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AT LAKE CHEMUNG

PURCHASER  
INFORMATION  
BOOKLET

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**PURCHASER INFORMATION BOOKLET  
FOR  
WOODLAND SPRINGS AT LAKE CHEMUNG**

**TABLE OF CONTENTS**

<b>DESCRIPTION</b>		<b>PAGE NO.</b>
<b>MASTER DEED</b>		
ARTICLE I.	TITLE AND NATURE.....	1
ARTICLE II.	LEGAL DESCRIPTION.....	2
ARTICLE III.	DEFINITIONS.....	3
ARTICLE IV.	COMMON ELEMENTS.....	5
ARTICLE V.	USE OF PREMISES.....	7
ARTICLE VI.	CONDOMINIUM UNIT DESCRIPTION AND PERCENTAGE OF VALUE.....	7
ARTICLE VII.	EASEMENTS, RESTRICTIONS AND AGREEMENTS.....	7
ARTICLE VIII.	AMENDMENT.....	12
ARTICLE IX.	CONVERTIBLE AREA.....	13
ARTICLE X.	FUTURE EXPANSION OF CONDOMINIUM.....	14
ARTICLE XI.	CONTRACTION OF CONDOMINIUM.....	16
ARTICLE XII.	NOTICE OF PLANNED UNIT DEVELOPMENT.....	17
ARTICLE XIII.	ASSESSMENT OF FINES.....	17
ARTICLE XIV.	ASSIGNMENT.....	18
<b>BY LAWS</b>		
ARTICLE I.	ASSOCIATION OF OWNERS.....	1
ARTICLE II.	ASSESSMENTS.....	1
ARTICLE III.	JUDICIAL ACTIONS, AND CLAIMS.....	5
ARTICLE IV.	INSURANCE.....	9
ARTICLE V.	RECONSTRUCTION OR REPAIR.....	10

**PAGE NO.**

ARTICLE VI.	BUILDING, USE & OTHER RESTRICTIONS & EASEMENTS.....	12
ARTICLE VII.	MORTGAGES.....	26
ARTICLE VIII.	VOTING.....	27
ARTICLE IX.	MEETINGS.....	28
ARTICLE X.	ADVISORY COMMITTEE.....	30
ARTICLE XI.	BOARD OF DIRECTORS.....	30
ARTICLE XII.	OFFICERS.....	35
ARTICLE XIII.	SEAL.....	36
ARTICLE XIV.	FINANCE.....	36
ARTICLE XV.	INDEMNIFICATION OF OFFICERS AND DIRECTORS.....	37
ARTICLE XVI.	AMENDMENTS.....	37
ARTICLE XVII.	COMPLIANCE.....	38
ARTICLE XVIII.	REMEDIES.....	38
ARTICLE XIX.	ASSESSMENT OF FINES.....	39
ARTICLE XX.	ARBITRATION.....	40
ARTICLE XXI.	SEVERABILITY.....	40

**CONDOMINIUM SUBDIVISION PLAN**

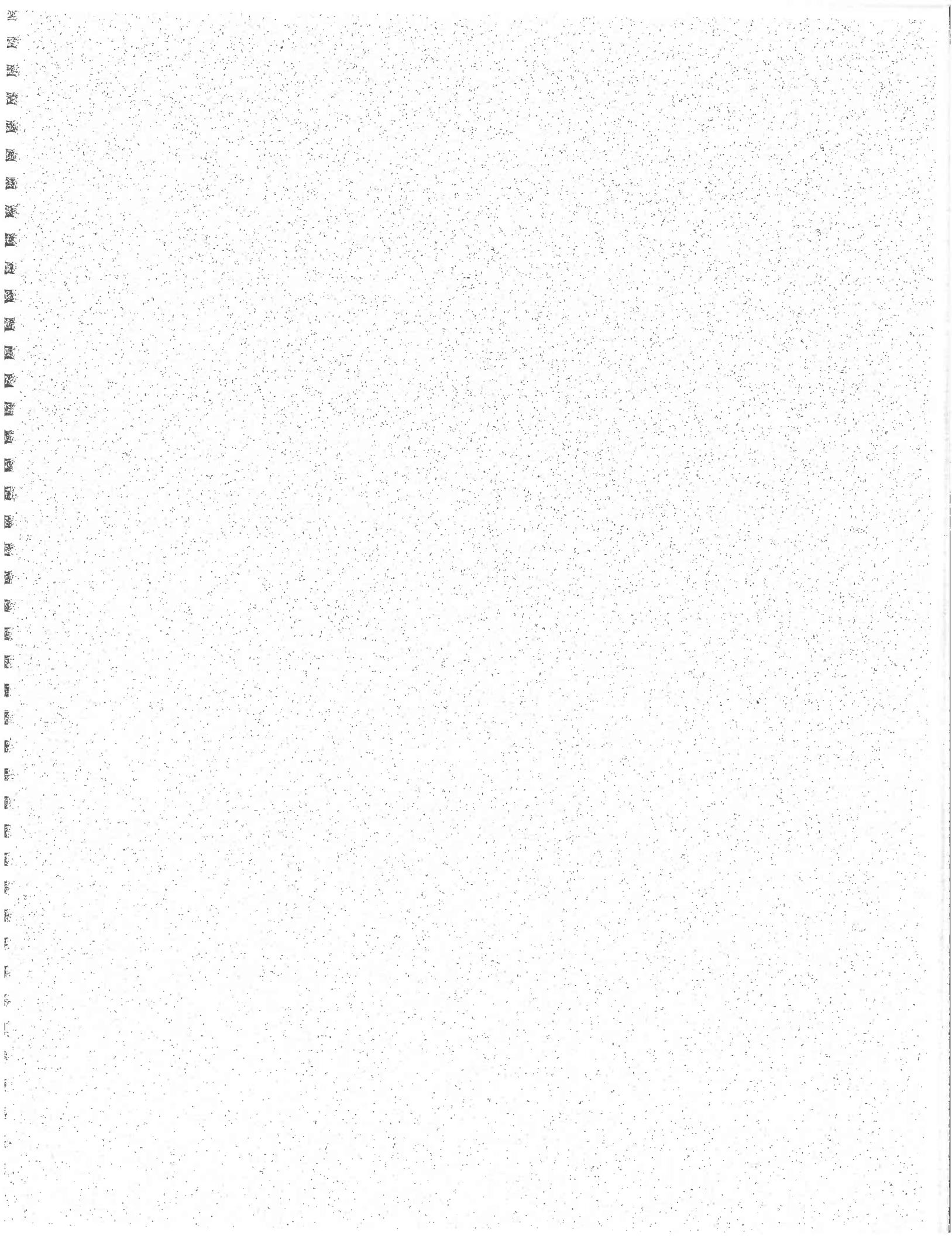
**WOODLAND SPRINGS AT LAKE CHEMUNG HOMEOWNERS ASSOCIATION  
NONPROFIT ARTICLES OF INCORPORATION**

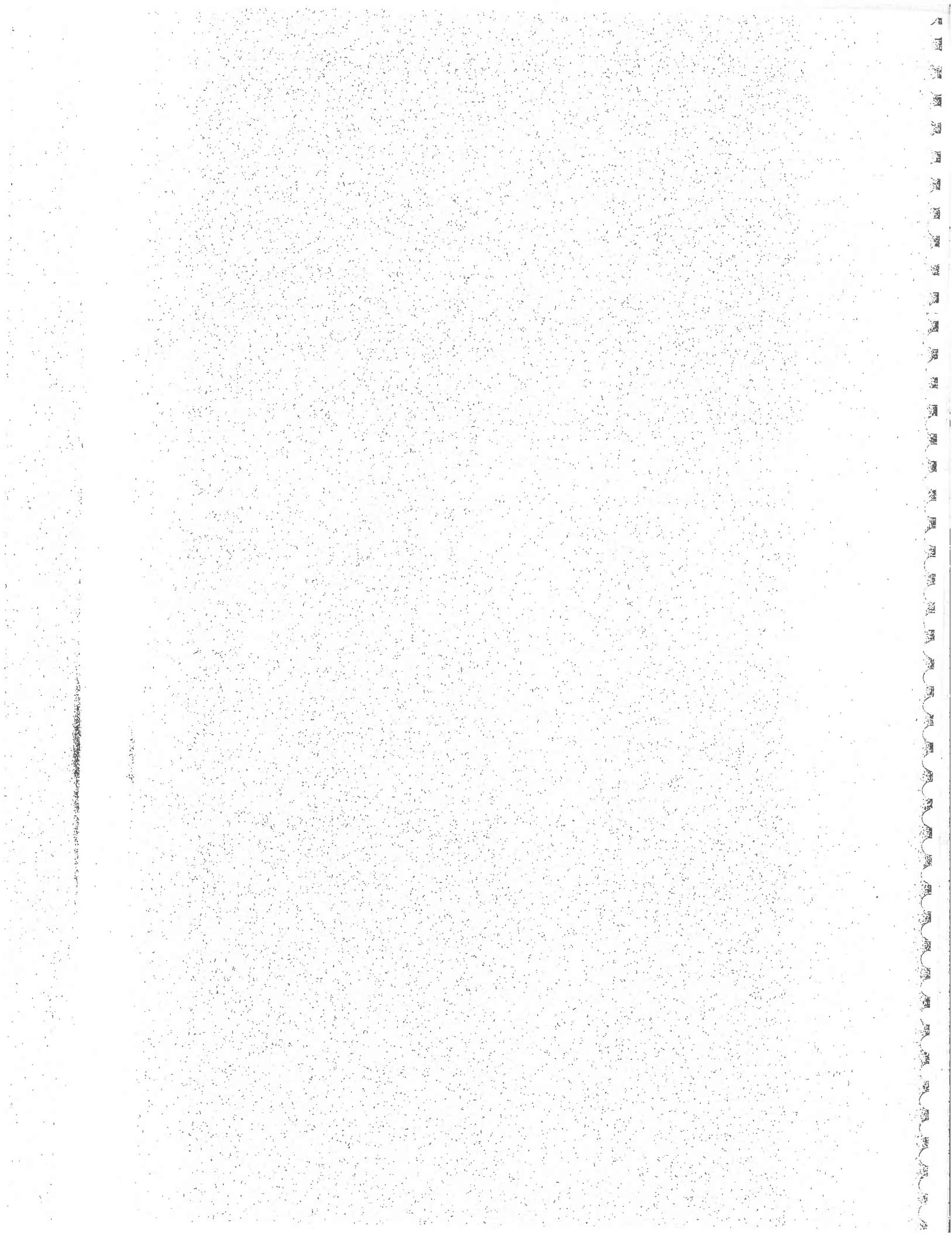
**ESCROW AGREEMENT**

**INFORMATION STATEMENT**

**DISCLOSURE STATEMENT**

**PLANNED UNIT DEVELOPMENT**





## RECORDED

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

3744

4-7-00 *Dianne H. Hardy*  
 Dianne H. Hardy, Treasurer  
 Sec. 105 Act 266, 1898 as Amended  
 Taxes not examined  
 HOMESTEAD DENIALS NOT EXAMINED

2000 APR -7 1 P 4:07

153/2

NANCY HAVILAND  
 REGISTER OF DEEDS  
 LIVINGSTON COUNTY, MI.  
 48843

MASTER DEED  
**WOODLAND SPRINGS AT LAKE CHEMUNG**  
 LIVINGSTON COUNTY CONDOMINIUM  
 SUBDIVISION PLAN NO. 191

This Master Deed is made and executed this 6th day of April, 2000, by Chemung Forest, LLC, a Michigan limited liability company (hereinafter referred to as "Developer"), whose address is 7013 Orchard Lake Rd., Suite 110, West Bloomfield, MI 48322-3692.

## WITNESSETH:

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

NOW, THEREFORE, upon the recording hereof, Developer establishes **WOODLAND SPRINGS AT LAKE CHEMUNG** as a Condominium under the Condominium Act and declares that the Condominium shall be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any other manner utilized, subject to the provisions of said Act, and to the covenants, conditions, restrictions, uses, limitations, and affirmative obligations set forth in this Master Deed and the Exhibits hereto, all of which shall be deemed to run with the land and shall be a burden and a benefit to the Developer, its successors and assigns, and any persons acquiring or owning an interest in the said real property, their grantees, successors, heirs, executors, administrators and assigns.

## ARTICLE I

TITLE AND NATURE

The Condominium shall be known as **WOODLAND SPRINGS AT LAKE CHEMUNG**, Livingston County Condominium Subdivision Plan No. 191. The architectural plans and specifications for each Residence of the Condominium will be filed with the Municipality. The number, boundaries, dimensions and volume of each Unit in the Condominium are set forth in the Condominium Subdivision Plan attached as Exhibit B hereto. Each Unit is capable of individual use, having its own access to a Common Element of the Condominium or directly to a public road. Each Owner in the Condominium shall have an exclusive right to the Unit owned and shall have undivided and inseparable rights to share with other Owners the Common Elements of the Condominium as designated by the

Master Deed. Owners shall have voting rights in the Woodland Springs At Lake Chemung Homeowners Association as set forth herein and in the Bylaws and Articles of Incorporation of such Association.

## ARTICLE II

### LEGAL DESCRIPTION

The land which comprises the Condominium established by this Master Deed is a parcel of land in the Township of Genoa, Livingston County, Michigan and which is subject to easements, restrictions and other agreements of record, Developer's express reservation of all oil and gas rights (as provided below), and all governmental limitations and is described as follows:

Part of the Northeast  $\frac{1}{4}$  of Section 10, part of the Southeast  $\frac{1}{4}$  of Section 3, and part of the Southwest  $\frac{1}{4}$  of Section 2, T2N-R5E, Genoa Township, Livingston County, Michigan, more particularly described as follows: Commencing at the East  $\frac{1}{4}$  Corner of said Section 10; thence along the East line of said Section 10, N 01°11'46" E, 677.92 feet, to the POINT OF BEGINNING of the Parcel to be described; thence N 85°04'47" W, 433.56 feet; thence S 28°42'55" W, 229.15 feet; thence along the centerline of Hughes Road (66 foot wide Right-of-Way), N 53°15'59" W, 37.94 feet; thence continuing along the centerline of Hughes Road, N 59°46'32": W, 891.27 feet; thence N 01°38'14" E, 1721.71 feet; thence N 01°34'02" E, 2664.23 feet; thence along the East-West  $\frac{1}{4}$  line of said Section 3, S 88°38'21" E, 1327.44 feet, to East  $\frac{1}{4}$  Corner of said Section 3 (also being the West  $\frac{1}{4}$  Corner of said Section 2); thence along the East-West  $\frac{1}{4}$  of said Section 2, S 89°05'47" E, 1333.27 feet; thence S 01°24'52" W, 2672.86 feet; thence along the South line of said Section 2, N 89°11'09" W, 1332.33 feet, to the Southwest Corner of said Section 2 (also being the Southeast Corner of said Section 3 and the Northeast Corner of said Section 10); thence along the East line of said Section 10, S 01°11'46" W, 1986.56 feet, to the POINT OF BEGINNING; Containing 223.91 acres, more or less, and subject to the rights of the public over the existing Hughes Road. Also subject to any other easements or restrictions of record and all governmental limitations. Developer expressly reserves from the above described Condominium property, to Developer and Developer's successors and assigns, all right, title and interest in and to the oil and gas on or under the Condominium or that might be produced from the Condominium property, provided however, that neither the Developer nor Developer's successors or assigns, shall have any right of entry on the Condominium for any purpose (including, but not limited to, any entry for the purpose of exploration, analysis of subsurface strata, collection of subsurface data and production upon the Condominium property), or any other surface right with respect to the Condominium for any purpose whatsoever.

ARTICLE IIIDEFINITIONS

Certain terms used in this Master Deed and the Exhibits hereto, and in the Articles of Incorporation and Bylaws of Woodland Springs At Lake Chemung Homeowners Association are defined as follows:

- (a) The "Act" or "Condominium Act" means Act 59 of the Public Acts of Michigan of 1978, as amended.
- (b) "Association" means the Michigan nonprofit corporation, Woodland Springs At Lake Chemung Homeowners Association, of which all Owners shall be members, which Association shall administer, operate, manage and maintain the Condominium. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Condominium Documents or the laws of the State of Michigan.
- (c) "Bylaws" means Exhibit A hereto, which are the Bylaws required for the Condominium and also the Bylaws required for the Association.
- (d) "Common Elements" means the portions of the Condominium other than the Condominium Units.
- (e) "Condominium" means Woodland Springs At Lake Chemung as a Condominium established pursuant to the provisions of the Act, and includes the land and the buildings, all improvements and structures thereon, and all easements, rights and appurtenances belonging to the Condominium.
- (f) "Condominium Documents," wherever used, means and includes this Master Deed and the Exhibits hereto and the Articles of Incorporation of the Association.
- (g) "Condominium Site", "Condominium Unit", "Site" or "Unit" means the volume of space constituting a single complete Unit designed and intended for separate ownership and use in the Condominium as such space may be described on Exhibit B hereto and all structures and improvements within such space.
- (h) "Condominium Subdivision Plan" or "Plan" means the Plan attached to this Master Deed as Exhibit B. The Plan assigns a number to each Condominium Unit and includes a description of the nature, location and approximate size of certain Common Elements.
- (i) "Co-owner" or "Owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which owns one or more Units in the Condominium. Developer is an Owner as long as Developer owns one or more Units. An option or land contract purchaser of one or more Units from the Developer shall be an Owner; provided that in no event shall an option or land contract purchaser of one or more Units from the Developer be a "non-developer Owner" for any purpose under this Master Deed.

(j) "Developer" means Chemung Forest, LLC, a Michigan limited liability company, its successors or assigns. All development rights reserved to Developer herein are assignable in writing; provided, however, that conveyances of Units by Developer, including the conveyance of Units to a "successor developer" pursuant to Section 135 of the Act, shall not serve to assign Developer's development rights unless the instrument of conveyance expressly so states.

(k) "General Common Elements" means the Common Elements other than the Limited Common Elements.

(l) "Limited Common Elements" means a portion of the Common Elements reserved in this Master Deed for the exclusive use of less than all of the Owners.

(m) "Master Deed" means this document to which the Condominium Bylaws and Condominium Subdivision Plan are attached as exhibits.

(n) "Mortgagee" means the named mortgagee or owner of any mortgage on all or any portion of the Condominium.

(o) "Municipality" means Genoa Township, a Michigan municipal corporation.

