corner from the intersection of a street property line extended. The same sight line limitations shall apply on any Site within ten (10) feet from the intersection of a street property line with the edge of a driveway. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at least ten (10) feet above the ground, or such greater height as is necessary to prevent obstructions of such sight lines.

Section 20. Utility Easements. Easements for the construction, installation and maintenance of public utilities, and for drainage facilities, are reserved as shown on the recorded Plan. Within all of the foregoing easements, unless the necessary approvals are obtained from the Township and any other appropriate municipal authority, no Structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of such service facilities and utilities, including underground electrical and telephone local distribution systems, or which may change, obstruct or retard the flow or direction of water in and through drainage in the easements, nor shall any change, which may obstruct or retard the flow of surface water or be detrimental to the property of others, be made by the occupant in the finished grade of any Site once established by the builder upon completion of construction of the Residence thereon. The easement area of each Site and all improvements in it shall be maintained (in a presentable condition continuously) by the Co-owner, except for those improvements for which a public authority or utility company is responsible, and the Co-owner shall be liable for damage to service facilities and utilities thereon, including damage to electric, gas, and telephone distribution lines and facilities therein. Except as may be otherwise provided herein, each Co-owner shall maintain the surface area of easements within his property, to keep weeds out, to keep the area free of trash and debris, and to take such action as may be necessary to eliminate or minimize surface erosion.

Section 21. Public Utilities. All public utilities such as water mains, sanitary sewers, storm sewers, gas mains, electric, telephone, and local cable television/telecommunication distribution lines, and all connections to same, either private or otherwise, shall be installed underground; provided, however, that the above ground transformers, pedestals, cable and/or other feeder pole lines, and other above ground electric and telephone utility equipment associated with or deemed necessary by DTE Energy and Ameritech (or the companies providing such services), or the Developer, for underground utility installations and distribution systems, and surface and offsite open drainage channels and facilities, as well as street lighting stanchions, shall be permitted. The provisions and requirements of this Section 21 shall not apply to utility poles and lines existing as of the date hereof.

Section 22. Co-owner Maintenance. Each Co-owner shall maintain the Site owned, together with the Residence and any Structures located thereon, and any Limited Common Elements appurtenant thereto in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other elements in any Site which are appurtenant to or which may affect any other Site. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by the Co-owner or the Co-owner's family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association in which case there shall be no such responsibility, unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount. Any costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

Section 23. Reserved Rights of Developer.

(a) Prior Approval by Developer. Until certificates of occupancy are issued for Residences in 100% of the Sites in the Condominium, no Residences or Structures or other improvements shall be commenced, erected, maintained, nor shall any addition to, or change or alteration to any Structure be made (including in color or design), except interior alterations of Residences, until plans and specifications are approved by the Developer (functioning as the Architectural Control Committee) as provided in Section 1 of this Article VI.

(b) Developer's Rights in Furtherance of Development and Sales. None of the restrictions contained in this Article VI shall apply to the commercial activities or signs or billboards of the Developer (or its designated builders) with respect to unoccupied Sites owned by the Developer (or its designated builders), or of the Association in furtherance of its powers and purposes. Anything herein contained to the contrary notwithstanding, the Developer, its successors and assigns, its or their agents, employees and sales representatives may use and occupy any Site or Residence built in the Condominium as a sales office for the handling of sales of Sites and/or Residences in said Condominium or other lands owned by the Developer, until all of the Sites and/or Residences to be built on said lands shall have been sold, and further, may construct fences otherwise in violation of Section 18 and 19 of this Article VI, above, in front of, or along side of, model or display houses during such sales period; provided, however, that at such time as such model or display house is sold, any such fence or portion thereof otherwise in violation of Sections 18 and 19 of this Article VI, above, shall be removed by the builder of such model or display house.

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



Section 24. Use of Fertilizer and other Phosphorus Producing Materials. Co-owners and the Association and their agents and contractors shall only use organic fertilizers such as slow release nitrogen fertilizers in landscaping and maintaining the Common Elements. NON-ORGANIC FERTILIZERS MAY NOT BE USED ANYWHERE IN THE CONDOMINIUM. Co-owners shall not use or allow to be released outdoors phosphorus producing materials such as paint, paint thinner, soaps, detergents, gasoline, oil and pesticides.

Section 25. Mold. The presence of mold is an event that occurs naturally in the environment which is beyond the control of Developer and the Association. Moisture in a home can have many causes. Spills, leaks, overflows, condensation and high humidity are common sources of home moisture. Good housekeeping and home maintenance practices are essential in the effort to prevent or eliminate mold growth. If moisture is allowed to remain on the growth medium, mold can develop within twenty-four to forty-eight hours.

Co-owners can take positive steps to reduce or eliminate the occurrence of mold growth in the home, and thereby minimize any possible adverse effects that may be caused by mold. These steps including the following:

(i) Before bringing items into the home, check for signs of mold. Potted plants (roots and soil), furnishings, or stored clothing and bedding material, as well as many other household goods, could already contain mold growth.

(ii) Keep the humidity in the home low. Vent clothes dryers to the outdoors. Ventilate kitchens and bathrooms by opening the windows, by using exhaust fans, or by running the air conditioning to remove excess moisture in the air and to facilitate evaporation of water from wet surfaces.

(iii) Inspect for leaks on a regular basis. Look for discolorations or wet spots. Repair any leaks promptly. Inspect condensation pans (refrigerators and air conditioners) for mold growth. Take notice of musty odors and any visible signs of mold.

Whether or not Co-owners experience mold growth depends largely on how they manage and maintain their home. Developer does not warrant against the presence of mold in the Site and will not be responsible for any damages caused by mold, including, but not limited to, property damage, loss of value, adverse health effects or any other effects. Any implied warranties, including an implied warranty of workmanlike construction, an implied warranty of habitability, or an implied warranty of fitness for a particular purpose, are waived and disclaimed by Co-owners upon their purchase of a Site and Co-owners agree to hold Developer harmless for any growth of mold in the Site.

Section 26. Use of Lakes. Co-owners, including their guests and invitees, are prohibited from the following activities in/on any lake within the Overall Property: (i) use of boats, snowmobiles, all-terrain and all other recreational vehicles; (ii) swimming and ice-skating; (iii) construction of docks; and (iv) use of any lake for the purposes of irrigation. The vegetation areas located adjacent to any lakes shall only be used for passive and semi-active recreational uses that do not harm or otherwise damage such areas. Co-owners shall refrain from removing any vegetation from such areas.



Section 27. Antenna. No exterior antennae receiving devices, or satellite dishes of any kind or nature whether freestanding or mounted upon any residence or other structure shall be permitted, unless: (a) the device is a so-called "mini-dish" [not to exceed one (1) meter in diameter]; or (b) the Architectural Control Committee determines in its sole discretion that the absence of an outside antenna causes substantial hardship with respect to a particular Site.

Section 28. Grading Plan for Condominium and Surface Water Drainage. The grade of any Site in the Condominium may not be changed from the grading plan approved by the Township (which grading plan may be subsequently amended from time to time as conditions require), without the written consent of the Board of Directors and any governmental authority having jurisdiction. It shall be the responsibility of each Co-owner to maintain the surface drainage grades of the Co-owner's Site as established by the builder or contractor that builds the Residence on the Site. Additionally, each Co-owner covenants not to change the surface grade of the Co-owner's Site in a manner which will materially increase or decrease the storm water flowing onto or off of that Co-owner's Site or block, pond or obstruct surface water. The Board of Directors of the Association shall enforce this covenant and may enter upon any of the Sites in the Condominium to correct any violation of this covenant and shall charge the costs of the correction to the Co-owner, and such costs shall be a lien upon the Site.

Section 29. Leasing and Rental. Owners, including Developer, may rent any number of Sites at any time for any term of occupancy not less than one (1) year, subject to the following:

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

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

(c) Procedures in the Event of Non-Compliance with Condominium Documents. If the Association determines that the tenant or non-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:

(i) The Association shall notify the Co-owner by certified mail advising of the alleged violation by the tenant.

(ii) The Co-owner shall have thirty (30) days (or such additional time as may be granted by the Association if the Co-owner is diligently proceeding to cure) after receipt of such notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.

(iii) If after thirty (30) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Owners on behalf of the Association, if it is under the control of the Developer, an action for

eviction against the tenant or non-owner occupant and simultaneously for money damages in the same action against the Co-owner and tenant or non-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages to the Common Elements caused by the Co-owner or tenant in connection with the Site or Condominium.