(p) "Percentage of Value" means the percentage assigned to each Condominium Unit in this Master Deed. The Percentages of Value of all Units shall total one hundred (100%) percent. Percentages of Value shall be determinative only with respect to those matters to which they are specifically deemed to relate either in the Condominium Documents or in the Act.

(q) "Person" means an individual, firm, corporation, partnership, association, trust, the state or an agency of the state or other legal entity, or any combination thereof.

(r) "Private Drive" means the private drive constructed within the Private Drive Easement Area.

(s) "Private Drive Easement Area" means the forty (40) foot wide Private Drive Easement Area serving Units 37, 38, 39 and 40, as shown on the Plan.

(t) "Residence" means a residential dwelling together with an attached garage constructed within the perimeter of a Unit in accordance with the architectural and building specifications and use restrictions set forth in this Master Deed.

(u) "Structure" means any Residence, building, driveway, parking area, structure, dwelling, garage, shed, outbuilding, fence, wall, gazebo, hedge, in ground swimming pool, or any other improvement of a permanent or substantial nature constructed within the perimeter of a Unit.

(v) "Transitional Control Date" means the date on which the Board of Directors of the Association takes office pursuant to an election in which the votes which may be cast by eligible Owners unaffiliated with the Developer exceed the votes which may be cast by the Developer.

ARTICLE IVCOMMON ELEMENTS

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

(a) The General Common Elements are:

(1) The land (excluding any part thereof included in the Units described in Article VI below and on the Plan) and beneficial easements, if any, described in Article II hereof, including any roads, parking areas, walks and landscaped areas, except to the extent any of the foregoing are designated herein or in the Plan as Limited Common Elements.

(2) The roads and roads right-of-way throughout the Condominium, until such time as either the Developer or the Association has dedicated the roads to public use through the acceptance of such a dedication by the Municipality or any other governmental entity. Developer intends to dedicate the roads and roads right-of-way in the Condominium to public use as soon as practicable after the recordation of this Master Deed, and Developer has reserved the right and power to dedicate the roads in Article VII of this Master Deed.

(3) The storm water drainage system throughout the Condominium, including below-ground and above-ground systems, and the electrical, gas, water [up to the point of lateral (lead) connection for Unit service], sanitary sewer (only the mains shall be Common Elements, the lateral connections to serve the Units shall be the individual responsibilities of the respective Owners), storm sewer, telephone, plumbing and cable television (if any) networks or systems throughout the Condominium, including that contained within Units to the extent that the portion within the Unit is a main that also services other Units. Leads connecting utility mains to Residences built within Units are not Common Elements. Some or all of the utility lines, systems and mains described above may be owned by the local public authority or by the company that is providing the service. Accordingly, such utility lines, systems and mains shall be General Common Elements only to the extent of the Owners' interest therein, if any, and Developer makes no warranty with respect to the nature or extent of such interest, if any.

(4) All beneficial utility and drainage easements.

(5) Such other elements of the Condominium not herein designated as Limited Common Elements which are not enclosed within the boundaries of a Unit.

(b) The Limited Common Elements are the areas depicted on the Plan as Limited Common Elements and are limited to the use of the Owners of the Units to which such Limited Common Elements are assigned on the Plan. At present there are no Limited Common Elements in the Condominium. Developer has reserved the right to create Limited Common Elements in Article IX of this Master Deed.

(c) The respective responsibilities for the maintenance, repair and replacement of all Common Elements shall be as follows:

(1) Subject to the exception stated below with respect to the Private Drive, the Association shall maintain, repair and replace all General Common Elements and any landscaped areas in the roads (the landscaped areas in the cul-de-sac islands and the entrance way located in the roads shall be maintained by the Association even if the roads are publicly dedicated) and the expense thereof shall be assessed to the Owners in proportion to the Percentages of Value stated in Article VI hereof, subject to any provision of the Condominium Documents expressly to the contrary. Notwithstanding anything herein to the contrary: (-a-) the Municipality may maintain, repair and replace the municipal water system up to the point of lateral (lead) connections for Unit service; and (-b-) the Association shall maintain, repair and replace the Private Drive (serving Units 37, 38, 39, and 40) and the costs thereof shall be assessed equally to the Owners of Units 37, 38, 39, and 40 as an expense of administration pursuant to Article II of the Bylaws.

(2) It is anticipated that separate Residences will be constructed within the Units depicted on the Plan. Except as otherwise expressly provided, the responsibility for, and the costs of maintenance, decoration, repair and replacement of the Residence and all other improvements within each Unit shall be borne by the Owner of the Unit which is served thereby; provided, however, that the structure, exterior color or appearance of any Residence and any other improvements within a Unit shall not be changed without the prior written specific approval of such change from the Architectural Control Committee defined and described in Article VI, Section 2, of the Bylaws. The Residences and other improvements within each Unit shall conform in all respects to the architectural and building specifications and use restrictions provided in the Bylaws, this Master Deed, the rules and regulations, if any, of the Association and applicable ordinances of the municipality in which the Unit is located.

(3) The Association shall not be responsible in the first instance for performing any maintenance, repair or replacement with respect to Residences and other improvements located within the Units. Nevertheless, in order to provide for flexibility in administering the Condominium, the Association, acting through its Board of Directors and after the affirmative vote of more than two-thirds (2/3) in number and value of the Owners, may undertake regularly recurring, reasonably uniform, periodic exterior maintenance functions with respect to the Residences or other improvements constructed or installed within Unit boundaries as it may deem appropriate (including, without limitation, lawn mowing, snow removal, tree trimming and exterior painting). Nothing herein contained, however, shall compel the Association to undertake such responsibilities. Any such responsibilities undertaken by the Association shall be charged to any affected Owner on a reasonably uniform basis and collected in accordance with the assessment procedures established under Article II of the Bylaws. The Developer, in the initial maintenance budget for the Association, shall be entitled to determine the nature and extent of such services and reasonable rules and regulations may be promulgated in connection therewith.

(4) The cost of repair of damage to a Common Element caused by an Owner, or family member or invitee of an Owner, shall be assessed against the Owner.

## ARTICLE V

### USE OF PREMISES

Each Unit shall only be used for residential purposes. All Residences, Structures and other improvements constructed in the Unit shall comply with the terms, provisions and conditions of this Master Deed and the Condominium Bylaws. No person shall use any Unit or the Common Elements in any manner inconsistent with the purposes of the Condominium or in any manner which will interfere with or impair the rights of any other Owner in the use and enjoyment of the Condominium.

## ARTICLE VI

### CONDOMINIUM UNIT DESCRIPTION AND PERCENTAGE OF VALUE

The Condominium consists of 121 residential Units. Each Unit is described in this paragraph with reference to the Condominium Subdivision Plan attached hereto as Exhibit B. Each Unit shall include all that space contained within the Unit boundaries as shown on the Plan and delineated with heavy outlines. For all purposes, individual Units may hereafter be defined and described by reference to this Master Deed and the individual number assigned to the Unit in the Plan. The Percentage of Value assigned to each Unit shall be determinative of the proportionate share of each respective Owner in the proceeds and expenses of the Association and the Value of such Owner's vote at meetings of the Association and the undivided interest of the Owner in the Common Elements. The total percentage value of the Condominium is 100%. Each Unit Percentage of Value shall be equal and shall be the number obtained by dividing 100 by the number of Units included in the Condominium. The method and formula used by Developer to establish the foregoing Percentages was to determine that the expenses incurred by the Association in connection with the Units should be approximately equal.

## ARTICLE VII

### EASEMENTS, RESTRICTIONS AND AGREEMENTS

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

(a) Developer (on its behalf and on behalf of its successors) hereby reserves permanent easements for ingress and egress over the roads and walks in the Condominium and permanent easements to use, tap into, enlarge or extend all roads, walks and utility lines in the Condominium, including, without limitation, all communications, water, gas, electric, storm and sanitary sewer lines, and any pumps, sprinklers or water retention areas, all of which easements shall be for the benefit of any land in the vicinity of the Condominium if now owned or hereafter acquired by Developer, Developer's affiliates or their successors or assigns. These easements shall run with the land in perpetuity. Developer has no financial obligation to support such easements, except that any dwelling unit using the roads, if such unit is not included within the Condominium and if the roads in the Condominium are not public roads, shall pay a pro rata share of the expense of maintenance, repair, or replacement of the portion of the road which is used, which share shall be determined pro rata according to the total number of dwelling units using such portion of the road.

(b) Developer intends to, and by recordation of this Master Deed reserves the right and power to, dedicate all the roads and roads right-of-way in the Condominium to public use, and all persons acquiring any interest in the Condominium, including without limitation all Owners and mortgagees, shall be deemed irrevocably to have appointed Developer and its successors as agent and attorney-in-fact to make such dedication and to act in behalf of all Owners and their mortgagees in any statutory or special assessment proceedings with respect to the dedicated roads and roads right-of-way. After certificates of occupancy are issued for Residences in 100% of the Units in the Condominium, the foregoing rights and powers may also be exercised by the Association.

(c) Upon approval by and affirmative vote of not less than 51% of all Owners, in number and in value, the Association shall be vested with the power and authority to sign petitions requesting establishment of a special assessment district pursuant to provisions of applicable Michigan statutes for improvement of roads within or adjacent to the Condominium. In the event that a special assessment road improvement project is established pursuant to applicable Michigan law, the collective costs assessable to the Condominium as a whole shall be borne equally by all Owners.

(d) Developer also reserves the right and power to grant easements over, or dedicate, portions of any of the Common Elements for utility, drainage, conservation, street, safety or construction purposes, and all persons acquiring any interest in the Condominium, including without limitation all Owners and mortgagees shall be deemed to have appointed Developer and its successors as agent and attorney-in-fact to make such easements or dedications. After certificates of occupancy are issued for Residences in 100% of the Units in the Condominium, the foregoing right and power may be exercised by the Association.

(e) In the event any portion of a Unit or Common Element encroaches upon another Unit or Common Element due to shifting, settling, or moving of a building, or due to survey errors or construction deviations, reconstruction or repair, reciprocal easements shall exist for the maintenance of such encroachment for as long as such encroachment exists, and for maintenance thereof after rebuilding in the event of any destruction. There shall be permanent, non-exclusive easements to, through and over those portions of the Units and the land, Residences and improvements contained therein for the installation, maintenance and servicing of all utilities in the Condominium, including, but not limited to, lighting, heating, power, sewer, water, communications, telephone and cable television lines.

(f) There shall be easements to and in favor of the Association, and its officers, directors, agents and designees (and the Developer prior to the First Annual Meeting), in, on and over all Units, for access to the Units and the exterior of each of the Residences that are constructed within each Unit to conduct any activities authorized by this Master Deed or the Condominium Bylaws.

(g) The wetlands areas shown on the Plan are subject to a conservation and preservation easement whereby the Association and all Owners shall refrain from altering the topography of, placing fill material in, dredging, removing or excavating any soil or materials from, draining surface water from, constructing or placing any structure on, plowing, tilling, cultivating, or otherwise altering or developing the wetlands areas (if any). The purpose of this restriction is to maintain the wetlands in their natural and undeveloped condition. The Association may assess fines for the violation of this Article VI(g) as provided below in Article XIII of this Master Deed. The Association shall maintain all wetlands shown on the Plan in their natural and undeveloped condition, including any portion of the wetlands that are located within a Unit. The purpose of any such

maintenance is to preserve the natural character of any wetlands and their continuing functioning. The final locations of all wetland boundaries are subject to the review of the Michigan Department of Environmental Quality (MDEQ). The MDEQ's permit(s) for development of the Condominium may require the relocation or other alteration of the wetland boundaries shown on the Plan. Developer expressly reserves the right, as permitted by the MDEQ, to modify the wetland boundaries shown on the Plan and to enlarge, relocate or otherwise modify the wetlands in connection with its development of the Condominium and/or any mitigation requirements established by the MDEQ.

(h) The Developer, the Association and all public and private utility companies shall have such easements over, under, across and through the Condominium, including all Units and Common Elements, as may be necessary to develop, construct, market and operate any Units within the land described in Article II hereof, and also to fulfill any responsibilities of maintenance, repair, decoration or replacement which they or any of them are required or permitted to perform under the Condominium Documents or by law or to respond to any emergency or common need of the Condominium. There shall exist for the benefit of the Owners, the Municipality, any emergency service agency, and other governmental units, an easement over all roads in the Condominium for use by the Municipality, the United States Postal Service and emergency or other governmental service vehicles. Said easement shall be for purposes of ingress and egress to provide, without limitation, mail delivery, fire and police protection, ambulance and rescue services and all other lawful governmental and private emergency services to the Condominium and all Owners. This grant of easement shall in no way be construed as a dedication of any streets, roads, or driveways to the public.

(i) Easements for the construction, installation and maintenance of public utilities and for drainage facilities are reserved as shown on the Plan. Within all of the foregoing easements, unless the necessary approvals are obtained from the Municipality and any other appropriate municipal authority and except for the paving necessary for each Residence's driveway, no Structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of such service facilities and utilities, including underground electrical and telephone local distribution systems, or which may change, obstruct or retard the flow or direction of water in and through drainage in the easements, nor shall any change, which may obstruct or retard the flow of surface water or be detrimental to the property of others, be made by the occupant in the finished grade of any Unit once established by the builder upon completion of construction of the Residence thereon. The easement area of each Unit and all improvements in it shall be maintained (in a presentable condition continuously) by the Unit Owner, except for those improvements for which a public authority or utility company is responsible, and the Unit 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 Unit Owner shall maintain the surface area of easements within the Owner's Unit, 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.

(j) The architectural and building specifications and use restriction set forth in Article VI of the Bylaws govern the development and use of each Unit in the Condominium along with the provisions of this Master Deed and the Condominium Subdivision Plan. All improvements made within any Unit, including the construction of a Residence and any other Structure, and the use and occupancy thereof, shall comply fully with the architectural and building specifications and use restrictions established by Article VI of the Bylaws. The terms, provisions, restrictions and conditions of Article VI of the Bylaws are incorporated fully herein by this reference.

(k) The following restrictions regarding construction affected by the 100-year floodplain of the Condominium (as shown on the Plan) established by the Michigan Department of Environmental Quality, being elevations 964.36 (N.G.V. DATUM) through 966.40 (N.G.V. DATUM) throughout the Plan, and shall not be amended without the written approval of the Michigan Department of Environmental Quality. Any building in the Condominium used or capable of being used for residential purposes and occupancy within or affected by the 100-year floodplain shall:

- (1) have openings into the basement not lower than the elevation defining the floodplain limits;
- (2) have openings into the basement not lower than the elevation defining the floodplain limits;
- (3) have basement walls and floors, if below the elevation defining the floodplain limits, that are generally watertight and designed to withstand hydrostatic pressures from a water level equal to the elevation of the contour defining the floodplain limits following methods and procedures outlined in chapter 5 for type A construction and chapter 6 for class 1 loads found in the publication entitled "Flood Proofing Regulation," EP 11652314, prepared by the office of the chief of engineers, United States Army, Washington, DC, June 1992;
- (4) be equipped with a positive means of preventing sewer backup from sewer lines and drains which serve the building; and
- (5) be properly anchored to prevent floatation.

There shall be no filling, construction or other form of alteration of the floodplain area shown on the Condominium Subdivision Plan without written approval from the Michigan Department of Environmental Quality. These restrictions are to be observed in perpetuity, excluded from any time limitations set forth in this Master Deed and may not be amended without the prior written approval of the Michigan Department of Environmental Quality.

(l) All Owners shall use potassium chloride (KCl) for regeneration of water softeners and water softener systems. Backwash water from water softeners and water softener systems shall not be discharged into the sanitary sewers. The Developer and the Association reserve the right to require each Owner to purchase only potassium chloride regeneration products for use in water softeners and/or water softener systems within the Condominium in the event that the Michigan Department of Environmental Quality ("MDEQ") or any successor of MDEQ having authority concerning the operation and maintenance of the Genoa-Oceola Waste Water Treatment Plant determines that the level of sodium concentration being discharged into the Waste Water Treatment Plant exceeds MDEQ requirements.

(m) When the Condominium was approved by the Municipality, the Land included a pre-existing single family home. That home is now located within Site 6. For this reason, Developer declares that Site 6, as presently existing, and as the same may be maintained and repaired in the future, shall be exempt from the building and use restrictions of this Master Deed, including without limitation the building and use restrictions of Article VI of the Bylaws. Developer further declares and reserves, exclusively to the Owners from time-to-time of Site 6, all lake access and use rights in Lake Chemung that, before recording of this Master Deed, were appurtenant to all of the Land.

(n) The storm drainage facilities in the Condominium have been established as a county drain by agreement between the Developer and the Livingston County Drain Commissioner (acting for and on behalf of the **WOODLAND SPRINGS AT LAKE CHEMUNG** Drainage District). Certain of the Common Elements are subject to permanent easements shown on the Plan for surface water drainage and Storm Drainage Facilities as part of the **WOODLAND SPRINGS AT LAKE CHEMUNG** County Drain. The costs of inspection, maintenance, repair and replacement of the **WOODLAND SPRINGS AT LAKE CHEMUNG** County Drain shall be paid by the Unit Owners, as provided in the Agreement between Developer and the Livingston County Drain Commissioner to be recorded in Livingston County Records. All Owners in **WOODLAND SPRINGS AT LAKE CHEMUNG** take title to their individual Site subject to a perpetual and permanent easement hereby granted in favor of the Livingston County Drain Commissioner, the **WOODLAND SPRINGS AT LAKE CHEMUNG** Drainage District and their respective successors, assigns and transferees (collectively referred to as the "drainage authorities") in, over, under and through the Land described in Article II and on Exhibit B hereto and as such easement is depicted on Exhibit B. The easements for the **WOODLAND SPRINGS AT LAKE CHEMUNG** County Drain shown on the Plan may not be amended or revoked except with the written approval of the drainage authorities, and further include the following terms and conditions and grants the following rights:

(1) The easement shall be for the purposes of developing, establishing, constructing, repairing, maintaining, deepening, cleaning, widening, and performing any associated construction activities and grading in connection with, any type of drainage facilities or storm drains.

(2) The drainage authorities, and any of them, shall have the right to sell, assign, transfer or convey the easement to any other governmental unit.

(3) No Owner in the Condominium shall build or place in or on the area covered by the easements any type of structure, fixture or object, or engage in any activity or take any action, or convey any property interest or right, that would in any way either actually or threaten to impair, obstruct, or adversely affect the rights of the drainage authorities under the easement.

(4) The drainage authorities and their agents, contractors and designated representatives shall have right to entry on, and to gain access to, the easement property shown on the Plan.

(5) All owners in the Condominium release the drainage authorities from any and all claims to damages in any way arising from or incident to the construction and maintenance of a drain or sewer or otherwise rising from or incident to the exercise by the drainage authorities of their rights under said easement, and all owners covenant not to sue the drainage authorities for any such damages. Moreover, the Developer and all owners in the Condominium shall indemnify and hold harmless the drainage authorities from and against any and all claims that result from the release and/or discharge of drainage from the Condominium to any other property.

(o) The rights granted to the drainage authorities under this paragraph may not be amended without the express written consent of the drainage authorities. Any purported amendment or modification of the rights granted hereunder to the drainage authorities shall be void and without legal effect unless agreed to in writing by the drainage authorities, their successors or assigns.

## ARTICLE VIII

### AMENDMENTS

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

(a) Amendments may be made and recorded by Developer or by the Association.

(b) If the amendment will materially change the rights of the Owners or Mortgagees, then such amendment requires the consent of two-thirds (2/3) in value of the votes of the Owners and Mortgagees of the Units (unless a greater majority is specified in the Condominium Bylaws). A Mortgagee shall have one vote for each mortgage held.

(c) Notwithstanding subparagraph (b) above, but subject to the limitation of subparagraph (d) below, Developer reserves the right to amend this Master Deed or any of its Exhibits for any of the following purposes without the consent of Owners or Mortgagees:

(1) To delete unsold Units and to modify the locations, types and sizes of unsold Units and the General and/or Limited Common Elements adjoining or appurtenant to unsold Units;

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

(3) To correct arithmetic errors, typographical errors, survey errors, or any similar errors in the Master Deed, Plan or Condominium Bylaws;

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

(5) To comply with the Act or rules promulgated thereunder or with any requirements of any governmental or quasi-governmental agency or any financing institution providing or proposing to provide a mortgage on any Unit or to satisfy the title requirements of any title insurer insuring or proposing to insure title to any Unit;

(6) To convert the Convertible Areas of the Condominium and to redefine Common Elements and Units and adjust Percentages of Value in connection therewith;

(7) To contract the Condominium and to redefine Common Elements and adjust Percentages of Value in connection therewith;

(8) To make, define or limit easements affecting the Condominium;

(9) To record an "as-built" Condominium Subdivision Plan and/or consolidating master deed; and

(10) To amend the description of land included in the Condominium as set forth in Article II of this Master Deed and on the Plan in the event the roads in the Condominium are dedicated to public use to the Municipality, or any other governmental agency or to comply with the

requirements of any governmental agency; provided, however, that no such amendment may alter the size of any Unit without the consent of the Owner and mortgagee of the affected Unit.

(d) Notwithstanding any other provision of this Article VIII, the method or formula used to determine the Percentages of Value for Units in the Condominium, as described above, and any provisions relating to the ability or terms under which an Owner may rent a Unit to others, may not be modified without the consent of each affected Owner and Mortgagee. An Owner's Condominium Unit dimensions or appurtenant Limited Common Elements may not be modified without the Owner's consent. The Association may make no amendment which materially changes the rights of Developer without the written consent of the Developer as long as the Developer owns any Units in the Condominium. Neither this Master Deed nor its Exhibits may be amended without the prior written approval of the Municipality. The flood plain restrictions of Article VII, subparagraph (k) may not be amended without the prior written approval of the Michigan Department of Environmental Quality.

## ARTICLE IX

### CONVERTIBLE AREAS

(a) The Common Elements and all unsold Units have been designated on the Condominium Subdivision Plan as Convertible Areas within which the unsold Units and Common Elements may be modified and within which unsold Units may be expanded, moved, deleted and created as provided in this Article IX. The Developer reserves the right, but not an obligation, to convert the Convertible Areas.

(b) The Developer reserves the right, in its sole discretion, during a period ending 6 years from the date of recording this Master Deed, to modify the size, location, and configuration of any Unit that it owns in the Condominium, and to make corresponding changes to the Common Elements, subject to the approval of the Municipality and the requirements of local ordinances and building authorities. The maximum number of Units in the Condominium may not exceed 184 Sites (including Sites added to the Condominium pursuant to Article X below).

(c) All improvements constructed or installed within the Convertible Areas described above shall be restricted exclusively to residential use and to such Common Elements as are compatible with residential use. There are no other restrictions upon such improvements except those which are imposed by state law, local ordinances or building authorities.

(d) The consent of any Owner shall not be required to convert the Convertible Areas. All of the Owners and Mortgagees and other persons interested or to become interested in the Condominium from time to time shall be deemed to have irrevocably and unanimously consented to such conversion of the Convertible Areas and any amendment or amendments to this Master Deed to effectuate the conversion and to any reallocation of Percentages of Value of existing Units which Developer may determine necessary in connection with such amendment or amendments. All such interested persons irrevocably appoint the Developer or its successors, as agent and attorney for the purpose of execution of such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be effected without the necessity of rerecording an entire Master Deed or the Exhibits thereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits hereto. Nothing herein contained, however, shall

in any way obligate Developer to convert the Convertible Areas. These provisions give notice to all Owners, Mortgagees and other persons acquiring interests in the Condominium that such amendments of this Master Deed may be made and recorded, and no further notice of such amendment shall be required.

(e) All modifications to Units and Common Elements made pursuant to this Article IX shall be given effect by appropriate amendments to this Master Deed in the manner provided by law, which amendments shall be prepared by and at the discretion of the Developer and in which the Percentages of Value set forth in Article VI hereof shall be proportionately readjusted, if the Developer deems it to be applicable, in order to preserve a total value of 100% for the entire Condominium resulting from such amendments to this Master Deed. The precise determination of the readjustments in Percentages of Value shall be made within the sole judgment of Developer. Such readjustments, however, shall reflect a continuing reasonable relationship among Percentages of Value based upon the original method and formula described in Article VI of this Master Deed. Such amendments to the Master Deed shall also contain such further definitions and redefinitions of General or Limited Common Elements as may be necessary to adequately describe and service the Units and Common Elements being modified by such amendments. In connection with any such amendments, Developer shall have the right to change the nature of any Common Element previously included in the Condominium for any purpose reasonably necessary to achieve the purposes of this Article IX.

## ARTICLE X

### FUTURE EXPANSION OF CONDOMINIUM

The Condominium is established as an expandable condominium in accordance with the provisions of this Article:

(a) Developer (on its behalf and on behalf of its successors and no other third party) reserves the right, but not an obligation, to expand the Condominium. Except as set forth herein, no other person or entity may exercise the right to expand the Condominium.

(b) There are no restrictions or limitations on Developer's right to expand the Condominium except as stated in this Article. The consent of any Owner shall not be required to expand the Condominium. All of the Owners and Mortgagees of Sites and persons interested or to become interested in the Condominium from time to time shall be deemed to have irrevocably and unanimously consented to such expansion of the Condominium and any amendment or amendments to this Master Deed to effectuate the expansion and to any reallocation of Percentages of Value of existing Sites which Developer may determine necessary in conjunction with such amendment or amendments. All such interested persons irrevocably appoint Developer or its successors as agent and attorney for the purpose of executing such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be made without the necessity of rerecording an entire Master Deed or the Exhibits thereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits herein. Nothing herein contained, however, shall in any way obligate Developer to enlarge the Condominium and Developer may, in its discretion, establish all or a portion of the Additional Land described below as a rental development, a separate condominium, or any other form of development. These provisions give notice to all persons acquiring interests in the Condominium that such amendments of this Master Deed may be made and recorded, and no further notice of amendment shall be required.

(c) The Developer's right to expand the Condominium shall expire six years after the initial recording of this Master Deed.

(d) The land which may be added to the Condominium (herein referred to as the "Additional Land") is referred to in the Plan as the proposed future development area, and is situated in Genoa Township, Livingston County, Michigan, being more specifically described on the Plan and as follows:

PART OF THE NW 1/4 OF SECTION 11, T2N, R5E, GENOA TOWNSHIP, LIVINGSTON COUNTY, MICHIGAN, DESCRIBED AS BEGINNING AT THE NW CORNER OF SAID SECTION 11; TH S 89°11'09" E 1332.33 FT ALONG THE SOUTH LINE OF SECTION 2; TH S 01°24'52" W 639.86 FT; TH N 89°04'26" W 1329.88 FT; TH S 01°11'46" W 637.24 FT TO THE POINT OF BEGINNING. CONTAINING 19.42 +/- ACRES.

(e) The Additional Land may be added to the Condominium in its entirety or in parcels, in one amendment to this Master Deed or in separate amendments, at the same time or at different times, all in Developer's discretion. There are no restrictions upon the order in which portions of the Additional Land may be added to the Condominium.

(f) There are no restrictions upon the locations of any improvements that may be made on any portions of the Additional Land, and Developer reserves the right to locate such improvements in Developer's sole discretion subject only to such applicable laws and ordinances which may affect the Condominium.

(g) The number of Sites which Developer reserves the right to construct, all or in part, upon the Additional Land is 63, for a maximum of 184 Sites which may be included in the Condominium including the Sites now shown on the Plan. Local building ordinances and regulations may permit a smaller number of Sites to be created upon the Additional Land. This Master Deed imposes no restrictions upon the number of Sites to be created on individual portions of the Additional Land, provided that the maximum number of Sites stated herein for the whole shall not be exceeded.

(h) All land and improvements added to the Condominium shall be restricted exclusively to residential Sites and to such Common Elements as may be consistent and compatible with residential use. There are no other restrictions upon such improvements except those which are imposed by state law, local ordinances or building authorities.

(i) The extent to which any structure erected on any portion of the Additional Land added to the Condominium are compatible with structures on land included in the original Master Deed is solely within the discretion of the Developer, subject only to the requirements of local ordinances and building authorities, and is not limited by this Master Deed.

(j) There are no restrictions as to types of Sites that may be created upon the Additional Land except that such Sites must comply with state law, local ordinances and the requirements of building authorities.

(k) Developer may create Limited Common Elements upon the Additional Land and designate Common Elements thereon which may be subsequently assigned as Limited Common Elements. The nature of any such Limited Common Elements to be added to the Condominium is exclusively within the discretion of the Developer.

(l) If the Condominium is expanded, it shall be expanded by an amendment to the Master Deed or by a series of successive amendments to the Master Deed, each adding Additional Land and/or improvements to the Condominium.

(m) Any amendment to the Master Deed which alters the number of Sites in the Condominium shall proportionately readjust the existing Percentages of Value of Sites to preserve a total value of one hundred (100%) percent for the entire condominium. Percentages of Value shall be readjusted and determined in accordance with the method and formula described in Article VI of this Master Deed.

(n) Any expansion shall be deemed to have occurred at the time of the recording of an amendment to this Master Deed embodying all essential elements of the expansion. At the conclusion of expansion of the Condominium, not later than 180 days after completion of construction, a Consolidating Master Deed and plans showing the Condominium "as built" shall be prepared and recorded by the Developer. A copy of the recorded Consolidating Master Deed shall be provided to the Association.

## ARTICLE XI

### CONTRACTION OF CONDOMINIUM

(a) As of the date this Master Deed is recorded, the Developer intends to dedicate to public use the roads and road right of ways shown on the Condominium Plan. Developer therefore reserves the right to withdraw from the Condominium that portion of the land described in Article II that consists of the Condominium roads and road right of way(s) as the same are shown on the Condominium Plan. At the option of the Developer, within a period ending no later than 6 years from the date of recording this Master Deed, the land included in the Condominium may be contracted to withdraw from the Condominium roads and road right of ways dedicated to public use.

(b) In connection with such contraction, Developer unconditionally reserves the right to withdraw from the Condominium that portion of the land described in Article II that is dedicated to public use as a road and/or road right of way. The withdrawal of such land pursuant to this Article XI shall be effected by the Board of Livingston County Road Commission's acceptance of the dedication by deed of all roads and road rights of way in the Condominium to the Board of Livingston County Road Commission (or other appropriate governmental Site with appropriate jurisdiction). The Board of Livingston County Road Commission's recordation of the instrument(s) of dedication shall be deemed an amendment of the Master Deed to exclude the roads and road rights-of-way from the Land described in Article II above.

(c) Apart from satisfying any governmental conditions to dedication of the road and road right of ways, there are no restrictions on Developer's right to contract the Condominium as provided in this Article XI.

(d) The consent of any Owner shall not be required to contract the Condominium or to dedicate the roads and road right of ways to public use. All of the Owners and Mortgagees and other persons interested or to become interested in the Condominium from time to time shall be deemed to have irrevocably and unanimously consented to such contraction of the Condominium and any amendment or amendments to this Master Deed to effectuate the contraction. All such interested persons irrevocably appoint the Developer or its successors, as agent and attorney for the purpose of execution of such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be effected without the necessity of rerecording an entire Master Deed or the Exhibits thereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits hereto. Nothing herein contained, however, shall in any way obligate Developer to dedicate the roads and road right of ways in the Condominium to public use or to thereafter contract the Condominium as herein provided. These provisions give notice to all Owners, Mortgagees and other persons acquiring interests in the Condominium that such amendments of this Master Deed may be made and recorded, and no further notice of such amendment shall be required.

## ARTICLE XII

### NOTICE OF PLANNED UNIT DEVELOPMENT AGREEMENT

The Condominium was approved by the Municipality as a Planned Unit Development, subject to the Planned Unit Development Agreement executed between Developer and the Municipality, which imposes certain affirmative obligations on all persons having an interest in the Condominium. The Planned Unit Development Agreement is available from the Township and is also maintained on file with the Association. All on-going expenses and obligations imposed on the Condominium property pursuant to the Planned Unit Development Agreement (i.e., obligations and expenses that deal with the operation of the Condominium and its use as a residential community rather than the development of the Condominium) shall be expenses of administration assessed to the Owners as provided in Article II of the Condominium Bylaws. Such expenses include, but are not limited to, the Association's obligation to maintain the General Common Elements and conservation areas (including wetlands) shown on the Condominium Plan.

## ARTICLE XIII

### ASSESSMENT OF FINES

(a) The violation by any Owner, occupant or guest of any provisions of the Condominium Documents including, without limitation, the restrictions on activities in the wetland areas designated on the Plan, removal of trees with a diameter, measured four and one-half feet above ground, of six (6) inches or greater without a permit from the Architectural Control Committee, and any duly adopted rules and regulations, shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines against the involved Owner. Such Owner shall be deemed responsible for such violations whether they occur as a result of his personal actions or the actions of his family, guests, tenants or any other person admitted through such Owner to the Condominium Premises.

(b) Upon any such violation being alleged by the Board, the following procedures

will be followed:

(i) 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 Owner on notice as to the violation, shall be sent by first class mail, postage prepaid, or personally delivered to the representative of said Owner at the address as shown in the notice required to be filed with the Association pursuant to the Article VIII, Section 3 of the Bylaws.

(ii) The offending Owner shall have an opportunity to appear before the Board and offer evidence in defense of the alleged violation. The appearance before the Board shall be at its next scheduled meeting but in no event shall the Owner be required to appear less than 10 days from the date of the Notice.

(iii) Failure to respond to the notice of violation constitutes a default.

(iv) Upon appearance by the Owner before the Board and presentation of evidence of defense, or, in the event of the Owner's default, the Board shall, by majority vote of a quorum of the Board, decide whether a violation has occurred and shall so notify such Owner within ten (10) days of its decision. The Board's decision is final.

(c) Upon violation of any of the provisions of the Condominium Documents and after default of the offending Owner or upon the decision of the Board as recited above, the following fines shall be levied:

(i) First Violation. No fine shall be levied provided that the violation is remedied within five (5) days after the decision of the Board.

(ii) Second Violation. Two Hundred Fifty Dollar (\$250.00) fine.

(iii) Third and Subsequent Violations. Five Hundred Dollar (\$500.00) fine.

(d) The fines levied pursuant to Article XIII(c) above shall be assessed against the Owner and shall be due and payable together with the regular Condominium assessment installment on the first day of the next following month. Failure to pay the fine will subject the Owner to all liabilities set forth in the Condominium Documents including, without limitation, those described in Article II and Article XVIII of the Bylaws.

## ARTICLE XIV

### ASSIGNMENT

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

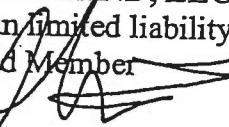
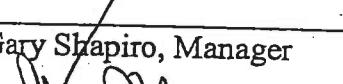
IN WITNESS WHEREOF, Developer has caused this Master Deed to be executed the day and year first above written.

WITNESS:

SIGNED BY:

**CHEMUNG FOREST, LLC,**  
a Michigan limited liability company

By: **IVANHOE HUNTLEY**  
**CHEMUNG LAND, LLC**  
a Michigan limited liability company,  
Authorized Member

Its:   
By: 

Gary Shapiro, Manager

And By:   
Steven Perlman, Manager

C. S. Walker  
C.S. Walker  
Gillian A. Levy  
Gillian A. Levy  
Cathy L. Cassidy  
Cathy L. Cassidy  
Gillian A. Levy  
Gillian A. Levy

STATE OF MICHIGAN )  
 ) ss.  
COUNTY OF OAKLAND )

The foregoing instrument was acknowledged before me this 20th day of January, 2000 by Gary Shapiro and Steven Perlman, who are the Managers of **IVANHOE HUNTLEY CHEMUNG LAND, LLC**, a Michigan limited liability company, the authorized member of Chemung Forest, LLC, a Michigan limited liability company, on behalf of the limited liability company.