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

## ARTICLE VII

### MORTGAGES

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

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

Section 3. Notification of Meetings. Upon request submitted to the Association, any institutional holder of a first mortgage lien on any Site in the Condominium shall be entitled to receive written notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

## ARTICLE VIII

### VOTING

Section 1. Vote. Except as limited in these Bylaws, each Co-owner shall be entitled to one (1) vote for each Condominium Site owned when voting by number and one (1) vote, the value of which shall equal the Percentage of Value percentage allocated to the Sites owned by such Co-owner as set forth in the Master Deed, when voting by value. Voting shall be by value unless otherwise expressly required by the Condominium Documents or by law. In the case of any Site owned jointly by more than one Co-owner, the voting right appurtenant to that Site may be exercised jointly as a single vote or may be split if all the joint Co-owners of the Site so agree in writing.

Section 2. Eligibility to Vote. No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until the Co-owner has presented evidence of ownership of a Site in the Condominium to the Association. Except as provided in Article XI, Section 2 of these Bylaws, no Co-owner, other than the Developer, shall be entitled to vote prior to the date of the First Annual Meeting of members held in accordance with Section 2 of Article IX. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article VIII or by a proxy given by such individual representative.

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

Section 4. Annual Meeting. There shall be an annual meeting of the Co-owners commencing with the First Annual Meeting held as provided in Article IX, Section 2 hereof. Other meetings shall be held as provided for in Article IX hereof. Notice of the time, place and subject matter of all meetings shall be given by mailing the same to each individual representative designated by the respective Co-owners.

Section 5. Quorum. The presence in person or by proxy of more than 35% in value of the Co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting such person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

Section 6. Voting. Votes may be cast only in person or by a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

Section 7. Majority. Unless otherwise required by law or by the Condominium Documents, any action which could be authorized at a meeting of the members shall be authorized by an affirmative vote of more than 50% in value. The foregoing statement and any other provision of the Master Deed and these Bylaws requiring the approval of a majority (or other stated percentage) of the members shall be construed to mean, unless otherwise specifically stated, a majority (or other stated percentage) in value of the votes cast by those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the Co-owners duly called and held.

## ARTICLE IX

### MEETINGS

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

Section 2. First Annual Meeting. The First Annual Meeting of members of the Association may be convened only by the Developer. The First Annual Meeting may be called at any time in the Developer's discretion after the first conveyance of legal or equitable title of a Site in the Condominium to a non-developer Co-owner; however, as provided in Article XI, Section 2 hereof, the First Annual Meeting shall be held on or before one hundred twenty (120) days after the conveyance of legal or equitable title to non-developer Co-owners of 75% in number of the Sites that may be created in the Condominium or fifty-four (54) months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Site in the Condominium, whichever first occurs. The sale of one or more Sites to a residential builder does not constitute a sale to a non-developer Co-owner. The Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting of members and no such meeting shall be construed as the First Annual Meeting of members. The date, time and place of such meeting shall be set by the Board of Directors, and at least ten (10) days' written notice thereof shall be given to each Co-owner.

Section 3. Annual Meetings. Annual meetings of members of the Association shall be held in the month of March each succeeding year (commencing the third Tuesday of April of the calendar year following the year in which the First Annual Meeting is held) at such date, time and place as shall be determined by the Board of Directors. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

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

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



Section 6. Adjournment. If any meeting of Co-owners cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to a time not less than ten (10) days from the time the original meeting was called, and notice of the meeting shall be provided as set forth in Section 5 of this Article IX.

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

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

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

## ARTICLE X

### ADVISORY COMMITTEE

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

## ARTICLE XI

### BOARD OF DIRECTORS

Section 1. Number and Qualification of Directors. The Board of Directors shall consist of at least three (3) members, all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association, except for the first Board of Directors. Directors shall serve without compensation. After the First Annual Meeting, the number of directors may be increased or decreased by action of the Board of Directors, provided that the Board of Directors shall be comprised of at least three (3) members.

Section 2. Election of Directors.

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

(b) Appointment of Non-developer Co-owners to Board Prior to First Annual Meeting. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Co-owners of 25% of the Sites that may be created, at least one director and not less than 25% of the Board of Directors shall be elected by non-developer Co-owners. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Co-owners of 50% of the Sites that may be created, not less than 33 1/3% of the Board of Directors shall be elected by non-developer Co-owners. When the required percentage of conveyances has been reached, the Developer shall notify the non-developer Co-owners and request that they hold a meeting and elect the required directors. Upon certification by the Co-owners to the Developer of the directors so elected, the Developer shall then immediately appoint such director to the Board to serve until the First Annual Meeting of members unless the director is removed pursuant to Section 7 of this Article XI or the director resigns or becomes incapacitated.

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

(i) Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Co-owners of 75% of the Sites that may be created, and before conveyance of 90% of such Sites, 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 Sites in the Condominium or as long as 10% of the Sites remain that may be created.

(ii) Notwithstanding the formula provided in subsection (i), fifty-four (54) months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Site in the Condominium, if title to at least 75% of the Sites that may be created has not been conveyed to non-developer Co-owners, the First Annual Meeting shall be called and the non-developer Co-owners shall have the right to elect as provided in the Condominium Documents, a number of members of the Board of Directors equal to the percentage of Sites they hold, and the Developer has the right to elect, as provided in the Condominium Documents, a number of members of the board equal to the percentage of Sites which are owned by the Developer and for which all assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection (i). Application of this subsection does not require a change in the size of the board as determined in the Condominium Documents.

(iii) If the calculation of the percentage of members of the Board of Directors that the non-developer Co-owners have the right to elect under this Section 2, or if the product of the number of members of the Board of Directors multiplied by the percentage of Sites held by the non-developer Co-owners under this Section 2 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 director as provided in subsection (i) of this Section 2(c).

(iv) At the First Annual Meeting one-half (1/2) of the directors (rounded up if fractional) shall be elected for a term of two (2) years and the remaining directors shall be elected for a term of one (1) year. At such meeting, all nominees shall stand for election as one (1) slate and the number of persons equal to one-half (1/2) of the number of directors (rounded up if fractional) who receive the highest number of votes shall be elected for terms of two (2) years and the number of persons equal to the remaining directors to be elected who receive the next highest number of votes shall be elected for terms of one (1) year. After the First Annual Meeting, the term of office (except for directors elected at the First Annual Meeting for one year terms) of each director shall be two (2) years. The directors shall hold office until their successors have been elected and hold their first meeting.

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

(vi) As used in this section, the term "Sites that may be created" means the maximum number of Sites which may be included in the Condominium in accordance with any limitation stated in the Master Deed or imposed by law.

Section 3. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things necessary thereto subject always to the Condominium Documents and applicable laws.

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

- (a) To manage and administer the affairs of and to maintain the Condominium and the Common Elements thereof.
- (b) To levy and collect assessments against and from the members of the Association and to use the proceeds thereof for the purposes of the Association.
- (c) To carry insurance and collect and allocate the proceeds thereof.
- (d) To rebuild improvements after casualty.
- (e) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium.
- (f) To own, maintain, improve, operate and manage, and to buy, sell, convey, assign, mortgage or lease (as landlord or tenant) any real or personal property (including any Site in the Condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.
- (g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association.
- (h) To make rules and regulations in accordance with Article VI, Section 12 of these Bylaws.
- (i) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committees any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board.
- (j) To enforce the provisions of the Condominium Documents.

Section 5. Management Agent. The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto) at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 3 and 4 of this Article, and the Board may delegate to such management agent any



other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any other contract providing for services by the Developer, in which the maximum term is greater than 3 years or which is not terminable by the Association upon ninety (90) days' written notice thereof to the other party and no such contract shall violate the provisions of Section 55 of the Act.

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

Section 7. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the directors may be removed with or without cause by the affirmative vote of more than 50% in number and in value of all of the Co-owners and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal quorum set forth in Article VIII, Section 5. Any director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the directors selected by it at any time or from time to time in its sole discretion. Likewise, any director selected by the non-developer Co-owners to serve before the First Annual Meeting may be removed before the First Annual Meeting in the same manner set forth in this paragraph for removal of directors generally.

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

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director personally, by mail, telephone or telegraph, at least ten (10) days prior to the date named for such meeting.

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

Section 11. Waiver of Notice. Before or at any meeting of the Board of Directors, any

director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meetings of the Board shall be deemed a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

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

Section 13. First Board of Directors. All of the actions (including, without limitation, the adoption of these Bylaws and any Rules and Regulations for the Association, and any undertaking or contracts entered into with others on behalf of the Association) of the first Board of Directors of the Association named in its Articles of Incorporation or any successors thereto appointed before the First Annual Meeting of Co-owners shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the Co-owners.