C. S. Walker

Notary Public

C. S. WALKER Oakland County, State of Michigan

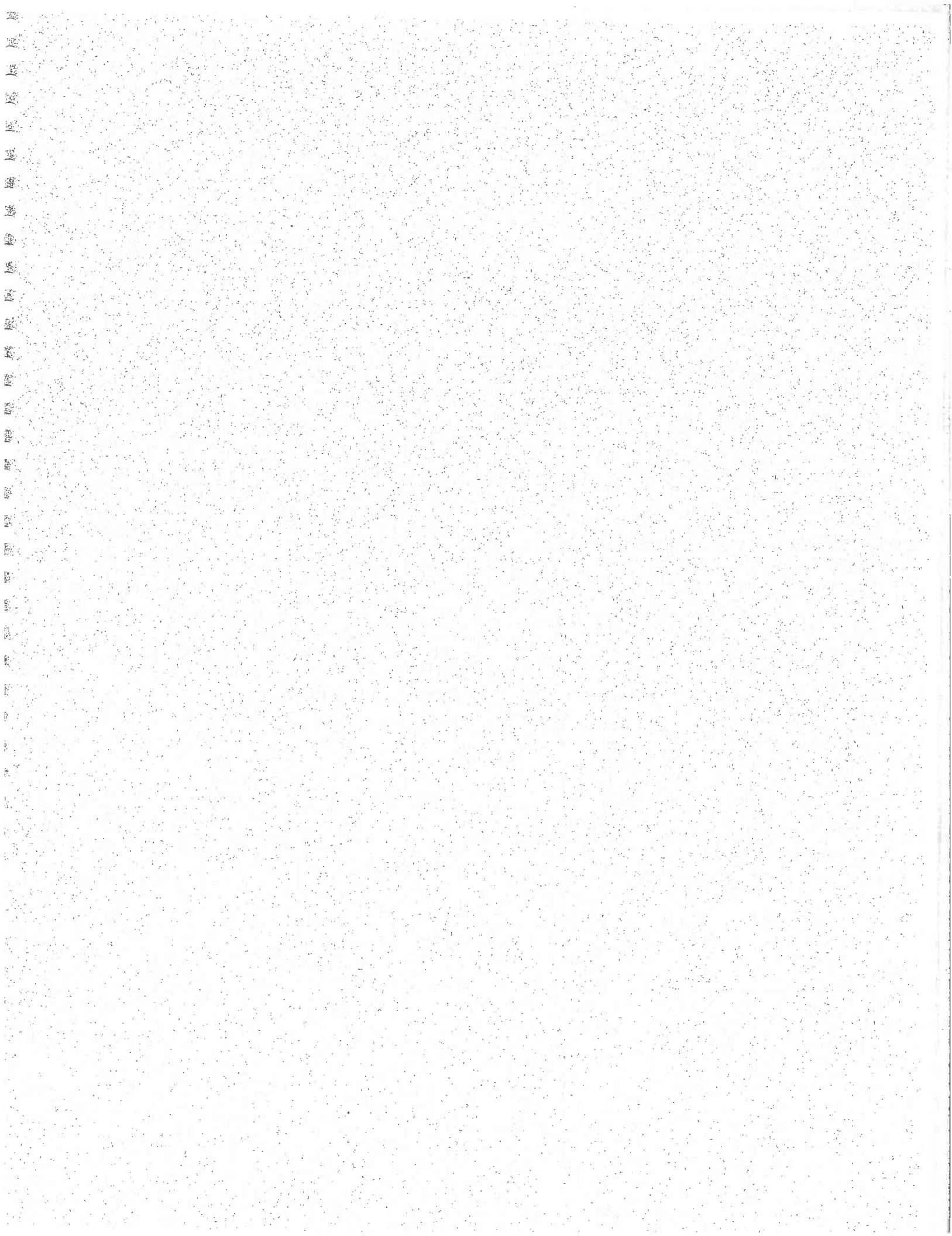
Notary Public, Wayne County, MI Commission Expires: \_\_\_\_\_

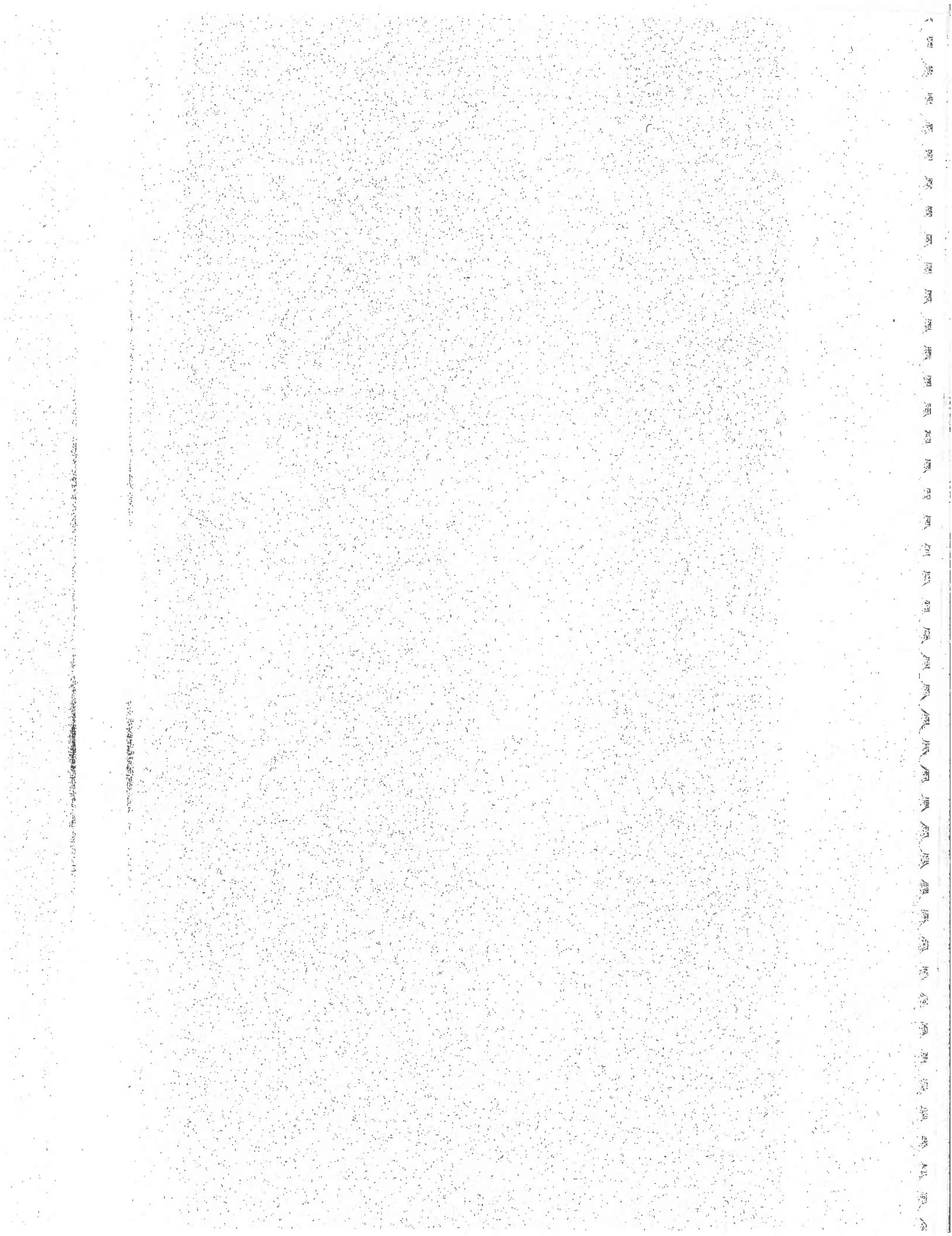
My Commission Expires Dec. 19 2002

Acting in Oakland County, MI

DRAFTED BY AND  
WHEN RECORDED RETURN TO:  
Kevin Kohls  
Wasinger Kickham and Kohls  
100 Beacon Centre  
26862 Woodward Avenue  
Royal Oak, MI 48067  
WK002717.DOC.4







## WOODLAND SPRINGS AT LAKE CHEMUNG

### EXHIBIT A

### BYLAWS

#### ARTICLE I

##### ASSOCIATION OF OWNERS

**WOODLAND SPRINGS AT LAKE CHEMUNG**, a residential condominium located in the Township of Genoa, Livingston County, Michigan, shall be administered by an Association of Owners which shall be a nonprofit corporation, referred to in the Master Deed as the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and required by Section 3(8) of the Act and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Owner shall be entitled to membership and no other person or entity shall be entitled to membership. The share of an Owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to the Owner's Site. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium available at reasonable hours to Owners, prospective purchasers and prospective mortgagees of Sites in the Condominium. The Association, all Owners in the Condominium and all persons using or entering upon or acquiring any interest in any Site therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid 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 Condominium Sites and collection of such assessments from the Owners in order to pay the expenses arising from the management, administration and operation of the Association shall be governed by the following provisions:

Section 1. 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 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 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 Annual Assessments. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Owner and the assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Owner shall not affect or in any way diminish the liability of any Owner for any existing or future assessments. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular annual payments as set forth in Section 5 below rather than by special assessments. At a minimum, the reserve fund shall be equal to 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 annual Association assessments provided in this Article II, Section 3(a) shall be levied in the sole discretion of the Board of Directors.

(b) Special Assessments. Special assessments, in addition to those required in subparagraph (a) above, may be made by the Board of Directors from time to time and approved by the Owners as hereinafter provided to meet other appropriate requirements of the Association. Special assessments referred to in this subparagraph (b) shall be levied only with the prior approval of more than 60% of all 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.

Section 4. Apportionment of Assessments. Unless otherwise provided herein or in the Master Deed, all assessments levied against the Owners to cover expenses of management, administration and operation of the Condominium shall be apportioned among and paid by the Owners in accordance with the Percentage of Value assigned to each Site in Article VI of the Master Deed.

Section 5. Payment of Assessments and Penalty for Default. Annual assessments as determined in accordance with Article II, Section 3(a) above shall be payable annually by

Owners, commencing with acceptance of a deed to a Site or an optionee's or 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 assessment 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 assessment is paid in full. The Board of Directors may also adopt uniform late charges pursuant to Section 10 of Article VI of these Bylaws. Each Owner (whether 1 or more persons) shall be, and remain, personally liable for the payment of all assessments (including interest, late charges and costs of collection and enforcement of payment) levied against the Site which may be levied while such Owner is the owner thereof. A land contract purchaser or optionee from any Owner including the Developer shall also be personally liable for the payment of all such assessments. A land contract seller or optionor shall not be personally liable for all such assessments levied up to and including the date upon which, if applicable, such land contract seller or optionee actually takes possession of the Site following extinguishment of all rights of the land contract vendee or optionee in the Site. Payments on account of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorneys' fees; second, to any interest and other charges for late payment on such assessments; and third, to installments in default in order of their due dates. An Owner selling a Site shall not be entitled to any refund whatsoever from the Association with respect to any reserve, account or other asset of the Association.

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

Section 7. Enforcement.

(a) Remedies. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. The Association may also discontinue the furnishing of any utilities or other services to an Owner in default upon seven (7) days' written notice to such Owner of its intention to do so. An Owner in default shall not be entitled to vote at any meeting of the Association so long as such default continues. In a judicial foreclosure action, a receiver may be appointed to and empowered to take possession of the Site (if the Site is not occupied by the Owner) and to lease the Site and collect and apply the rental therefrom. All of these remedies shall be cumulative and not alternative.

(b) Foreclosure Proceedings. Each Owner, and every other person who from time to time has any interest in the Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the statutory lien on the Owner's Site that secures payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Owner and every other

person who from time to time has any interest in the Condominium shall be deemed to have authorized and empowered the Association to sell or cause to be sold the Site with respect to which the assessment(s) is or are delinquent to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by Michigan law. The Association, acting on behalf of all Owners, may bid at the foreclosure sale, and acquire, hold, lease, mortgage, or convey the Site sold.

(c) 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 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 Owner by first class mail, postage prepaid, addressed to the last known address of the Owner at least ten (10) days in advance of the commencement of the foreclosure proceedings.

(d) 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 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 unpaid assessments are deemed to be common expenses collectible from all of the Condominium Site Owners including such persons, its successors and assigns.

Section 9. Developer's Responsibility for Assessments. Notwithstanding any other provisions of the Condominium Documents to the contrary, the Developer, any successor developer, land contract vendees from Developer, and Developer's builders shall not pay regular annual Association assessments. In its discretion, Developer may advance working capital funds to the Association to defray operating expenses. 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 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 Condominium 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 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 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 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 Owners, and shall be governed by the requirements of this Article III. The requirements of this Article III shall ensure that the 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 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 Owners. The Association's Board of Directors shall be responsible in the first instance for recommending to the 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 Owners ("litigation evaluation meeting") for the express purpose of evaluating the merits of the proposed civil action. The written notice to the Owners of the date, time and place of the litigation evaluation meeting shall be sent to all 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:

(1) it is in the best interests of the Association to file a lawsuit;  
(2) 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;

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

(4) 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:

(1) the number of years the litigation attorney has practiced law; and  
(2) the name and address of every condominium and homeowner association for which the attorney has filed a civil action in any court, together with the case number, county and court in which each civil action was filed.

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

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

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

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

Section 3. 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 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 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 Owners in the text of the Association's written notice to the Owners of the litigation evaluation meeting.

Section 5. Owner Vote Required. At the litigation evaluation meeting the 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 seventy-five (75%) percent in number and in value of all of the Owners. The quorum for a litigation evaluation meeting shall be seventy-five (75%) percent in number and value of the 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 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 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 Owners in accordance

with their respective percentage of value interests in the Condominium and shall be collected from the 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 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 Owners, the Board of Directors shall call a special meeting of the Owners to review the status of the litigation, and to allow the Owners to vote on whether to continue the civil action and increase the litigation special assessment. The meeting shall have the same voting and quorum 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 Owners in the Association's annual budget. The litigation

expenses for each civil action filed by the Association shall be listed as a separate line item captioned "litigation expenses" in the Association's annual budget.

## ARTICLE IV

### INSURANCE

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

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

(b) 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 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 Owner, by ownership of a Site in the Condominium, shall be deemed to appoint the Association as the Owner's true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Common Elements, with such insurer as may, from time to time, be designated to provide such insurance for the Condominium. Without limitation on the generality of the foregoing, the Association as

said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

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

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

## ARTICLE V

### RECONSTRUCTION OR REPAIR

Section 1. Responsibility for Reconstruction or Repair. If any part of the Condominium is damaged, the determination of whether or not it shall be reconstructed or repaired, and the responsibility therefor, shall be as follows:

(a) Common Elements. If the damaged property is a Common Element, the damaged property shall be rebuilt or repaired unless a determination to the contrary is made by all Owners and first mortgagees of Sites in the Condominium.

(b) Site or Improvements Therein. If the damaged property is a Site or any improvements therein, the Owner of such Site alone shall determine whether to rebuild or repair the damaged property, subject to the direction and determination of any mortgagee of such Site

and the rights of any other person or entity having an interest in such property, and the Owner shall be solely responsible for such any reconstruction or repair that the Owner elects to make. The Owner shall in any event remove all debris and restore the Owner's Site and the improvements therein to a clean and sightly condition satisfactory to the Association as soon as reasonably possible following the occurrence of the damage. In all events, any Residence that is damaged or destroyed shall be restored or replaced, as the case may be, within eighteen (18) months of the casualty.

Section 2. Repair in Accordance with Master Deed. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the original plans and specifications for any damaged improvements located within the Site unless the Owners unanimously decide otherwise.

Section 3. Association Responsibility for Repair and Reconstruction. Immediately after a casualty causing damage to property for which the Association has the responsibility of repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessments shall be made against all Owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation. Assessments pursuant to this Article V, Section 3 may be made by the Board of Directors of the Association without a vote of the Owners.

Section 4. Timely Reconstruction and Repair. Subject to Section 1(a) of this Article V, if damage to the Common Elements adversely affects the appearance of the Condominium, the Association shall proceed with replacement of the damaged property without delay.

Section 5. 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 6. Notices to Certain Mortgagees. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC"), or in the event any mortgage is held by or insured by the United States Department of Housing and Urban Development ("HUD"), the Association shall give FHLMC and HUD written notice at such address as it may from time to time direct of any loss to or taking of the Common Elements of the Condominium, or any loss to or taking of any Site, or part thereof, if the loss or taking exceeds \$10,000 in amount.

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

## ARTICLE VI

### BUILDING, USE AND OTHER RESTRICTIONS AND EASEMENTS

#### ~~SECTION I.~~ Architectural Control.

(a) No Structure may be commenced, erected, installed, placed, or maintained upon any Site unless or until the Site 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 Site Owner (including land contract and option purchasers of Sites from Developer) shall submit two copies of the aforescribed documents to the Architectural Control Committee, and the Architectural Control Committee shall retain one 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 Site 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, an 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 Owner to construct a Residence and any other improvements on the Owner's Site. The Architectural Control Committee may require that such builder or 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 (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) All construction activities must be started within two (2) months of the time specified in the construction schedule submitted to and approved by the Architectural Control Committee, or such other period of time approved by the Architectural Control Committee. Prior to commencement of construction, the Owner must obtain all permits or approvals required by the Municipality.

(iii) The erection of any Residence shall be completed and the Residence ready for occupancy within eighteen (18) months from start of construction. All Structures other than Residences shall be completed within three (3) months from start of construction. The exterior of all Residences and other Structures must be completed as soon as practical after construction commences, except where such completion is impossible or would result in great hardship to the Owner or builder due to strikes, fires, national emergency or natural calamities. The repair of any Structure damaged by fire or otherwise shall be completed as rapidly as possible and should the Owner leave such Structure in an incomplete condition for a period of more than six (6) months, then Developer, the Association, or their authorized representative, is authorized and empowered either to tear down and clear from the premises the uncompleted portion of such Structure, or to complete the same at their discretion, and in either event, the expense incurred shall be charged against the Owner's interest therein and shall be a lien upon said lands and premises as provided in Article II, above.

(iv) Prior to the commencement of any construction activities the Site Owner (or the land contract or option purchaser of the Site from Developer) shall install all soil erosion controls required by Genoa Township, Livingston County, and any other governmental authority having jurisdiction and the Architectural Control Committees. 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 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 Owner of the Site (or land contract or option purchaser of the Site from Developer) has complied with this paragraph.

(v) 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.

(vi) 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.

(vii) In connection with approval of the landscaping plan, the Architectural Control Committee shall have the right to require the Lot Owner to escrow a deposit equal to the reasonable costs of installing the landscaping for the Lot pursuant to the approved landscaping plan, but in any event not less than \$1,000. Any such deposit may be used by the Architectural Control Committee to pay for the cost of installing the landscaping if the Lot Owner

fails to install the approved landscaping in a timely manner (as provided in Article VI, Section 4(n) of these Bylaws) or in accordance with the approved landscaping plan, the Architectural Control Committee shall be entitled to receive from the Lot Owner an administrative fee in the amount of twenty percent (20%) of the cost of any work performed by the Architectural Control Committee on a Lot pursuant to this paragraph. The Architectural Control Committee will give ten (10) days prior notice to the Lot Owner of the Architectural Control Committee's intent to use escrowed funds to complete landscaping on the Owner's Lot. 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 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 but no more than three 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 Municipality 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 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: 1600 square feet; and
- (ii) one and one-half story two story, bilevel or multilevel: 1,800 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 Municipality in effect at the time of installation of such Structure. The Municipality's setback requirements, as provided in the Planned Unit Development Agreement, are as follows:

- (i) The front yard setback line shall be at least 35 feet (reduced to 25 feet if the rear yard borders a wetland).
- (ii) The rear yard setback line shall be at least 50 feet (increased to 60 feet if the rear yard borders a wetland).
- (iii) The side yard setback line shall be at least 15 feet per side, provided, however, that side yard garage entry homes may have side yard setbacks of 10 feet and 20 feet (totaling to 30 feet).

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 Municipality is also be 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 Site Owners (including land contract and option purchasers of any Site from Developer) shall comply with the Municipality'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 Site 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 Site Owners engaged in construction on or within thirty (30) days prior to the cleaning for a pro rata share of the cost of the street cleaning. In the event the Municipality 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 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 this Master Deed.

(h) Unsightly Conditions. It shall be the responsibility of each Site 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.

(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 asphalt 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.

(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 Municipality 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 of any kind shall be displayed to the public view on any Site except one (1) professional sign of not more than five (5) square feet advertising the property for sale or rent, the design and color specifications of which shall be approved by the Architectural Control Committee. Such signs as are allowed must be maintained in good condition at all times and removed on the termination of their use.

(l) Animals or Pets. No animals or fowl (except household pets) shall be kept or maintained on any Site. Only two household pets may be kept on a Site at any time. Any pets

kept in the Condominium shall have such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions. No savage or dangerous animal shall be kept. No animal may be permitted to run loose upon the Common Elements, and any animal shall at all times be attended by a responsible person while on the Common Elements. Any person who causes or permits an animal to be brought or kept on the Condominium property shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the Condominium property.

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

(n) Street Trees and Landscaping. Each Site Owner (including land contract and option purchasers of Sites from Developer) shall plant two (2) street trees on the Site owned (or purchased on land contract or option from Developer). Three (3) street trees are required for all corner Sites. 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 Municipality'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, with the result being that the trees will be roughly 25-30 feet apart. Basic landscaping, including finish grading, seeding, 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 Site Owner shall be responsible to maintain and replace the street trees planted in the street right of way adjacent to the Owner's Site as provided in this subparagraph (n). 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 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 Municipality, at the Site Owner's sole cost and expense. If the Site 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 Site Owner with the cost of replacing the dead tree. Any such special assessment shall be a lien on the 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 (n), any rights exercised hereunder being entirely at the discretion of the Association.

(o) General Conditions:

(i) No trailers, boats, boat trailers, campers, RV's, junk cars, motorcycles, motor homes, commercial vehicles (other than those present temporarily on business for a period not to exceed eight (8) hours), ATVs, snowmobiles, jet skis, other recreational vehicles of any kind, or any trailer used for any type or kind of vehicle may be parked in the Condominium except within a private attached garage.

(ii) No clothes lines or outside drying of laundry shall be permitted.

(iii) All mail boxes shall be of size, color and design approved by the Architectural Control Committee. All mail boxes shall be located uniformly with reference to the Residences in accordance with post office requirements.

(iv) No solar panel, solar collector or similar device shall be placed, constructed, altered, or maintained on any Site or placed, constructed, altered, or maintained on any Residence or Structure.

(v) 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 18 inches 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.

(vi) Inground swimming pools shall be permitted, subject to the prior review and written approval of the Architectural Control Committee and the permitting requirements of the Municipality (including, without limitation, fencing around the perimeter of the pool). Swimming pools which rise more than one (1) foot above ground level shall not be permitted. All swimming pool areas shall be landscaped to minimize the visual impact upon adjacent Residences and shall not be visible from the road. All swimming pool mechanical equipment will be located in rear yard of the Residence, will not extend past the side of the Residence, and will be fully concealed from view.

(vii) 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 must be screened with landscape materials.

(viii) No substantially similar front elevation (in both style and color) of any Residence shall be duplicated on any Site less than three hundred (300') feet away along the front Site lines, unless approved by the Architectural Control Committee. Different colors, building material patterns, offsets, roof lines, porches, windows, doors, and ornamental trim shall be used for Residences on adjacent Sites to avoid the appearance of repetition.

(ix) Basketball hoops and play areas are permitted subject to strict compliance with the following restrictions:

(-a-) All basketball hoops shall be on ground mounted posts located at least thirty (30) feet from the curb of the road(s) adjacent to the Site.

(-b-) The ground mounted post for the basketball hoop shall be located at least five (5) feet from the side line of the Site.

(-c-) No florescent or bright colors shall be permitted for either the post or the backboard. The ground mounted post shall be painted black and the backboard of the basketball hoop shall be clear or smoked.

(x) Dog kennels or runs or other enclosed shelters for permitted animals shall not be placed on any Site; provided, however, that dog runs may be attached to the rear of the house.

(p) 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 forty-eight (48) inches in height, and all fences shall comply with the provisions of subparagraph (q) of this Article VI. Where such fences abut a Common Element, no fence shall be erected except on condition that the Site 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 a permitted swimming pool, 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 Municipality and shall not exceed the minimum height permitted by the Municipality.

(q). 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.

(r) 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 Municipality 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 Site Owner, except for those improvements for which a public authority or utility company is responsible, and the Site Owner shall be liable for damage to service facilities and utilities thereon, including damage to electric, gas, and telephone distribution lines and facilities therein. Except as may be otherwise provided herein, each Site Owner shall maintain the surface area of easements within 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.

(s) Public Utilities. All public utilities such as water mains, sanitary sewers, storm sewers, gas mains, electric, telephone, and local cable tv/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 *The Detroit Edison Company* and *Ameritech*, 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 subparagraph (u) shall not apply to utility poles and lines existing as of the date hereof.

#### Section 5. 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 in the Municipality 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 subparagraph (q) 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 subparagraph (q) 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 Owner from any activity prohibited by these Bylaws.

~~Section 6.~~ Landscaping; Organic Fertilizer. No Owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Elements unless approved by the Board of Directors in writing or unless permitted by the Master Deed or the regulations of the Association. Owners shall only use organic fertilizers in landscaping and maintaining Sites. Non-organic fertilizers may not be used anywhere in the Condominium.

~~Section 7.~~ Rules and Regulations. Reasonable regulations consistent with all laws and the Condominium Documents concerning the use of the Common Elements or the rights and responsibilities of the Owners and the Association with respect to the Condominium or the manner of operation of the Association and of the Condominium may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors (or its successors) prior to the Transitional Control Date. Copies of all such rules, regulations and amendments thereto shall be furnished to all Owners or posted on a General Common Element. Any such regulation or amendment may be revoked at any time by the affirmative vote of a majority of the Owners.

~~Section 8.~~ 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 Municipality (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 Owner to maintain the surface drainage grades of the Owner's Site as established by the builder or contractor that builds the Residence on the Site. Additionally, each Owner covenants not to change the surface grade of the Owner's Site in a manner which will materially increase or decrease the storm water flowing onto or off of that 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 Owner and such costs shall be a lien upon the Site.

Section 9. Alterations and Modifications of the Common Elements. No Owner shall make changes in any of the Common Elements, limited or general, without the express written approval of the Developer. The Developer may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium as provided herein and in any rules and regulations of the Association.

Section 10. Common Elements. The Common Elements shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No Owner may leave personal property of any description (including by way of example and not limitation bicycles, vehicles, chairs and benches) unattended on or about the Common Elements. Use of all Common Elements may be limited to such times and in such manner as the Board of Directors shall determine by duly adopted regulations.

Section 11. Leasing and Rental. Owners, including Developer, may rent any number of Sites at any time for any term of occupancy not less than thirty (30) days subject to the following:

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

(b) 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 Owner by certified mail advising of the alleged violation by the tenant.

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

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

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

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

Section 13. Non-Disturbance of Wetlands. The wetlands areas shown on the Plan are subject to a conservation and preservation easement whereby the Association and all Owners shall refrain from altering the topography of, placing fill material in, dredging, removing or excavating any soil or materials from, draining surface water from, constructing or placing any structure on, plowing, tilling, cultivating, or otherwise altering or developing the wetlands areas (if any). The purpose of this restriction is to maintain the wetlands in their natural and undeveloped condition. Activities affecting any wetland areas designated on the Condominium Plan may only be undertaken after a permit has been obtained from both the Michigan Department of Natural Resources and the Municipality. The Association may assess fines for the violation of this Article VI, Section 13, as provided in Article XIII of the Master Deed and Article XIX of these Bylaws. The Association shall maintain all wetlands shown on the Plan in their natural and undeveloped condition, including any portion of the wetlands that are located within a Unit. The purpose of any such maintenance is to preserve the natural character of any wetlands and their continuing functioning. The final locations of all wetland boundaries are subject to the review of the Michigan Department of Environmental Quality (MDEQ). The MDEQ's permit(s) for development of the Condominium may require the relocation or other alteration of the wetland boundaries shown on the Plan. Developer expressly reserves the right, as permitted by the MDEQ, to modify the wetland boundaries shown on the Plan and to enlarge, relocate or otherwise modify the wetlands in connection with its development of the Condominium and/or any mitigation requirements established by the MDEQ.

Section 14. Potassium Chloride required in Water Softeners. Owners shall use potassium chloride (KCl) for regeneration of water softeners and water softener systems. Backwash water from water softeners and water softener systems shall not be discharged into the sanitary sewers. The Developer and the Association reserve the right to require each Owner to purchase only potassium chloride regeneration products for use in water softeners and/or water softener systems within the Condominium in the event that the Michigan Department of Environmental Quality ("MDEQ") or any successor of MDEQ having authority concerning the operation and maintenance of the Genoa-Oceola Waste Water Treatment Plant determines that the level of sodium concentration being discharged into the Waste Water Treatment Plant exceeds MDEQ requirements.

~~Section 15~~    Antenna. The Developer, during the construction and sales period, and the Association after control of the Association is assumed by the Co-owners, shall approve the height and location on an unit of;

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

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

## ARTICLE VII

### MORTGAGES

Section 1.    Notice to Association. Any Owner who mortgages its Site shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Sites". The Association may, at the written request of a mortgagee of any such Site, report any unpaid assessments due from the Owner of such Site. The Association shall give to the holder of any first mortgage covering any Site in the Condominium written notification of any default in the performance of the obligations of the Owner of such Site that is not cured within 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 Owner shall be entitled to one vote for each Condominium Site owned when voting by number and one vote, the value of which shall equal the Percentage of Value percentage allocated to the Sites owned by such Owner as set forth in the Master Deed, when voting by value. Voting shall be by value unless otherwise expressly required by the Condominium Documents or by law. In the case of any Site owned jointly by more than one Owner, the voting right appurtenant to that Site may be exercised jointly as a single vote or may be split if all the joint Owners of the Site so agree in writing.

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

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

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

Section 5. Quorum. The presence in person or by proxy of more than twenty-five (25%) percent in value of the Owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting such person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

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

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

## ARTICLE IX

### MEETINGS

Section 1. 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 Owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Roberts Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Condominium Documents or the laws of the State of Michigan.

Section 2. First Annual Meeting. The First Annual Meeting of members of the Association may be convened only by the Developer. The First Annual Meeting may be called at any time in the Developer's discretion after the first conveyance of legal or equitable title of a Site in the Condominium to a non-developer Owner. As provided in Article XI, Section 2 hereof, the First Annual Meeting shall be held on or before one hundred twenty (120) days after the conveyance of legal or equitable title to non-developer Owners of seventy-five (75%) in number of the Sites that may be created in the Condominium or fifty-four (54) months after the first conveyance of legal or equitable title to a non-developer Owner of a Site in the Condominium, whichever first occurs. The Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting of members and no such meeting shall be construed as the First Annual Meeting of members. The date, time and place of such meeting shall be set by the Board of Directors, and at least ten (10) days' written notice thereof shall be given to each Owner.

Section 3. Annual Meetings. Annual meetings of members of the Association shall be held on the third Tuesday of March each succeeding year (commencing the third Tuesday of March of the calendar year following the year in which the First Annual Meeting is held) at such time and place as shall be determined by the Board of Directors. The Board of Directors, with sixty (60) days notice to the members, may designate a different date for the annual meeting of the members. At such meetings there shall be elected by ballot of the Owners a Board of

Directors in accordance with the requirements of these Bylaws. The Owners may also transact at annual meetings such other business of the Association as may properly come before them.

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

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

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

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

Section 8. Action Without Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written ballots 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 ballots 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 ballots 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 Owners shall be established either one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Owners of one-third (1/3) of the Sites that may be created, or one year after the initial conveyance of legal or equitable title to a non-developer Owner of a Site in the Condominium, whichever occurs first. The advisory committee shall meet with the Board of Directors for the purpose of facilitating communication and aiding the transition of control to the association of Owners. The advisory committee shall cease to exist when a majority of the Board of Directors of the Association is elected by the non-developer Owners.

## ARTICLE XI

### BOARD OF DIRECTORS

Section 1. Number and Qualification of Directors. The Board of Directors shall consist of three members, all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association, except for the first Board of Directors. Directors shall serve without compensation. After the First Annual Meeting, the number of directors may be increased or decreased by action of the Board of Directors, provided that the Board of Directors shall be comprised of at least three 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 Owners to the Board. Elections for non-developer Owner directors shall be held as provided in subsections (b) and (c) below.

(b) Appointment of Non-developer 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 Owners of twenty-five (25%) percent of the Sites that may be created, at least one director and not less than twenty-five (25%) percent of the Board of Directors shall be

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

(c) 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 Owners of seventy-five (75%) percent of the Sites that may be created, and before conveyance of ninety (90%) percent of such Sites, the First Annual Meeting shall be called and the non-developer Owners shall elect all directors on the Board of Directors, except that the Developer shall have the right to designate at least one director as long as the Developer owns and offers for sale at least ten (10%) percent of the Sites in the Condominium or as long as ten (10%) percent of the Sites remain that may be created.

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

(iii) If the calculation of the percentage of members of the Board of Directors that the non-developer Owners have the right to elect under this Section 2, or if the product of the number of members of the Board of Directors multiplied by the percentage of Sites held by the non-developer Owners under this Section 2 results in a right of non-developer Owners to elect a fractional number of members of the Board of Directors, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board of Directors that the non-developer Owners have the right to elect. After application of this formula the Developer shall have the right to elect the remaining members of the Board of Directors. Application of this subsection shall not eliminate the right of the Developer to designate one 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 years and the remaining directors shall be elected for a term of one year. At such meeting, all nominees shall stand for election as one slate and the number of persons equal to one-half of the number of directors (rounded up if fractional) who receive the highest number of votes shall be elected for terms of two 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 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 years. The directors shall hold office until their successors have been elected and hold their first meeting.

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

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

(vii) As provided in Article III Section (j) of the Master Deed, an option or land contract purchaser of a Site or Sites from Developer is not a "non-developer Owner" for any purposes under the Master Deed.

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. The Architectural Control Committees shall be controlled by the Developer until turned over to the Association as provided in Article VI, Section 2 above.

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 7 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.

~~X~~ 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 Owner elected directors which occur prior to the Transitional Control Date may be filled only through election by non-developer Owners and shall be filled in the manner specified in Section 2(b) of this Article.

Section 7. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the directors may be removed with or without cause by the affirmative vote of more than fifty (50%) percent in number and in value of all of the Owners and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall

be the normal quorum set forth in Article VIII, Section 5. Any director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the directors selected by it at any time or from time to time in its sole discretion. Likewise, any director selected by the non-developer Owners to serve before the First Annual Meeting may be removed before the First Annual Meeting in the same manner set forth in this paragraph for removal of directors generally.

Section 8. 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 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 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 Owners shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the Owners.

Section 14. 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 offices except that of President and Vice President may be held by one 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 Owners. Such accounts and all other Association records shall be open for inspection by the Owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any Site in the Condominium shall be entitled to receive a copy of such annual audited financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration.

Section 2. 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 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 of these Bylaws also requires the approval of the Municipality. 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 Owners, tenants, future tenants, or any other persons acquiring an interest in or using the Condominium in any manner are subject to and shall comply with the Act, as amended, and the mere acquisition, occupancy or rental of any Site or an interest therein or the utilization of or entry upon the Condominium shall signify that the Condominium Documents are accepted and ratified. In the event the Condominium Documents conflict with the provisions of the Act, the Act shall govern.

## ARTICLE XVIII

### REMEDIES

Section 1. Default by an Owner. Any default by an Owner shall entitle the Association or another Owner or 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 Owner or Owners.

(b) Recovery of Costs. In any proceeding arising because of an alleged default by any Owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (not limited to statutory fees) as may be determined by the court. In no event shall any Owner be entitled to recover such attorneys' fees.

Section 2. No Waiver. The failure of the Association or of any Owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Owner to enforce such right, provision, covenant or condition in the future.

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

Section 4. Enforcement of Provisions of Condominium Documents. An Owner may maintain an action against the Association and its officers and directors to compel such persons to enforce the provisions of the Condominium Documents. An Owner may maintain an action against any other Owner for injunctive relief or for damages or any combination thereof for noncompliance with the Condominium Documents or the Act.

## ARTICLE XIX

ASSESSMENT OF FINES

Section 1. General. The violation by any Owner, occupant or guest of any provisions of the Condominium Documents including, without limitation, the restrictions on activities in the wetland areas designated on the Plan, removal of trees with a dbh of six (6) inches or greater without a permit from the Architectural Control Committee, and any duly adopted rules and regulations, shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines against the involved Owner. Such Owner shall be deemed responsible for such violations whether they occur as a result of his personal actions or the actions of his family, guests, tenants or any other person admitted through such Owner to the Condominium Premises.

Section 2. Procedures. Upon any such violation being alleged by the Board, 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 Owner on notice as to the violation, shall be sent by first class mail, postage prepaid, or personally delivered to the representative of said Owner at the address as shown in the notice required to be filed with the Association pursuant to the Article VIII, Section 3 of the Bylaws.

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

(c) Default. Failure to respond to the notice of violation constitutes a default.

(d) Hearing and Decision. Upon appearance by the Owner before the Board and presentation of evidence of defense, or, in the event of the Owner's default, the Board shall, by majority vote of a quorum of the Board, decide whether a violation has occurred and shall so notify such Owner within ten (10) days of its decision. The Board's decision is final.

Section 3. Amounts. Upon violation of any of the provisions of the Condominium Documents and after default of the offending Owner or upon the decision of the Board as recited above, the following fines shall be levied:

(a) First Violation. No fine shall be levied provided that the violation is remedied within five (5) days after the decision of the Board.

(b) Second Violation. Two Hundred Fifty Dollar (\$250.00) fine.