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

## ARTICLE XII

### OFFICERS

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

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

(b) Vice President. The Vice President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint

some other member of the Board to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed by the Board of Directors.

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

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

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

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

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

## ARTICLE XIII

### SEAL

The Board of Directors may adopt a seal on behalf of the Association which shall have inscribed thereon the name of the Association, the words "corporate seal", and "Michigan".

## ARTICLE XIV

### FINANCE

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

entitled to receive a copy of such annual audited financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration.

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

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

## ARTICLE XV

### INDEMNIFICATION OF OFFICERS AND DIRECTORS

Every director and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, incurred by or imposed upon the director or officer in connection with any proceeding to which the director or officer may be a party, or may become involved, by reason of the director or officer being or having been a director or officer of the Association, whether or not a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of such director's duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten (10) days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all Co-owners thereof. Further, the Board of Directors is authorized to carry officers' and directors' liability insurance covering acts of the officers and directors of the Association in such amounts as it shall deem appropriate.



## ARTICLE XVI

### AMENDMENTS

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

## ARTICLE XVII

### COMPLIANCE

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

## ARTICLE XVIII

### REMEDIES

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

(a) Legal Action. Failure to comply with any of the terms or provisions of the Condominium Documents or the regulations of the Association shall be grounds for relief, which may include without limitation an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved 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. In no event shall any Co-owner be entitled to recover such attorneys' fees.

Section 2. No Waiver. The failure of Developer, 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 Developer, the Association or of any such Co-owner to enforce such right, provision, covenant or condition in the future.

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

Section 4. 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 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 Condominium Documents or the Act.

## ARTICLE XIX

### ARBITRATION

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

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

Section 3. Election of Remedies. Such election and written consent by Co-owners or the Association to submit any such dispute, claim or grievance to arbitration shall preclude such parties from litigating such dispute, claim or grievance in the courts.

## ARTICLE XX

### SEVERABILITY

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

# OAKLAND COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 1811

EXHIBIT B TO THE MASTER DEED OF

## COTTAGES AT MILL RIVER

LYON TOWNSHIP, OAKLAND COUNTY, MICHIGAN

### DEVELOPER:

PALAZOLLO BROTHERS OF MILL RIVER LLC  
5995 NINETEEN MILE ROAD  
STERLING HEIGHTS, MI. 48314

### CONDOMINIUM BOUNDARY

PART OF THE SOUTHEAST 1/4 OF SECTION 9, T1N-R7E, LYON TOWNSHIP, OAKLAND COUNTY, MICHIGAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 9; THENCE ALONG THE EAST LINE OF SAID SECTION 9 AND THE CENTERLINE OF MILFORD ROAD (66 FOOT WIDE RIGHT OF WAY), N 02°34'47" W, 2845.02 FEET, TO THE EAST 1/4 CORNER OF SECTION 9; THENCE ALONG THE EAST-WEST 1/4 LINE OF SAID SECTION 9, S 86°50'20" W, 1138.38 FEET, TO THE POINT OF BEGINNING OF THE PARCEL TO BE DESCRIBED; THENCE S 02°41'43" E, 200.35 FEET; THENCE S 4°35'37" E, 188.59 FEET; THENCE S 32°25'08" E, 286.09 FEET; THENCE S 18°13'10" W, 354.71 FEET; THENCE S 12°04'00" E, 441.70 FEET; THENCE S 79°02'20" W, 241.88 FEET; THENCE N 10°57'40" W, 110.23 FEET; THENCE N 54°54'59" W, 127.85 FEET; THENCE N 51°51'40" W, 79.36 FEET; THENCE N 21°51'08" W, 69.68 FEET; THENCE N 02°00'30" W, 71.21 FEET; THENCE N 08°27'41" E, 70.34 FEET; THENCE N 24°55'49" E, 70.89 FEET; THENCE N 41°18'22" E, 65.93 FEET; THENCE N 52°49'58" E, 74.86 FEET; THENCE N 12°51'19" E, 48.92 FEET; THENCE N 03°45'01" W, 46.97 FEET; THENCE N 13°15'54" W, 51.32 FEET; THENCE N 24°09'18" W, 47.24 FEET; THENCE N 30°53'55" W, 47.61 FEET; THENCE N 32°19'06" W, 153.00 FEET; THENCE N 48°55'10" W, 33.28 FEET; THENCE N 83°32'15" W, 34.73 FEET; THENCE S 59°06'02" W, 39.20 FEET; THENCE S 55°41'50" W, 44.06 FEET; THENCE S 85°54'20" W, 40.95 FEET; THENCE NORTHWESTERLY ON AN ARC LEFT, HAVING A LENGTH OF 201.59 FEET, A RADIUS OF 440.00 FEET, A CENTRAL ANGLE OF 28°15'03", AND A LONG CHORD WHICH BEARS N 38°34'01" W, 199.83 FEET; THENCE NORTHWESTERLY ON AN ARC LEFT, HAVING A LENGTH OF 7.53 FEET, A RADIUS OF 270.00 FEET, A CENTRAL ANGLE OF 01°35'50", AND A LONG CHORD WHICH BEARS N 50°29'28" W, 7.53 FEET; THENCE N 20°27'05" E, 128.99 FEET; THENCE N 00°59'42" E, 136.12 FEET; THENCE ALONG SAID EAST-WEST 1/4 LINE OF SECTION 9, N 86°50'20" E, 425.95 FEET, TO THE POINT OF BEGINNING, CONTAINING 11.63 ACRES, MORE OR LESS, AND SUBJECT TO ANY OTHER EASEMENTS OR RESTRICTIONS OF RECORD.

### VARIABLE WIDTH EASEMENT FOR INGRESS, EGRESS, LANDSCAPING, PUBLIC & PRIVATE UTILITIES, AND PUBLIC WATER SUPPLY SYSTEMS:

PART OF THE SOUTHEAST 1/4 OF SECTION 9, T1N-R7E, LYON TOWNSHIP, OAKLAND COUNTY, MICHIGAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 9; THENCE ALONG THE EAST LINE OF SAID SECTION 9 AND THE CENTERLINE OF MILFORD ROAD (66 FOOT WIDE RIGHT OF WAY), N 02°34'47" W, 1120.92 FEET; THENCE S 88°26'32" W, 80.01 FEET, TO THE POINT OF BEGINNING OF THE EASEMENT TO BE DESCRIBED; THENCE S 88°26'32" W, 175.01 FEET; THENCE WESTERLY ON AN ARC RIGHT, HAVING A LENGTH OF 132.72 FEET, A RADIUS OF 805.00 FEET, A CENTRAL ANGLE OF 12°34'09", AND A LONG CHORD WHICH BEARS N 85°16'23" W, 132.46 FEET; THENCE N 78°59'18" W, 260.08 FEET; THENCE WESTERLY ON AN ARC LEFT, HAVING A LENGTH OF 209.01 FEET, A RADIUS OF 545.00 FEET, A CENTRAL ANGLE OF 21°58'22", AND A LONG CHORD WHICH BEARS N 88°58'29" W, 207.73 FEET; THENCE S 79°02'20" W, 96.68 FEET; THENCE N 10°57'40" W, 15.00 FEET; THENCE S 79°02'20" W, 165.09 FEET; THENCE N 10°57'40" W, 80.00 FEET; THENCE N 79°02'20" E, 185.38 FEET; THENCE N 12°04'00" W, 15.00 FEET; THENCE N 79°02'20" E, 96.68 FEET; THENCE EASTERLY ON AN ARC RIGHT, HAVING A LENGTH OF 251.19 FEET, A RADIUS OF 855.00 FEET, A CENTRAL ANGLE OF 21°58'22", AND A LONG CHORD WHICH BEARS S 88°58'29" E, 249.85 FEET; THENCE S 78°59'18" E, 260.08 FEET; THENCE EASTERLY ON AN ARC LEFT, HAVING A LENGTH OF 108.59 FEET, A RADIUS OF 495.00 FEET, A CENTRAL ANGLE OF 12°34'09", AND A LONG CHORD WHICH BEARS S 85°16'23" E, 108.37 FEET; THENCE N 88°26'32" E, 173.05 FEET; THENCE ALONG THE WEST RIGHT OF WAY LINE OF SAID MILFORD ROAD, S 02°34'47" E, 110.02 FEET, TO THE POINT OF BEGINNING. ALSO SUBJECT TO ANY OTHER EASEMENTS OR RESTRICTIONS OF RECORD.