(c) Third and Subsequent Violations. Five Hundred Dollar (\$500.00) fine.

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

## ARTICLE XX

### ARBITRATION

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

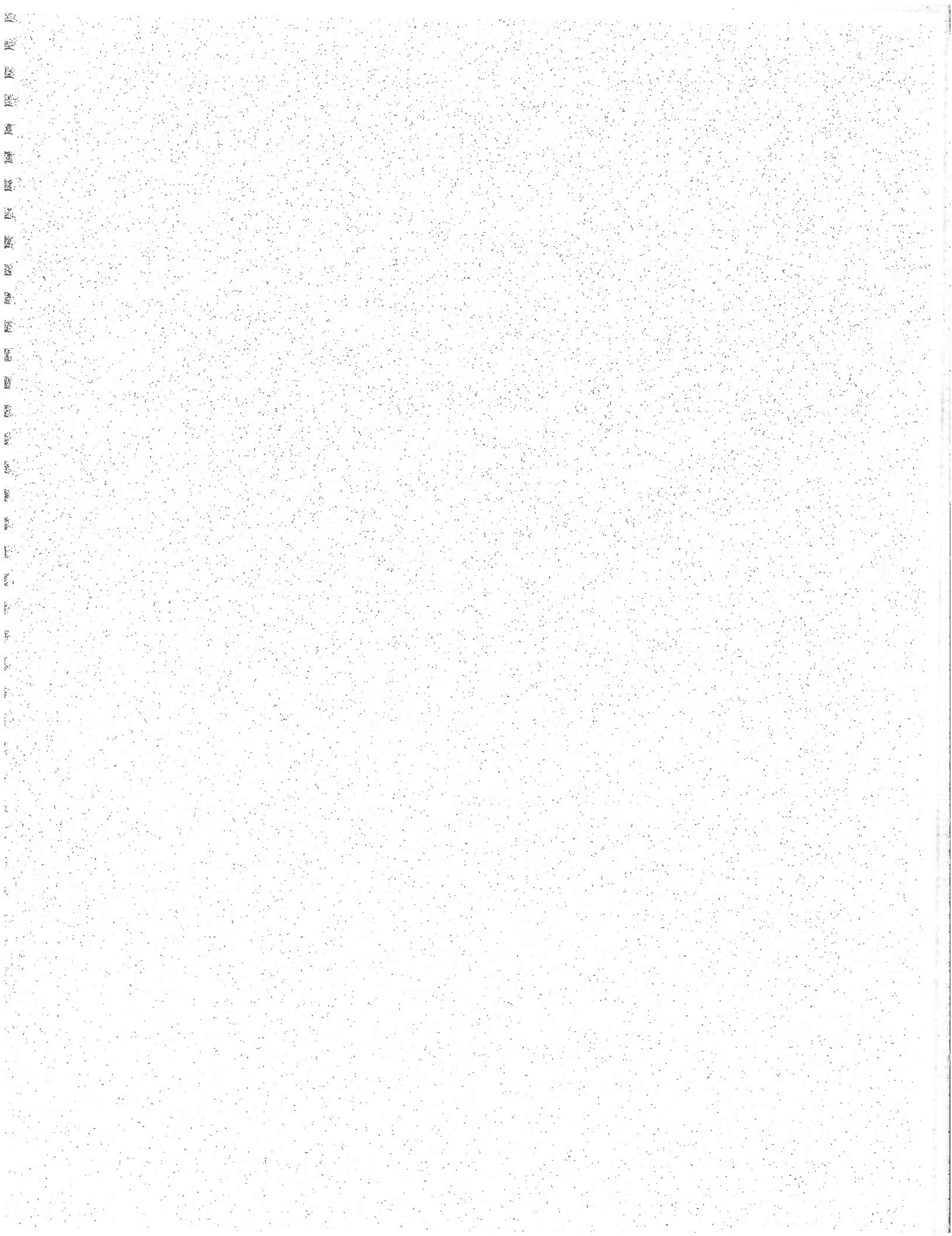
Section 2. Judicial Relief. In the absence of the election and written consent of the parties pursuant to Section 1 above, no Owner or the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances.

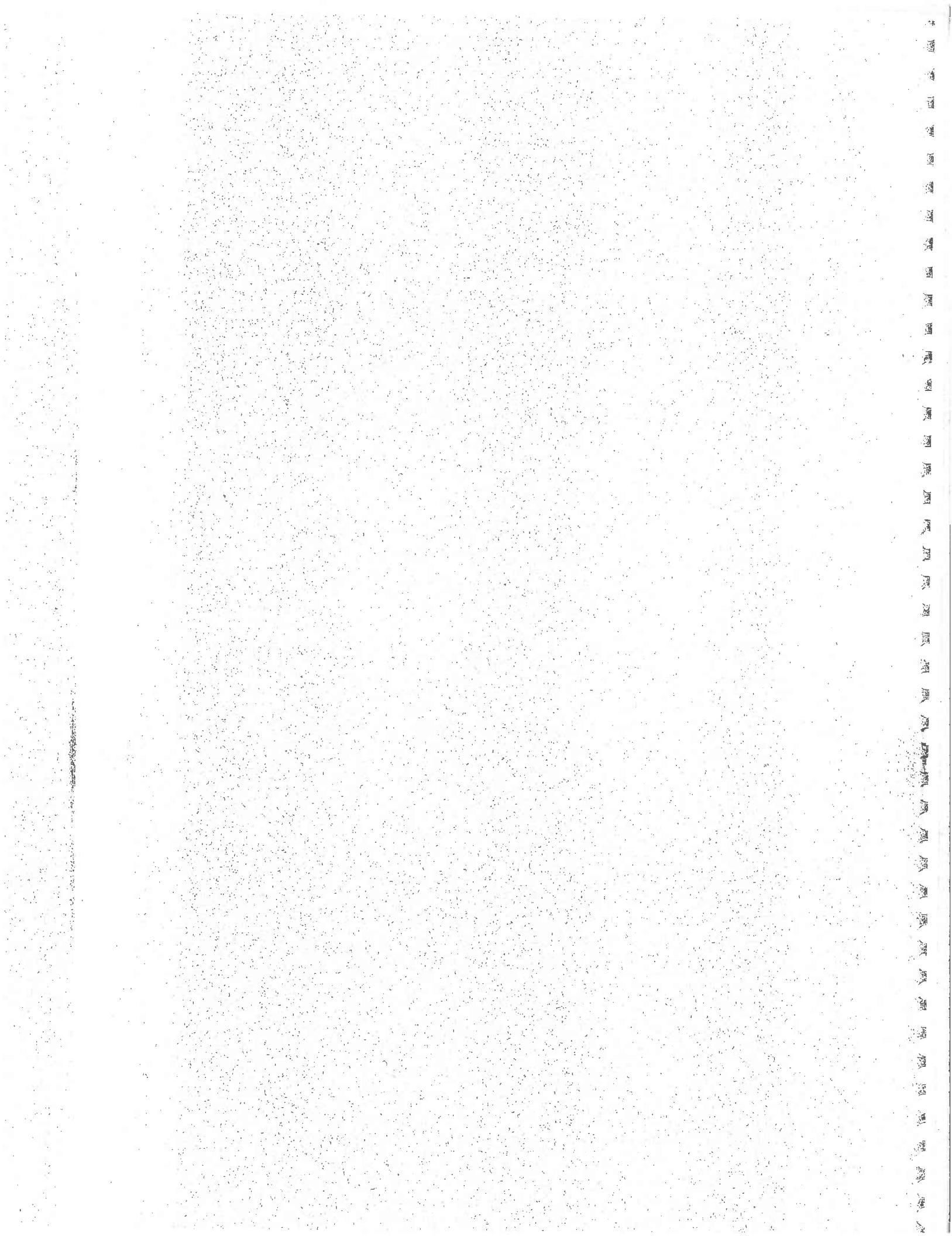
Section 3. Election of Remedies. Such election and written consent by Owners or the Association to submit any such dispute, claim or grievance to arbitration shall preclude such parties from litigating such dispute, claim or grievance in the courts.

## ARTICLE XXI

### SEVERABILITY

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





LIVINGSTON COUNTY, CONDOMINIUM  
SUBDIVISION PLAN NO. /91

EXHIBIT B TO THE MASTER DEED OF

WOODLAND SPRINGS AT LAKE CHEMUNG  
GENOA TOWNSHIP, LIVINGSTON COUNTY, MICHIGAN

DEVELOPER:

CHEMUNG FOREST, L.L.C.  
SUITE 110  
WEST BLOOMFIELD, MI 48322-3692

CONDOMINIUM BOUNDARY

Part of the Northeast 1/4 of Section 10, part of the Southeast 1/4 of Section 3, and part of the Southwest 1/4 of Section 2, T2N-R5E, Genoa Township, Livingston County, Michigan, more particularly described as follows: Commencing at the East 1/4 Corner of said Section 10; thence along the East line of said Section 10, N 01°14'46" E, 677.92 feet, to the POINT OF BEGINNING of the Parcel to be described; thence N 85°04'47" W, 433.56 feet; thence S 28°42'55" W, 229.15 feet; thence along the centerline of Hughes Road (66 foot wide Right-of-Way), Hughes Road, N 59°15'59" W, 37.94 feet; thence continuing along the centerline of feet; thence N 01°46'32" W, 891.27 feet; thence N 01°38'14" E, 1721.71 1/4 line of said Section 3, S 88°38'21" E, 1327.44 feet, to the East 1/4 Corner of said Section 3 (also being the West 1/4 Corner of said Section 2); thence along the East-West 1/4 line of said Section 2, E, 1333.27 feet; thence S 01°24'52" W, 2672.86 feet; to the Southwest Corner of said Section 2 (also being the Southeast Corner of said Section 3 and the Northeast Corner of said Section 10); thence along the East line of said Section 10, S 01°14'46" W, 1986.56 feet, to the POINT OF BEGINNING; Containing 223.91 acres, more or less, and subject to the rights of the public over the existing Hughes Road. Also subject to any other easements or restrictions of record. Reserving to Chemung Forest, L.L.C. all the right title and interest in and to oil minerals (including petroleum, oil, and gas) in, on or under the land or that might be produced from the land, provided, however, that Chemung Forest, L.L.C. and Chemung Forest, L.L.C.'s successors and assigns shall have no right of entry on the land for the purpose of exploration, analysis of subsurface strata, collection of subsurface data and production upon the land, or any other surface right with respect to such reservation of mineral rights.

ATTENTION: COUNTY REGISTER OF DEEDS  
THE CONDOMINIUM SUBDIVISION PLAN NUMBER MUST BE  
ASSIGNED IN CONSECUTIVE SECTION PLAN NUMBER ORDER  
NUMBER HAS BEEN ASSIGNED TO THIS PLAN, IT  
SHOULD 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 & FLOODPLAIN PLAN
3	SURVEY & FLOODPLAIN PLAN
4	SURVEY & FLOODPLAIN PLAN
4A	COMPOSITE SITE & UTILITY PLAN
5	SITE & UTILITY PLAN
6	SITE & UTILITY PLAN
7	SITE & UTILITY PLAN
8	SITE & UTILITY PLAN
9	COORDINATE & CURVE DATA SHEET
9A	COMPOSITE UNIT AREA & PERIMETERS
10	UNIT AREA & PERIMETERS
11	UNIT AREA & PERIMETERS
12	UNIT AREA & PERIMETERS
13	UNIT AREA & PERIMETERS

NOTES:  
UNITS 1-27, 77, 79-121 & UTILITIES TO SERVICE THESE UNITS MUST BE BUILT.  
UNITS 28-76, 78, & UTILITIES TO SERVICE THESE UNITS NEED NOT BE BUILT.

PREPARED BY:

**BOSS ENGINEERING**  
ENGINEERS • SURVEYORS • PLANNERS  
LANDSCAPE ARCHITECTS  
2725 L Drive, Suite 100, Livonia, MI 48154  
(248) 669-4450 Fax (248) 669-4753  
E-mail: info@bossengineering.com

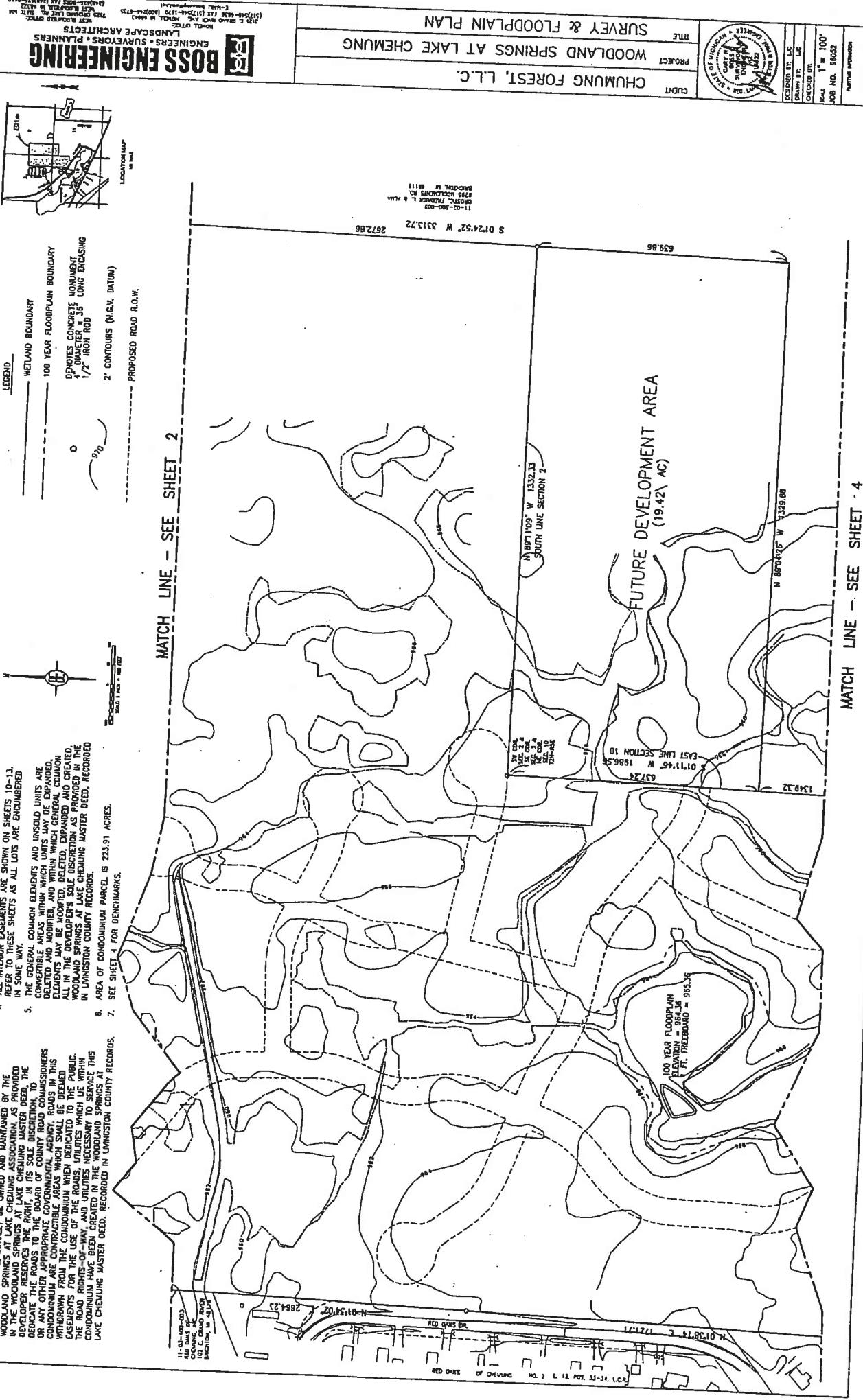




1. BEARINGS WERE ESTABLISHED FROM EAST LINE OF "RED OAKS"  
 NO. 1<sup>ST</sup>, LAYER 1, PARCELS 27 & 28, L.C.R.  
 2. NO BUILDING OPERATING SMALL BE CONSTRUCTED LOWER  
 THAN 2 FEET ABOVE THE 100 YEAR FLOODPLAIN ELEVATION.  
 3. THE ROADWAYS AND ROAD RIGHTS-OF-WAY THAT SERVE THIS  
 CONDOMINIUM WILL INITIALLY BE OWNED AND MAINTAINED BY THE  
 DEVELOPER RESERVING THE RIGHT, IN ITS SOLE DISCRETION, TO  
 DEMAKE THE ROADS TO THE BOARD OF COUNTY ROAD COMMISSIONERS  
 OR ANY OTHER APPROPRIATE GOVERNMENTAL AGENCY, ROADS IN THIS  
 CONDOMINIUM ARE CONTRACTABLE EASEMENTS WHICH SHALL BE DEEMED  
 WITHDRAWN FROM THE CONDOMINIUM WHEN DEDICATED TO THE PUBLIC.  
 EASEMENTS FOR THE USE OF UTILITY SERVICES WHICH LIE WITHIN  
 THE ROAD RIGHTS-OF-WAY AND UTILITIES NECESSARY TO SERVICE THIS  
 CONDOMINIUM HAVE BEEN CREATED IN THE WOODLAND SPRINGS AT  
 LAKE CHELUNG MASTER DEED, RECORDED IN LINNINGTON COUNTY RECORDS.