### ATTENTION: COUNTY REGISTER OF DEEDS

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

### DRAWING INDEX

SHEET NO.	DESCRIPTION
1	COVER SHEET
2	SURVEY PLAN
3	SURVEY DETAIL PLAN
4	SURVEY EASEMENT PLAN
5	SURVEY EASEMENT PLAN
6	SITE & UTILITY PLAN
7	SITE & UTILITY PLAN
8	UNIT AREAS & PERIMETER PLAN
9	UNIT AREAS & PERIMETER PLAN

PREPARED BY:



LANSING COUNTY:  
3111 E. GRAND RIVER AVE.  
HUNTSVILLE, MI 48831  
(800) 244-8728; FAX (517) 548-1878

OAKLAND COUNTY:  
2415 WALTON ROAD  
TAYLOR, MI 48180  
(800) 763-0396; FAX (313) 638-6488

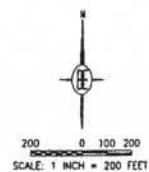


PROPOSED AS OF NOV  
UNITS 1-56 NEED N

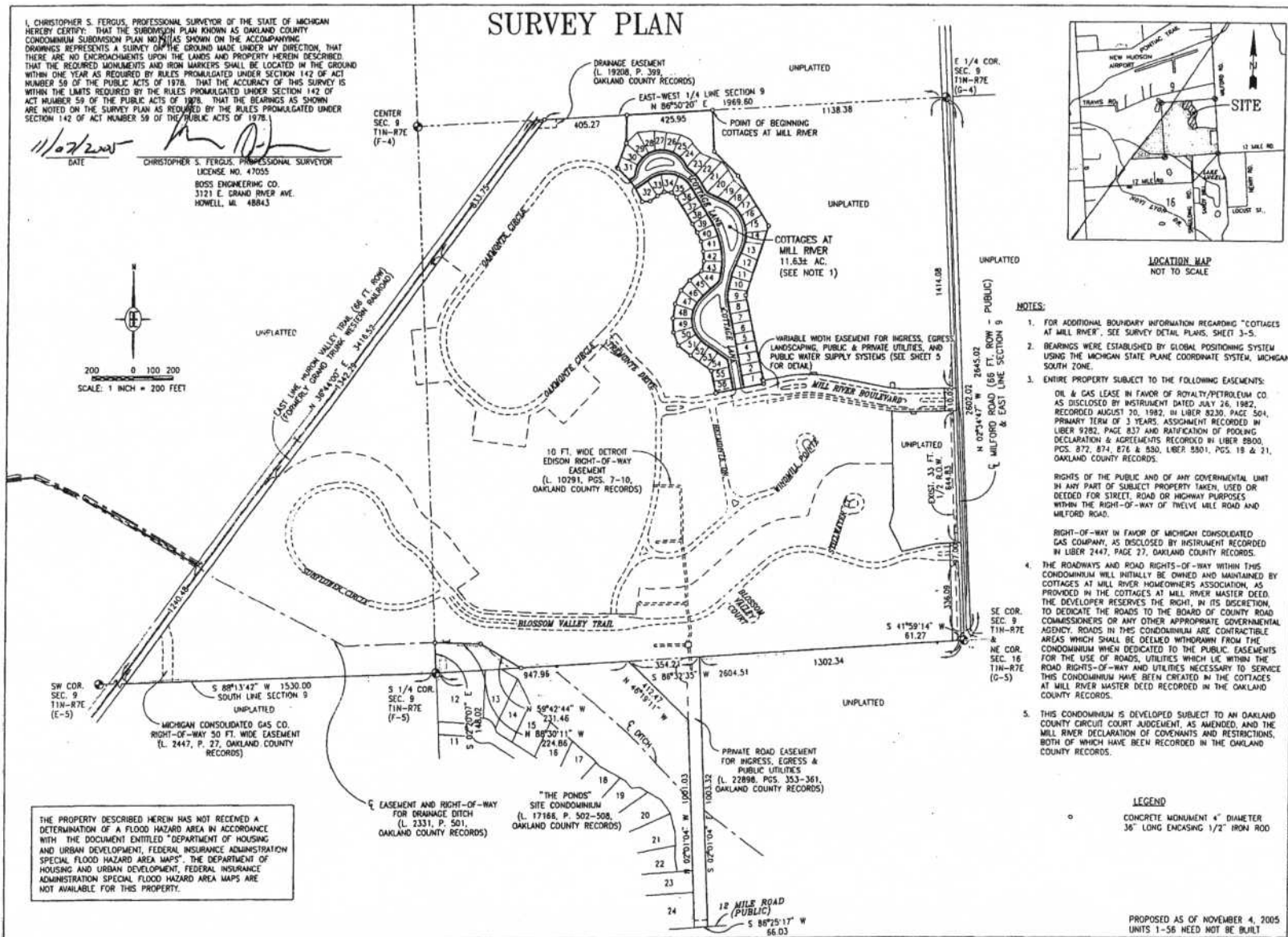
I, CHRISTOPHER S. FERGUS, PROFESSIONAL SURVEYOR OF THE STATE OF MICHIGAN, HEREBY CERTIFY THAT THE SUBDIVISION PLAN KNOWN AS OAKLAND COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 17188, AS SHOWN ON THE ACCOMPANYING DRAWINGS REPRESENTS A SURVEY OF THE GROUND MADE UNDER MY DIRECTION, THAT THERE ARE NO ENCROACHMENTS UPON THE LANDS AND PROPERTY HEREIN DESCRIBED, THAT THE REQUIRED MONUMENTS AND IRON MARKERS SHALL BE LOCATED IN THE GROUND WITHIN ONE YEAR AS REQUIRED BY RULES PROMULGATED UNDER SECTION 142 OF ACT NUMBER 59 OF THE PUBLIC ACTS OF 1978, THAT THE ACCURACY OF THIS SURVEY IS WITHIN THE LIMITS REQUIRED BY THE RULES PROMULGATED UNDER SECTION 142 OF ACT NUMBER 59 OF THE PUBLIC ACTS OF 1978, THAT THE BEARINGS AS SHOWN ARE NOTED ON THE SURVEY PLAN AS REQUIRED BY THE RULES PROMULGATED UNDER SECTION 142 OF ACT NUMBER 59 OF THE PUBLIC ACTS OF 1978.

11/07/2005  
DATE

CHRISTOPHER S. FERGUS, PROFESSIONAL SURVEYOR  
LICENSE NO. 47055  
BOSS ENGINEERING CO.  
3121 E. GRAND RIVER AVE.  
HOWELL, MI 48843



# SURVEY PLAN



- NOTES:**
- FOR ADDITIONAL BOUNDARY INFORMATION REGARDING 'COTTAGES AT MILL RIVER', SEE SURVEY DETAIL PLANS, SHEET 3-5.
  - BEARINGS WERE ESTABLISHED BY GLOBAL POSITIONING SYSTEM USING THE MICHIGAN STATE PLANE COORDINATE SYSTEM, MICHIGAN SOUTH ZONE.
  - ENTIRE PROPERTY SUBJECT TO THE FOLLOWING EASEMENTS:  
OR & GAS LEASE IN FAVOR OF ROYALTY/PETROLEUM CO. AS DISCLOSED BY INSTRUMENT DATED JULY 26, 1982, RECORDED AUGUST 20, 1982, IN LIBER 8220, PAGE 304. PRIMARY TERM OF 3 YEARS, ASSIGNMENT RECORDED IN LIBER 9282, PAGE 837 AND RATIFICATION OF POOLING DECLARATION & AGREEMENTS RECORDED IN LIBER 8800, PGS. 877, 874, 876 & 880, LIBER 5801, PGS. 19 & 21, OAKLAND COUNTY RECORDS.  
RIGHTS OF THE PUBLIC AND OF ANY GOVERNMENTAL UNIT IN ANY PART OF SUBJECT PROPERTY TAKEN, USED OR DEEDED FOR STREET, ROAD OR HIGHWAY PURPOSES WITHIN THE RIGHT-OF-WAY OF TWELVE MILE ROAD AND MILFORD ROAD.  
RIGHT-OF-WAY IN FAVOR OF MICHIGAN CONSOLIDATED GAS COMPANY, AS DISCLOSED BY INSTRUMENT RECORDED IN LIBER 2447, PAGE 27, OAKLAND COUNTY RECORDS.
  - THE ROADWAYS AND ROAD RIGHTS-OF-WAY WITHIN THIS CONDOMINIUM WILL INITIALLY BE OWNED AND MAINTAINED BY COTTAGES AT MILL RIVER HOMEOWNERS ASSOCIATION, AS PROVIDED IN THE COTTAGES AT MILL RIVER MASTER DEED. THE DEVELOPER RESERVES THE RIGHT, IN ITS DISCRETION, TO DEDICATE THE ROADS TO THE BOARD OF COUNTY ROAD COMMISSIONERS OR ANY OTHER APPROPRIATE GOVERNMENTAL AGENCY. ROADS IN THIS CONDOMINIUM ARE CONTRACTIBLE AREAS WHICH SHALL BE DEEMED WITHDRAWN FROM THE CONDOMINIUM WHEN DEDICATED TO THE PUBLIC. EASEMENTS FOR THE USE OF ROADS, UTILITIES WHICH LIE WITHIN THE ROAD RIGHTS-OF-WAY AND UTILITIES NECESSARY TO SERVICE THIS CONDOMINIUM HAVE BEEN CREATED IN THE COTTAGES AT MILL RIVER MASTER DEED RECORDED IN THE OAKLAND COUNTY RECORDS.
  - THIS CONDOMINIUM IS DEVELOPED SUBJECT TO AN OAKLAND COUNTY CIRCUIT COURT JUDGMENT, AS AMENDED, AND THE MILL RIVER DECLARATION OF COVENANTS AND RESTRICTIONS, BOTH OF WHICH HAVE BEEN RECORDED IN THE OAKLAND COUNTY RECORDS.

**LEGEND**  
○ CONCRETE MONUMENT 4" DIAMETER  
36" LONG ENCASED 1/2" IRON ROD

THE PROPERTY DESCRIBED HEREIN HAS NOT RECEIVED A DETERMINATION OF A FLOOD HAZARD AREA IN ACCORDANCE WITH THE DOCUMENT ENTITLED "DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, FEDERAL INSURANCE ADMINISTRATION SPECIAL FLOOD HAZARD AREA MAPS". THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, FEDERAL INSURANCE ADMINISTRATION SPECIAL FLOOD HAZARD AREA MAPS ARE NOT AVAILABLE FOR THIS PROPERTY.

**BOSS ENGINEERING**  
ENGINEERING ARCHITECTS  
LANDSCAPE ARCHITECTS  
3121 E. GRAND RIVER AVE.  
HOWELL, MI 48843  
(517) 961-1111  
FAX (517) 961-1112  
WWW.BOSS-ENGINEERING.COM

CLIENT: PALAZZO BROTHERS OF MILL RIVER LLC  
PROJECT: COTTAGES AT MILL RIVER  
TITLE: SURVEY PLAN

DESIGNED BY	DATE
WFM	11-04-05
DRAWN BY	DATE
WFM	11-04-05
CHECKED BY	DATE
WFM	11-04-05
DATE	TIME
11-04-05	14:00
PROJECT INFORMATION	
SHEET NO.	2

PROPOSED AS OF NOVEMBER 4, 2005  
UNITS 1-56 NEED NOT BE BUILT



[illegible]

1. BEARINGS WERE ESTABLISHED BY: GLOBAL POSITIONING SYSTEM USING THE MICHIGAN STATE PLANE COORDINATE SYSTEM, MICHIGAN SOUTH ZONE.
2. TOTAL AREA = 11.63 ACRES
3. FOR EASEMENTS NOT SHOWN, SEE SHEETS 6-9.

ELEVATIONS FOR MILL RIVER WERE ESTABLISHED FROM NATIONAL GEODETIC SURVEY MONUMENT K 106, IDENTIFIED AS ME0740. THE ELEVATION OF THE DISK IS LISTED AS 929.84 FEET, NAVD 83 DATUM (THE MONUMENT HAS BEEN DISTURBED AND NO LONGER USABLE). THE SITE ELEVATION IS LOWER THAN THE ELEVATION OF THE BENCHMARKS USED BY GIFFELS-WEBSTER ENGINEERS, INC., FOR THE MILFORD ROAD SANITARY SEWER EXTENSION PROJECT. JOB NUMBER: 15247.00

BU #1 MAR. IN SOUTH SIDE OF A 15' TYP. HICKORY, 50% SOUTH OF THE EAST-WEST 1/4 LINE OF SECTION 9 AND 1585.4' WEST OF THE CENTERLINE OF MILFORD ROAD. ELEVATION = 929.01 (N.G.V. DATUM)

BM #1 MARK IN SOUTH SIDE OF A 15" THIN HICKORY, 50'±  
SOUTH OF THE EAST-WEST 1/4 LINE OF SECTION 9 AND  
1585'± WEST OF THE CENTERLINE OF MILFORD ROAD.  
ELEVATION = 929.01 (M.G.V. DATUM)

CONCRETE MONUMENT 4" DIAMETER  
36" LONG ENCASED 1/2" IRON ROD  
WETLAND BOUNDARY  
BENCHMARK LOCATION

BM 1

PROPOSED AS OF NOVEMBER 4, 2005  
UNITS 1-56 NEED NOT BE BUILT

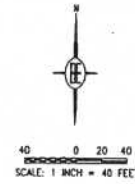
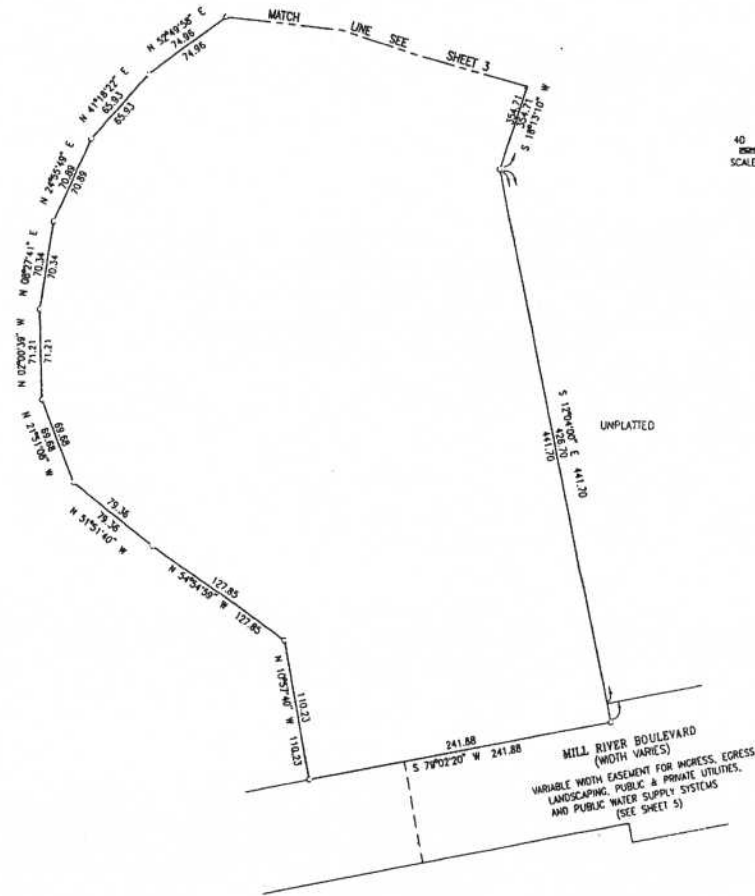
**BOSS ENGINEERING**  
ENGINEERS • SURVEYORS • PLANNERS  
LANDSCAPE ARCHITECTS  
E-MAIL: [info@bosseng.co.uk](mailto:info@bosseng.co.uk)

PALAZOLLO BROTHERS  
OF MILL RIVER LLC

[illegible]

3

# SURVEY DETAIL PLAN



## NOTES:

1. BEARINGS WERE ESTABLISHED BY GLOBAL POSITIONING SYSTEM USING THE MICHIGAN STATE PLANE COORDINATE SYSTEM, MICHIGAN SOUTH ZONE.
2. TOTAL AREA = 11.63 ACRES
3. FOR EASEMENTS NOT SHOWN, SEE SHEETS 6-9.