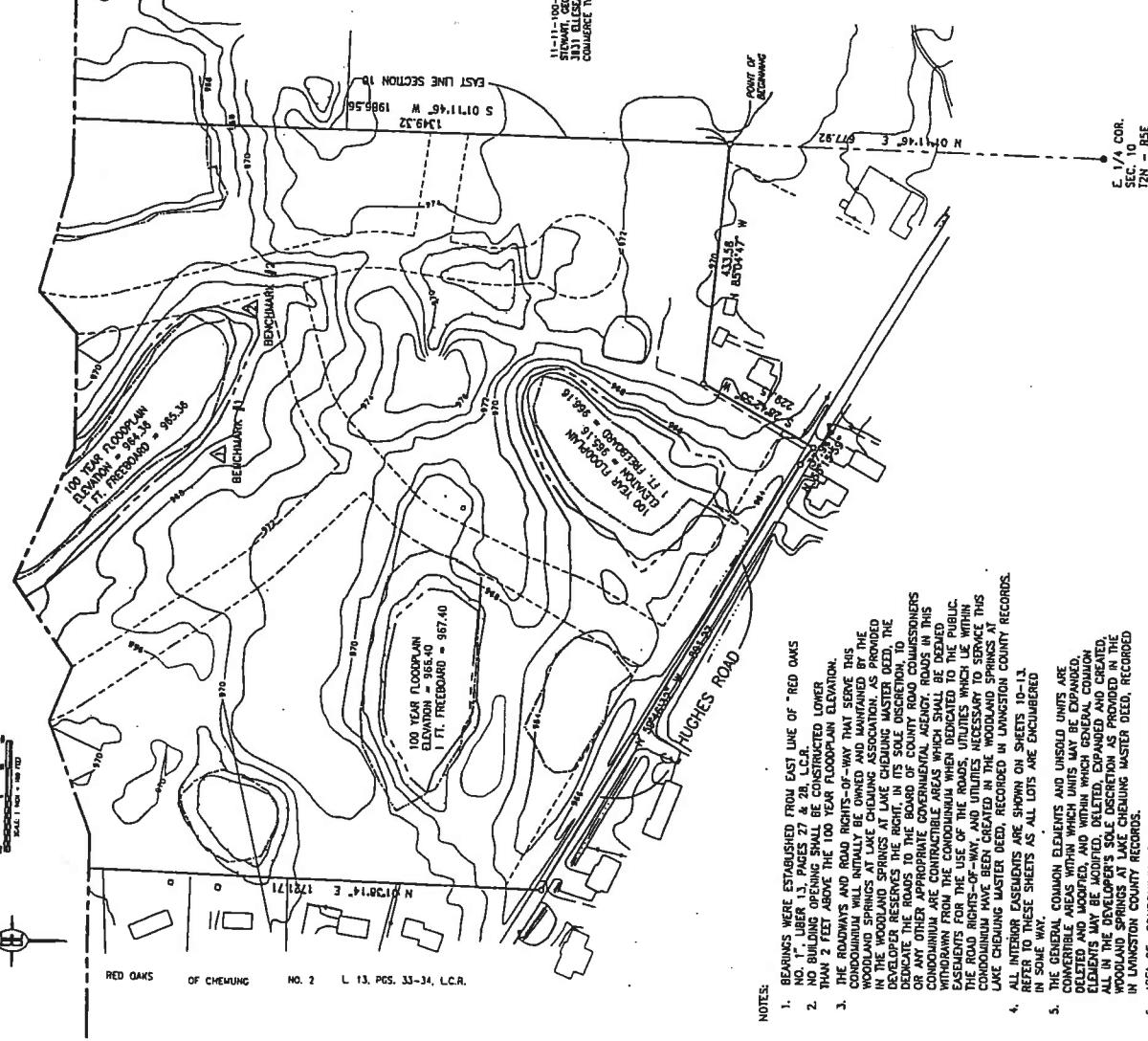
## SURVEY & FLOODPLAIN PLAN

4. ALL INTERIOR EASEMENTS ARE SHOWN ON SHEETS 10-11.  
 REFER TO THESE SHEETS AS ALL LOTS ARE ENGRAVED  
 IN SOME WAY.  
 5. THE GENERAL COMMON ELEMENTS AND UNSOLD UNITS ARE  
 CONVERTIBLE AREAS WITHIN WHICH UNITS MAY BE EXPANDED,  
 DELETED AND MODIFIED, AND WITHIN WHICH CENTRAL CANOON  
 ELEMENTS MAY BE MODIFIED, DELETED, EXPANDED AND CREATED.  
 ALL IN THE DEVELOPER'S SOLE DISCRETION AS PROVIDED IN THE  
 WOODLAND SPRINGS AT LAKE CHELUNG MASTER Q.D. RECORDED  
 IN LINNINGTON COUNTY RECORDS.  
 6. AREA OF CONDOMINIUM PARCEL IS 223.91 ACRES.  
 7. SEE SHEET 4 FOR BENCHMARKS.



# SURVEY & FLOODPLAIN PLAN

MATCH LINE - SEE SHEET 3



**BOS ENGINEERING**  
ENGINEERS • SURVEYORS • PLANNERS

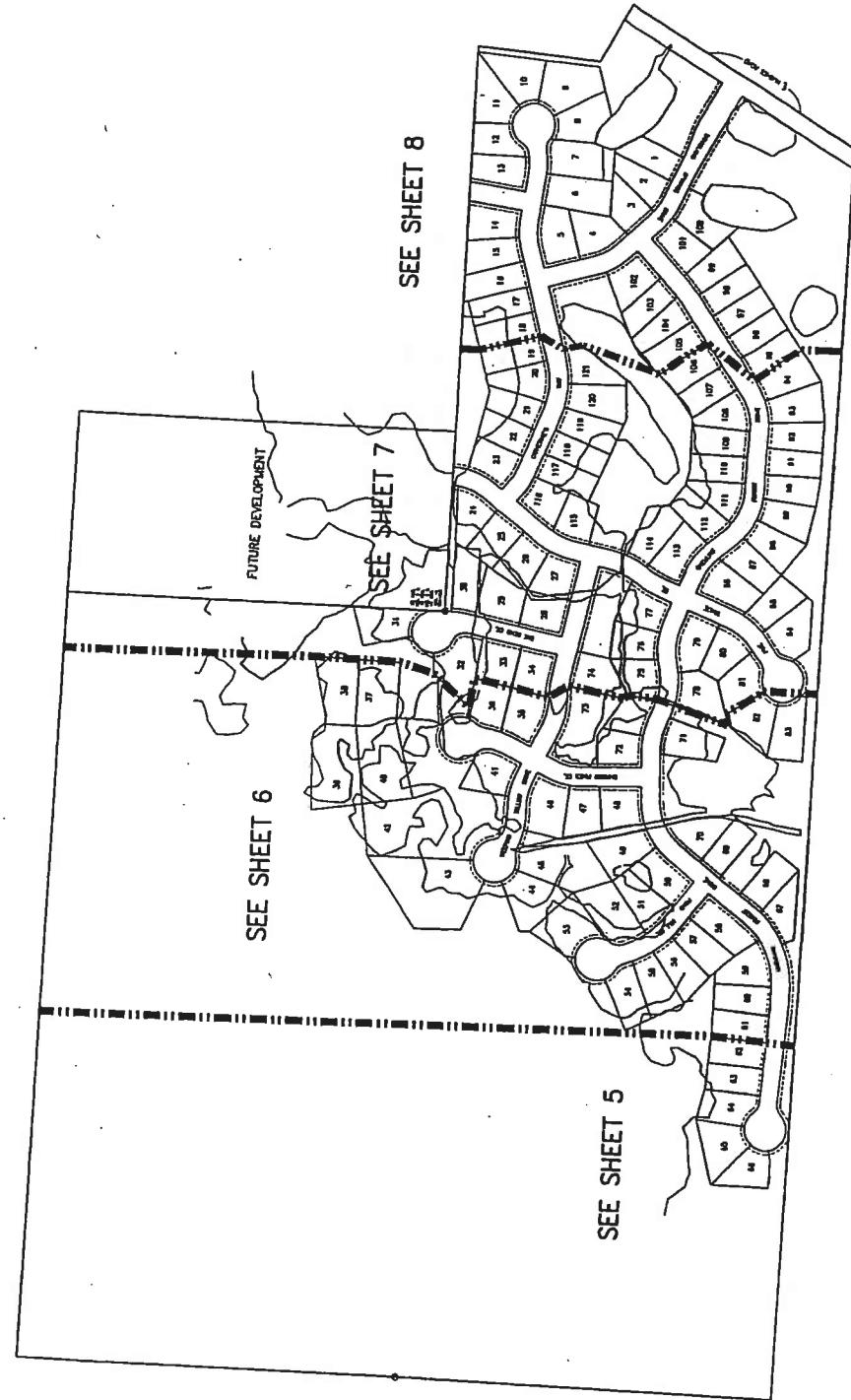
111 SURVEY & FLOODPLAIN PLAN



STATE OF MICHIGAN  
SURVEYOR GENERAL'S OFFICE  
DEPARTMENT OF MICHIGAN  
Dated: December 15, 1999  
Surveyor General: Gary R.  
Clerk: [Signature]

RECEIVED  
BY [Signature]  
DATE: [Signature]  
TIME: [Signature]

# COMPOSITE SITE & UTILITY PLAN



BOSS ENGINEERING		LANDSCAPE ARCHITECTS		PROJECT WOODLAND SPRINGS AT LAKE CHEMUNG		SITE COMPOSITE SITE & UTILITY PLAN	
ENGINEERS • SURVEYORS • PLANNERS		CLOUDS CONSULTING		CHEMUNG FOREST, LLC.		RECEIVED - 12/15/99 - 10:00 AM	
1217 PINE ST., SUITE 100, JOHNSTON, IA 50131 TEL: 515-673-1570 FAX: 515-673-6252 E-MAIL: info@cloudsconsulting.com WEBSITE: www.cloudsconsulting.com		CLOUDS CONSULTING		1217 PINE ST., SUITE 100, JOHNSTON, IA 50131 TEL: 515-673-1570 FAX: 515-673-6252 E-MAIL: info@cloudsconsulting.com WEBSITE: www.cloudsconsulting.com		RECEIVED - 12/15/99 - 10:00 AM	
DESIGNED BY: LUC BOSS, PLS.		DRAWN BY: LUC BOSS		DRAFTED BY: LUC BOSS		SHEET NO.: 884523	
DRAFTED BY: LUC BOSS		SHEET NO.: 884523		APPROVED BY: GENE BOSS		PRINTED BY: DRAFTING	

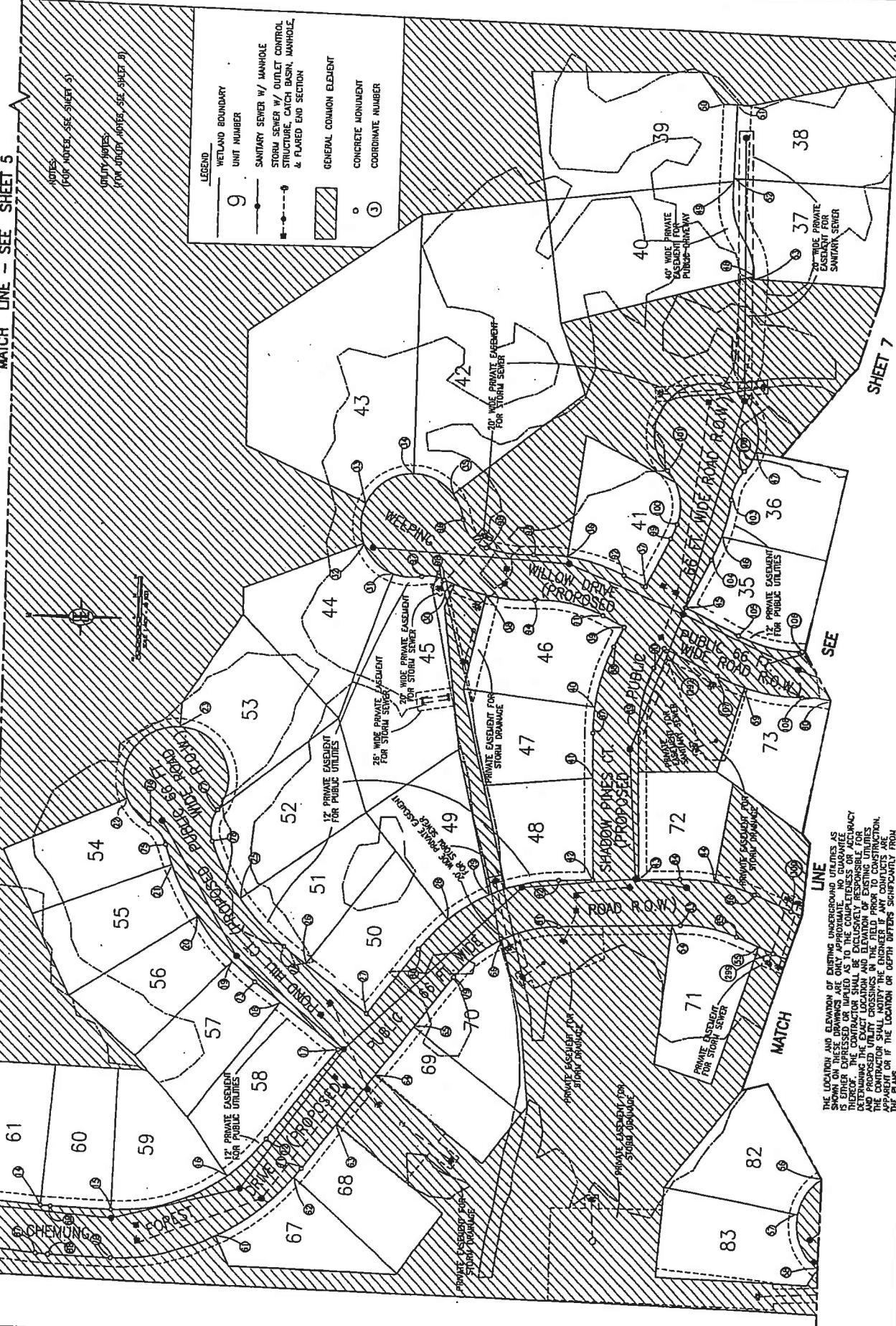
PROPOSED AS OF DECEMBER 15, 1999

4A



# SITE & UTILITY PLAN

MATCH LINE - SEE SHEET 5



**BOSSE ENGINEERING**  
ENGINEERS • SURVEYORS • PLANNERS

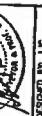


PROJECT WOODLAND SPRINGS AT LAKE CHEMUNG

SITE & UTILITY PLAN

LLC

CHEN



RECEIVED  
DEPT. OF NATURAL RESOURCES  
PA. STATE ARCHIVES  
RECEIVED  
12/15/1999

9

PROPOSED AS OF DECEMBER 15, 1999

**LINE**  
THE LOCATION AND RELATION OF EXISTING UNDERGROUND UTILITIES AS  
SHOWN ON THESE DRAWINGS ARE NOT TO SCALE AND ARE INACCURATE  
AS EITHER EXPRESSED OR IMPLIED AS TO THE CORRECTNESS OF ACCURACY  
THEREOF. THE CONTRACTOR SHALL BE EXCLUSIVELY RESPONSIBLE FOR  
DETERMINING THE EXACT LOCATION AND ELEVATION OF EXISTING UTILITIES  
AND PROPOSED UTILITY CROSSINGS IN THE FIELD PRIOR TO CONSTRUCTION.  
THE CONTRACTOR SHALL NOTIFY THE ENGINEER IF ANY CONFLICTS ARE  
APPARENT OR IF THE LOCATION OR DEPTH OFFERS SIGNIFICANTLY FROM  
THE PLANS.

9

# SITE & UTILITY PLAN

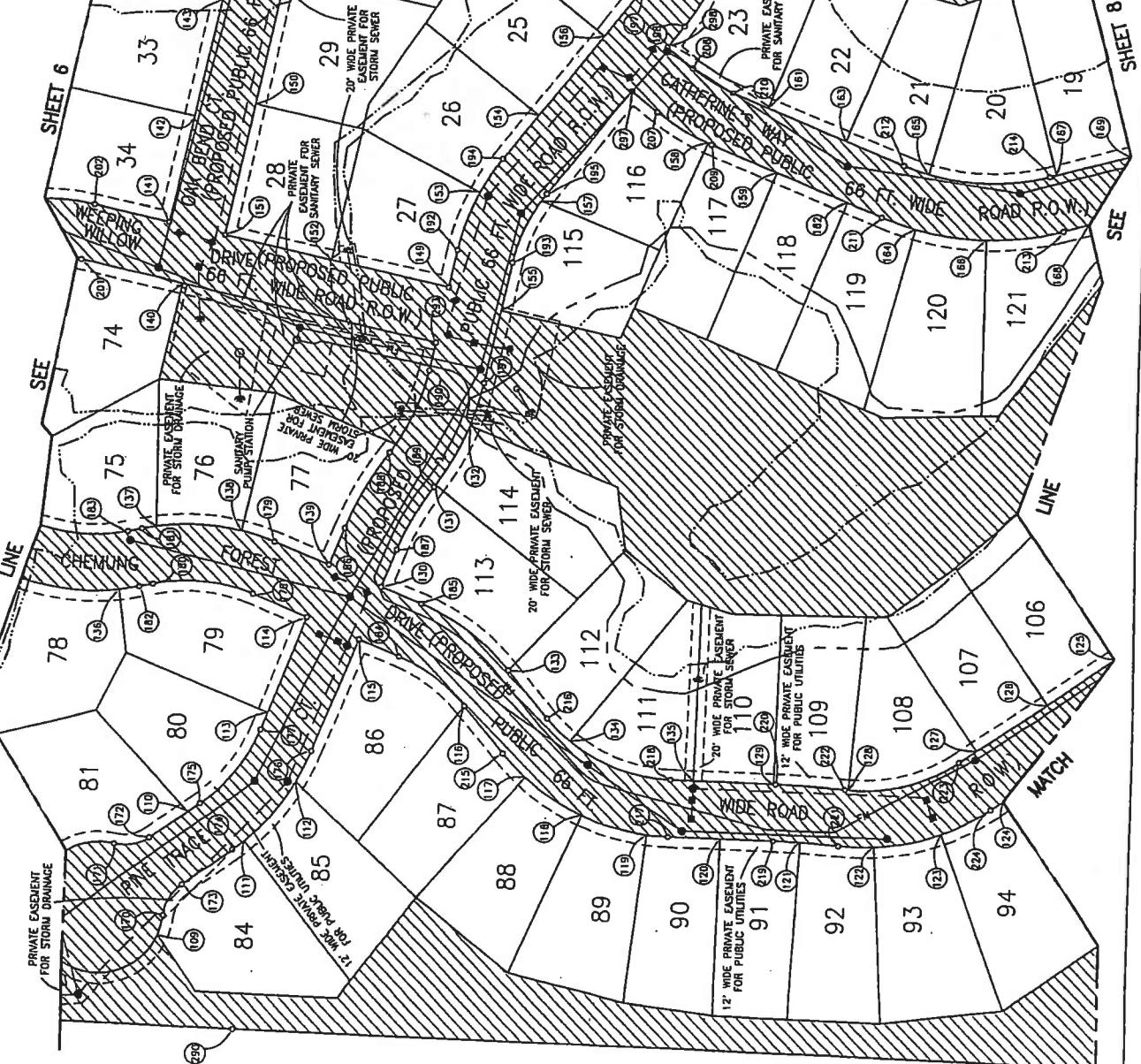
PRIVATE EASEMENT  
FOR STORM DRAINAGE

SEE

NOTES:  
(FOR NOTES, SEE SHEET 5)