## LEGEND

- CONCRETE MONUMENT 4" DIAMETER
- 36" LONG ENCASED 1/2" IRON ROD

PROPOSED AS OF NOVEMBER 4, 2005  
UNITS 1-56 NEED NOT BE BUILT

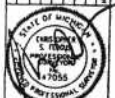
**BOSS ENGINEERING**  
ENGINEERS • SURVEYORS • PLANNERS  
LANDSCAPE ARCHITECTS

BOSS ENGINEERING, LLC  
311 E. CHURCH STREET, SUITE 200  
ANN ARBOR, MI 48106-1408  
(734) 769-1234 FAX (734) 769-1235  
WWW.BOSSENGINEERING.COM

CLIENT  
PALAZOLLO BROTHERS  
OF MILL RIVER LLC

PROJECT  
COTTAGES AT MILL RIVER

TITLE  
SURVEY DETAIL PLAN



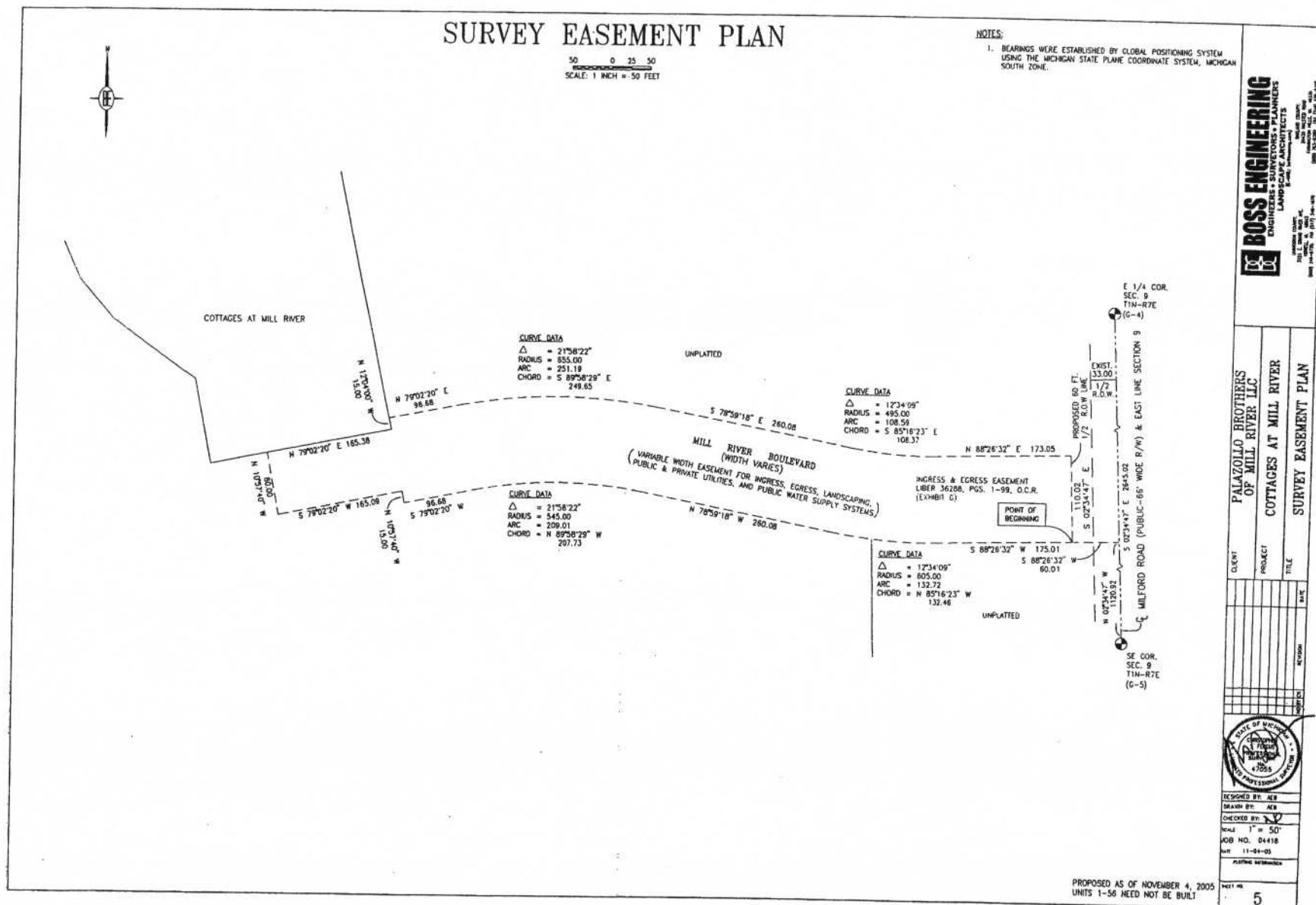
DESIGNED BY: BOB  
DRAWN BY: BOB  
CHECKED BY: BOB  
SCALE: 1" = 40'  
JOB NO. 04418  
DATE: 11-04-05  
PLATTING INFORMATION

SHEET NO.  
4

50 0 25 50  
SCALE: 1 INCH = 50 FEET

NOTES:

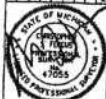
1. BEARINGS WERE ESTABLISHED BY GLOBAL POSITIONING SYSTEM USING THE MICHIGAN STATE PLANE COORDINATE SYSTEM, MICHIGAN SOUTH ZONE.



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ENGINEERS • SURVEYORS • PLANNERS  
LANDSCAPE ARCHITECTS

PALAZOLLO BROTHERS  
OF MILL RIVER LLC  
COTTAGES AT MILL RIVER  
SURVEY EASEMENT PLAN

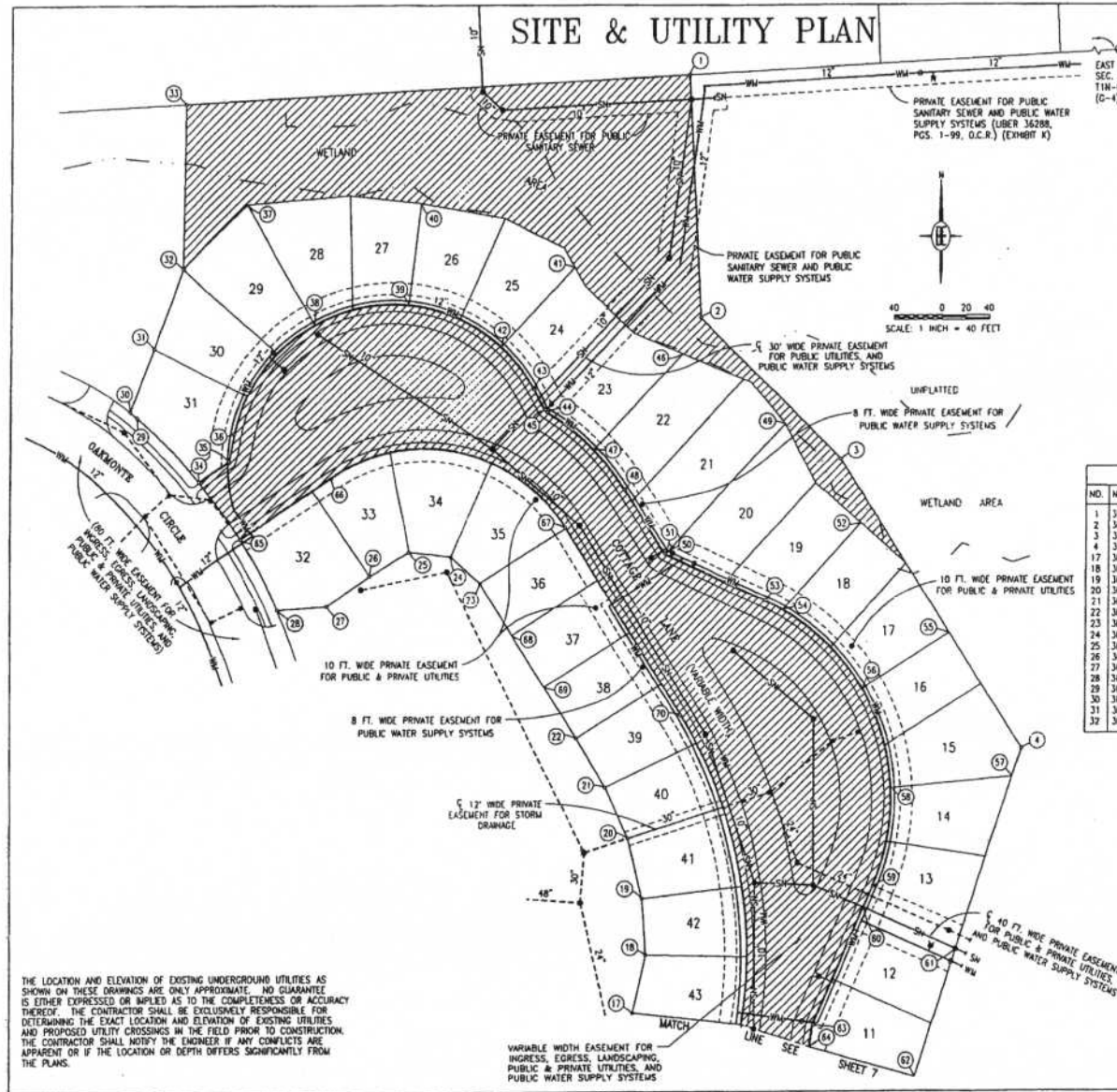
CLIENT	PROJECT	TITLE
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[illegible]

DESIGNED BY: AEB
DRAWN BY: AEB
CHECKED BY: <i>[Signature]</i>
SCALE 1" = 50'
JOB NO. 04418
DATE 11-29-03

PLAYING INFORMATION

SHEET NO. 5



NO.	NORTHING	EASTING	NO.	NORTHING	EASTING	NO.	NORTHING	EASTING
1	364531.79	13325113.47	33	364508.30	13324688.17	53	364093.88	13325178.10
2	364331.66	13325122.89	34	364193.14	13324699.67	54	364086.41	13325182.82
3	364211.61	13325241.23	35	364210.55	13324725.16	55	364086.78	13325333.23
4	363970.11	13325394.63	36	364233.31	13324729.47	56	364020.25	13325256.96
17	363750.47	13325065.85	37	364425.12	13324738.63	57	363948.47	13325366.85
18	363798.17	13325076.53	38	364325.76	13324795.74	58	363936.76	13325284.68
19	363845.04	13325073.46	39	364342.51	13324875.79	59	363855.06	13325269.36
20	363895.00	13325081.88	40	364425.91	13324885.75	60	363837.08	13325261.40
21	363838.10	13325042.35	41	364373.57	13324915.50	61	363802.55	13325335.47
22	363878.96	13325017.90	42	364307.18	13324953.92	62	363897.36	13325304.85
23	364108.26	13324936.10	43	364270.35	13324981.26	63	363740.07	13325218.49
24	364130.13	13324911.01	44	364251.18	13324992.72	64	363722.08	13325215.59
25	364134.04	13324876.50	45	364253.15	13324990.88	65	364144.55	13324734.91
26	364113.91	13324842.86	46	364300.73	13325107.51	66	364185.85	13324809.74
27	364089.08	13324806.47	47	364218.67	13325032.31	67	364154.48	13325007.62
28	364086.15	13324765.63	48	364188.31	13325058.46	68	364065.16	13324963.37
29	364246.55	13324646.57	49	364241.18	13325194.11	69	364022.06	13324890.63
30	364251.39	13324640.75	50	364155.82	13325112.62	70	363998.16	13325105.76
31	364305.28	13324680.85	51	364132.80	13325092.41			
32	364361.97	13324678.33	52	364157.90	13325058.26			

**BOSS ENGINEERING**  
ENGINEERS & ARCHITECTS  
LANDSCAPE ARCHITECTS

CLIENT: PALAZOLLO BROTHERS  
PROJECT: COTTAGES AT MILL RIVER

TITLE: SITE & UTILITY PLAN

DESIGNED BY: NWH

DRAWN BY: NWH

CHECKED BY: NWH

JOB NO. 04418

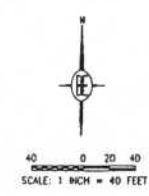
DATE: 11-04-05








PLACING ATTENDANCE

SHEET NO. 6



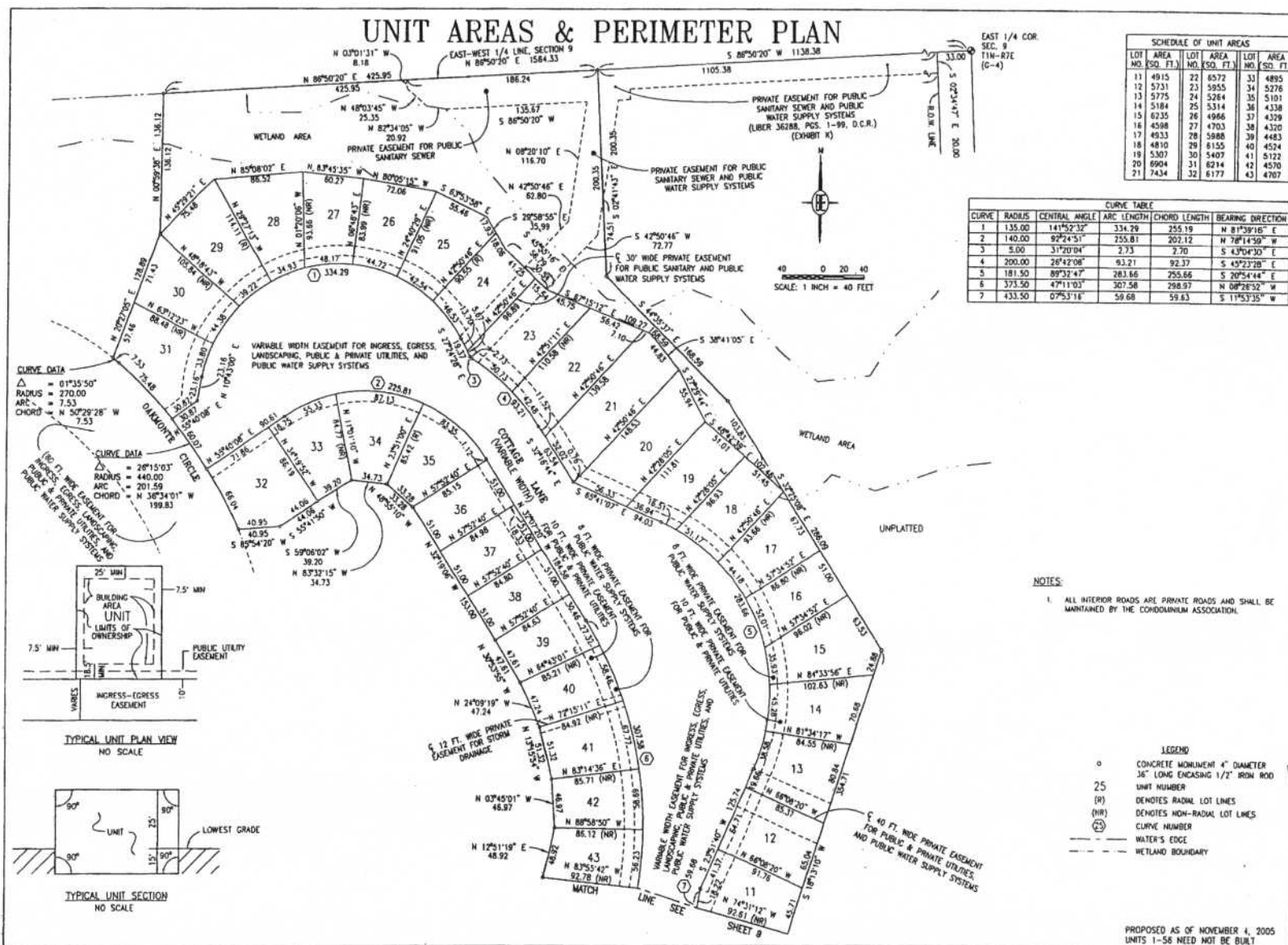
## SITE & UTILITY PLAN



- | LEGEND  |   |
|---|---|
| 25  | UNIT NUMBER   |
|  | GENERAL COMMON ELEMENT  |
|  | COORDINATE POINT W/<br>DESIGNATION NUMBER                           |
|  | CONCRETE MONUMENT 4" DIAMETER<br>36" LONG ENCASED 1/2" IRON ROD     |
|  | STORM SEWER W/OUTLET STRUCTURE,<br>CATCH BASIN & FLARED-END SECTION |
|  | SANITARY SEWER WITH MANHOLE   |
|  | WATERMAIN WITH GATE WELL & HYDRANT<br>AND HYDRANT                   |
|  | FORCEMAIN   |

PROPOSED AS OF NOVEMBER 4, 2005  
UNITS 1-56 NEED NOT BE BUILT

# UNIT AREAS & PERIMETER PLAN



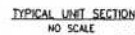
**BOSS ENGINEERING**  
 ENGINEERS AND ARCHITECTS  
 1100 N. 10TH ST., SUITE 200  
 DENVER, CO 80202  
 (303) 733-1100  
 FAX (303) 733-1101  
 WWW.BOSS-ENG.COM

CLIENT: PALAZOLLO BROTHERS OF MILL RIVER LLC  
 PROJECT: COTTAGES AT MILL RIVER  
 TITLE: UNIT AREAS & PERIMETER PLAN

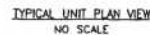
DESIGNED BY: WH  
 DRAWN BY: WH  
 CHECKED BY: WH  
 SCALE: 1" = 40'  
 JOB NO.: 04418  
 DATE: 11-04-05  
 PURCHASE INFORMATION  
 SHEET NO.: 8

LOT NO.	AREA (SQ. FT.)	LOT NO.	AREA (SQ. FT.)	LOT NO.	AREA (SQ. FT.)
1	5682	9	4778	50	5473
2	4858	10	4758	51	5391
3	4807	44	5390	52	4347
4	4757	45	4927	53	4351
5	4707	46	5353	54	5168
6	4836	47	5369	55	4505
7	4605	48	5230	56	4865
8	4809	49	5378		

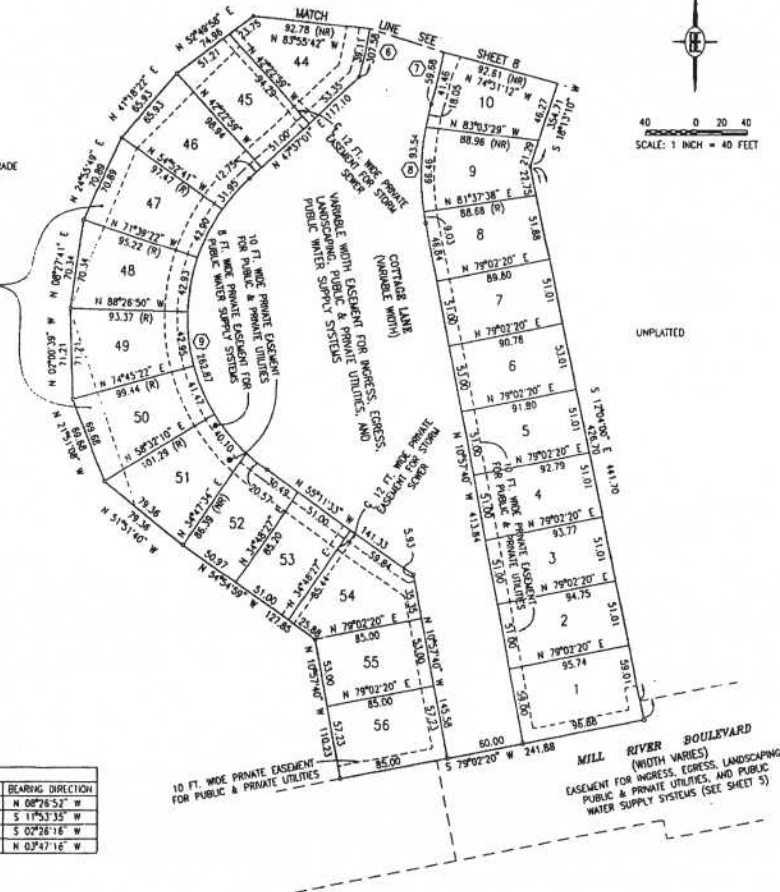
LOT NO.	AREA (SQ. FT.)	LOT NO.	AREA (SQ. FT.)	LOT NO.	AREA (SQ. FT.)
1	5682	9	4778	50	5473
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6	4836	47	5369	55	4505
7	4605	48	5230	56	4865
8	4809	49	5378		



PRIVATE EASEMENT FOR  
STORM DRAINAGE  
(SEE SHEET 7)



CURVE TABLE					
CURVE	RADIUS	CENTRAL ANGLE	ARC LENGTH	CHORD LENGTH	BEARING DIRECTION
6	373.50	47°11'03"	307.58	298.97	N 08°26'52" W
7	433.50	07°53'16"	59.68	56.63	S 11°53'35" W
8	200.00	26°47'53"	93.54	92.69	S 02°26'16" W
9	146.50	102°48'35"	252.87	229.00	N 07°47'16" W



UNPLATTED

NOTES:

1. ALL INTERIOR ROADS ARE PRIVATE ROADS AND SHALL BE MAINTAINED BY THE CONDOMINIUM ASSOCIATION.

**LEGEND**

- |      |                                |
|------|--------------------------------|
| ○    | CONCRETE MONUMENT 4" DIAMETER  |
| 25   | 36" LONG ENCASED 1/2" IRON ROD |
| (R)  | UNIT NUMBER                    |
| (NR) | DENOTES RADIAL LOT LINES       |
| 25   | DENOTES NON-RADIAL LOT LINES   |
|      | CURVE NUMBER                   |

PROPOSED AS OF NOVEMBER 4, 2005  
UNITS 1-56 NEED NOT BE BUILT

**BOSS ENGINEERING**  
ENGINEERS • SURVEYORS • PLANNERS  
LANDSCAPE ARCHITECTS  
E-Mail: [info@bosseng.com](mailto:info@bosseng.com)

**PALAZOLLO BROTHERS  
OF MILL RIVER LLC**

COTTAGES AT MILL RIVER

UNIT AREAS &amp; PERIMETER PLAN

DESIGNED BY: WHW
DRAWN BY: WHW
CHECKED BY: <i>NS</i>
SCALE 1" = 40'
JOB NO. 04418
DATE 11-04-00

9

**COTTAGES AT MILL RIVER ASSOCIATION**  
**FINE POLICY**

**I. AUTHORITY:**

Pursuant to the Michigan Condominium Act and the Condominium Documents for The Cottages at Mill River, The Cottages at Mill River Homeowners Association is responsible for governance and maintenance of Mill River (the "Community") and is authorized to adopt and enforce reasonable rules and regulations in the interests of the Community.

The Association adopts the following policy for the Community with respect to the imposition of fines for violations of the Condominium Documents (the "Rules") and shall be binding upon all Co-owners and their tenants, occupants, heirs, successors and assigns who currently or may in the future possess an interest in the Community. These Rules shall supersede any previously adopted rules on the same subject.

**II. ASSESSMENT OF FINES.**

The violation by any Co-owner, occupant or guest of any provision of the Condominium Documents (Master Deed, Bylaws or Rules and Regulations of the Association) shall be grounds for assessment by the Association of monetary fines against the involved Co-owner. Such Co-owner shall be deemed responsible for such violations whether they occur as a result of their personal actions or the actions of their family, guests, tenants or any other person admitted through such Co-owner to the Community.

Upon any such violation being alleged by the Board or any member of the Association, the following procedures will be followed:

A. Notice. Notice of the violation, including the Condominium Document provision violated, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will place the Co-owner on notice as to the violation, shall be sent by first class mail, postage prepaid, or personally delivered to the representative of the Co-owner at the address shown in the notice required to be filed with the Association pursuant to Article VI, Section 29, of the Condominium Bylaws.

B. Hearing. The offending Co-owner shall be provided a scheduled hearing before the Board at which the Co-owner may offer evidence in defense of the alleged violation. The hearing before the Board shall be at its next scheduled meeting, but in no event shall the Co-owner be required to appear less than 7 days from the date of the Notice referred to above.

C. Default. Failure to appear at the scheduled hearing constitutes a default.

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



### **III. SCHEDULE OF FINES**

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

First violation: No fine will be levied.

Second Violation: A fine of \$25.00 shall be levied plus any costs incurred by the Association in addressing the violation and any damage caused by it.

Third Violation: A fine of \$50.00 shall be levied plus any costs incurred by the Association in addressing the violation and any damage caused by it.

Fourth Violation and Each Subsequent Violation: A fine of \$100.00 shall be levied plus any costs incurred by the Association in addressing the violation and any damage caused by it.

The Board of Directors may make such changes in the fines schedule or adopt alternative fines including the indexing of such fines to the rate of inflation, in accordance with duly adopted Rules and Regulations. For purposes of this Section, the number of the violation (i.e. first, second, etc.) is determined with respect to the number of times that a Co-owner violates the same provision of the Condominium Documents, as long as that Co-owner may be an owner of a Unit or occupant of the Project, and is not based upon time or violations of entirely different provisions. In the case of continuing violations, a new violation will be deemed to occur each successive week during which a violation continues; however, no further hearings other than the first hearing shall be required for successive violations once a violation has been found to exist. Nothing in these Rules shall be construed as to prevent the Association from pursuing any other remedy under the Condominium Documents or the Condominium Act for such violations, or from combining a fine with any other remedy or requirement to address any violation.

### **IV. COLLECTION OF FINES**

The fines levied pursuant to these Rules shall be assessed against the Co-owner and shall be immediately due and payable. Failure to pay the fine will subject the Co-owner to all liabilities set forth in the Condominium Documents. All unpaid amounts shall further constitute a lien on the Co-owner's Unit, enforceable as set forth in Article II of the Condominium Bylaws.

This policy shall become effective upon mailing or other delivery to the Co-owners.

Adopted: January, 2013

BOARD OF DIRECTORS  
THE COTTAGES AT MILL RIVER HOMEOWNERS ASSOCIATION