UTILITY NOTES:  
(FOR UTILITY NOTES, SEE SHEET 5)

SHEET 6



**Boss Engineering**  
ENGINEERS SURVEYORS PLANNERS  
LANDSCAPE ARCHITECTS

PROJECT WOODLAND SPRINGS AT LAKE CHEMUNG  
CLIENT CHEMUNG FOREST, LLC.  
SHEET 6 OF SITE & UTILITY PLAN

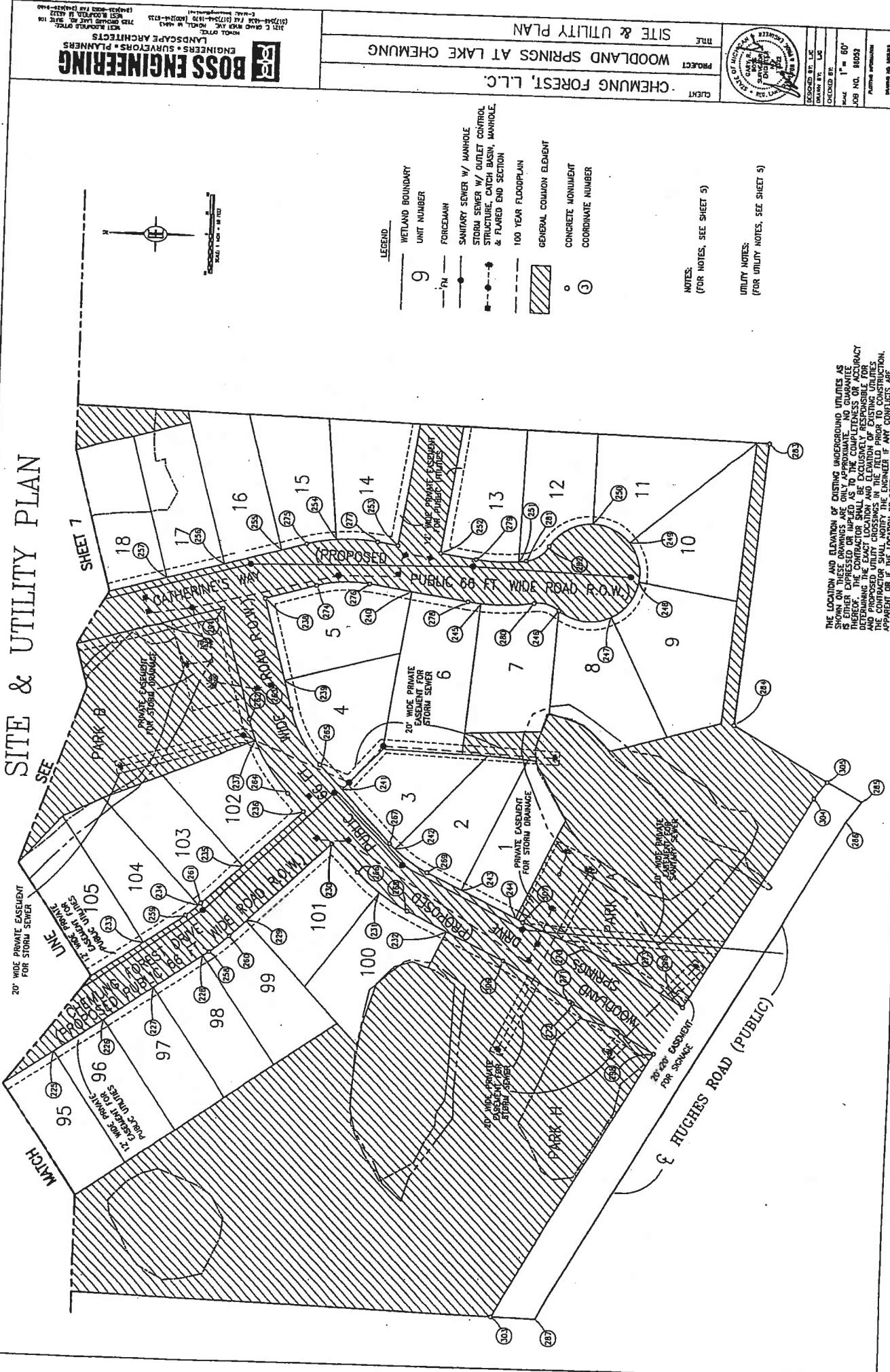


7

PROPOSED AS OF DECEMBER 15, 1999

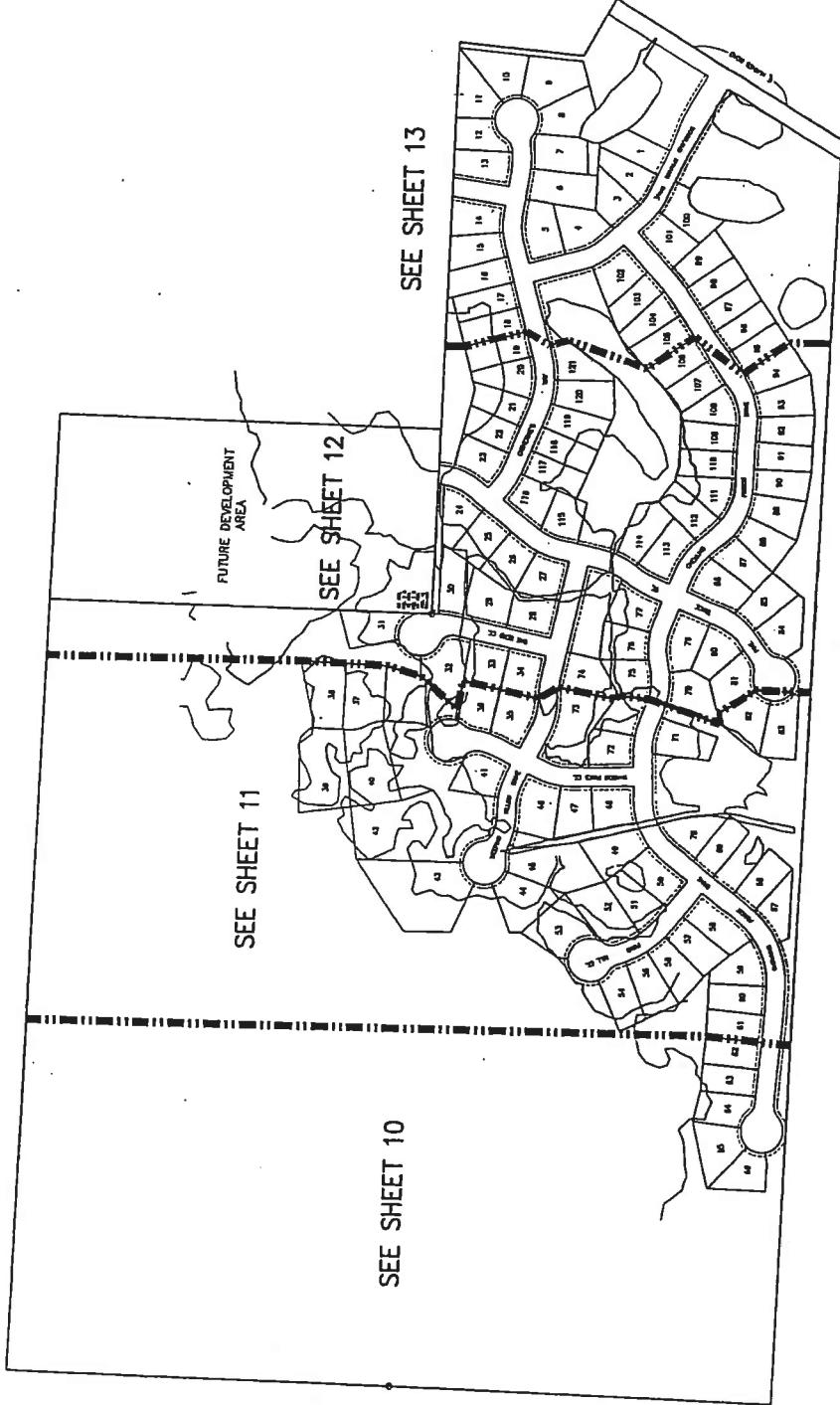
# SITE & UTILITY PLAN

SHEET 1





COMPOSITE UNIT AREAS & PERIMETERS



SCALE 1:144 = 1' 0"

BOSS ENGINEERING		LANDSCAPE ARCHITECTS	
ENGGINEERS • SURVEYORS • PLANNERS		WOODLAND SPRINGS AT LAKE CHEMUNG	
PROJECT CHEMUNG FOREST, LLC.		THE COMPOSITE UNIT AREAS & PERIMETERS	
<p style="text-align: center;">PROJECT CHEMUNG FOREST, LLC. LANDSCAPE ARCHITECTS ENGGINEERS • SURVEYORS • PLANNERS</p>			
<p style="text-align: center;">THE COMPOSITE UNIT AREAS &amp; PERIMETERS</p>			
<p style="text-align: center;">WOODLAND SPRINGS AT LAKE CHEMUNG</p>			
<p style="text-align: center;">BOSS ENGINEERING</p>		<p style="text-align: center;">LANDSCAPE ARCHITECTS</p>	
DESIGNED BY: LIE.	DRAWN BY: LIE.	CALC'D BY:	REVIEWED BY:
SCALE: 1" = 200'	SCALE: 1" = 100'	DATE: 08/25/92	DATE: 08/25/92
JOB NO. 86052	JOB NO. 86052	Permit Application	Permit Application
PLAT NO. M 2003A	PLAT NO. M 2003A		
		PRINT NO.	PRINT NO.

PROPOSED AS OF DECEMBER 15, 1999

A 9

# UNIT AREAS & PERIMETERS

S 86738.21° E 1327.44

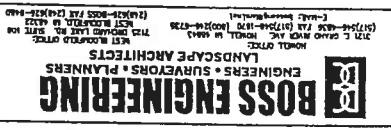
S 870547° E  
1333.27

## NOTES:

1. THE ROADWAYS AND ROAD RIGHTS-OF-WAY THAT SERVE THIS CONDOMINIUM WILL INITIALLY BE OWNED AND MAINTAINED BY THE WOODLAND SPRINGS AT LAKE CHEMUNG ASSOCIATION, AS PROVIDED IN THE WOODLAND SPRINGS AT LAKE CHEMUNG MASTER DEED. THE DEVELOPER RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO DEDICATE THE ROADS TO THE BOARD OF COUNTY ROAD COMMISSIONERS OR ANY OTHER APPROPRIATE GOVERNMENTAL AGENT, ROADS IN THIS CONDOMINIUM ARE CONTRACTABLE AREAS WHICH SHALL BE DEEDED WITHHOLDN FROM THE CONDOMINIUM WHEN DEDICATED TO THE PUBLIC. RESIDENTS FOR THE USE OF THE ROADS, UTILITIES WHICH LIE WITHIN THE ROAD RIGHTS-OF-WAY, AND UTILITIES NECESSARY TO SERVICE THIS CONDOMINIUM HAVE BEEN CREATED IN THE WOODLAND SPRINGS AT LAKE CHEMUNG MASTER DEED, RECORDED IN LEXINGTON COUNTY RECORDS.
2. THIS CONDOMINIUM IS DEVELOPED SUBJECT TO A PLANNED UNIT DEVELOPMENT AGREEMENT BETWEEN DEVELOPER AND GENDA TOWNSHIP, WHICH AMONG OTHER THINGS, ESTABLISHES FRONT, REAR AND SIDE SETBACKS.
3. SEE SHEET 9 FOR CURVE DATA

N 0134.02° E 2664.23

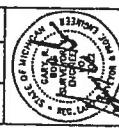
LEGEND	
	WETLAND BOUNDARY
9	UNIT NUMBER
	UNIT LINE
①	CURVE NUMBER
○	ADJUSTMENT



PROJECT WOODLAND SPRINGS AT LAKE CHEMUNG  
COURT CHEMUNG FOREST, LLC.

S 0124.52° W 2672.66

UNIT AREAS & PERIMETERS

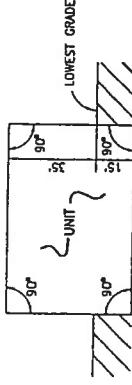


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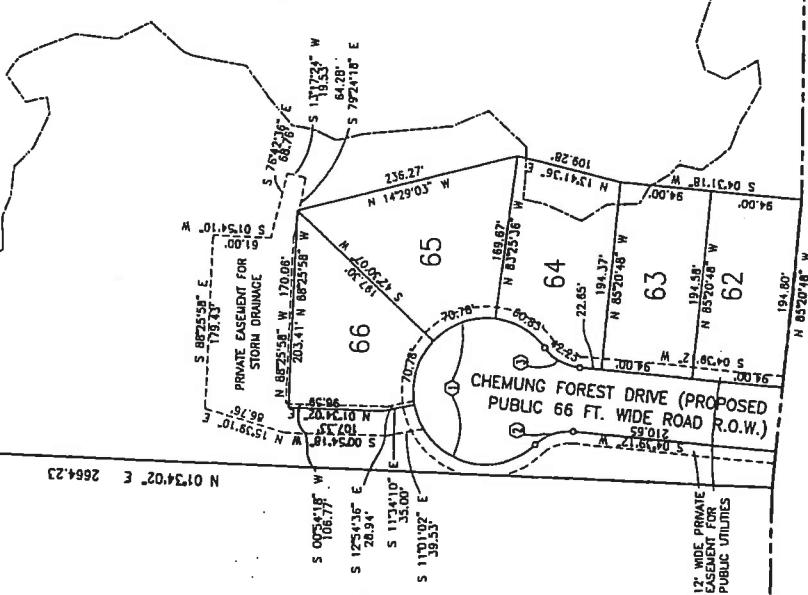
S 0124.52° W 2672.66

## TYPICAL UNIT SECTION

NO SCALE



SCHEDULE OF UNIT AREAS	
LOT NO.	AREA (SQ. FT.)
63	18380
63	18250
64	20814
65	21130
66	19500



12' WIDE PRIVATE  
EASEMENT FOR  
PUBLIC UTILITIES

MATCH LINE - SEE SHEET 11

PROPOSED AS OF DECEMBER 15, 1999

10

UNIT AREAS & PERIMETERS

PLAT NO. 10

SCALE 1 INCH = 40 FT

DATE 12/15/99

REVISION 1

1 = 50'

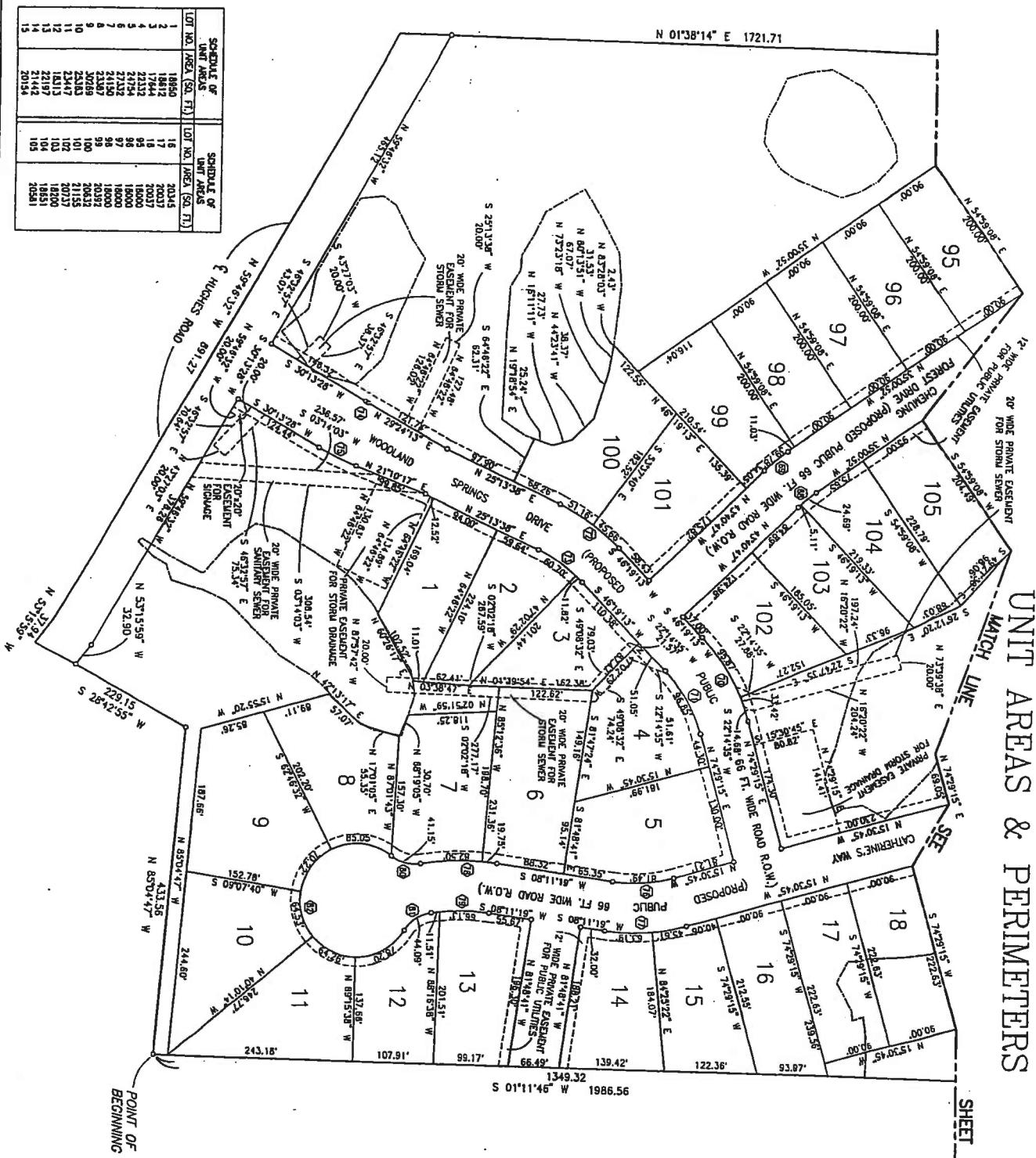
JOB NO. 90032

PLAT INFORMATION

BOSS ENGINEERING

# UNIT AREAS & PERIMETERS

SHEET 12



NOTES:  
(FOR NOTES, SEE SHEET 10)

CLIENT  
**CHEMUNG FOREST, L.L.C.**  
PROJECT  
**WOODLAND SPRINGS AT LAKE CHEMUNG**  
TITLE  
**UNIT AREAS & PERIMETERS**

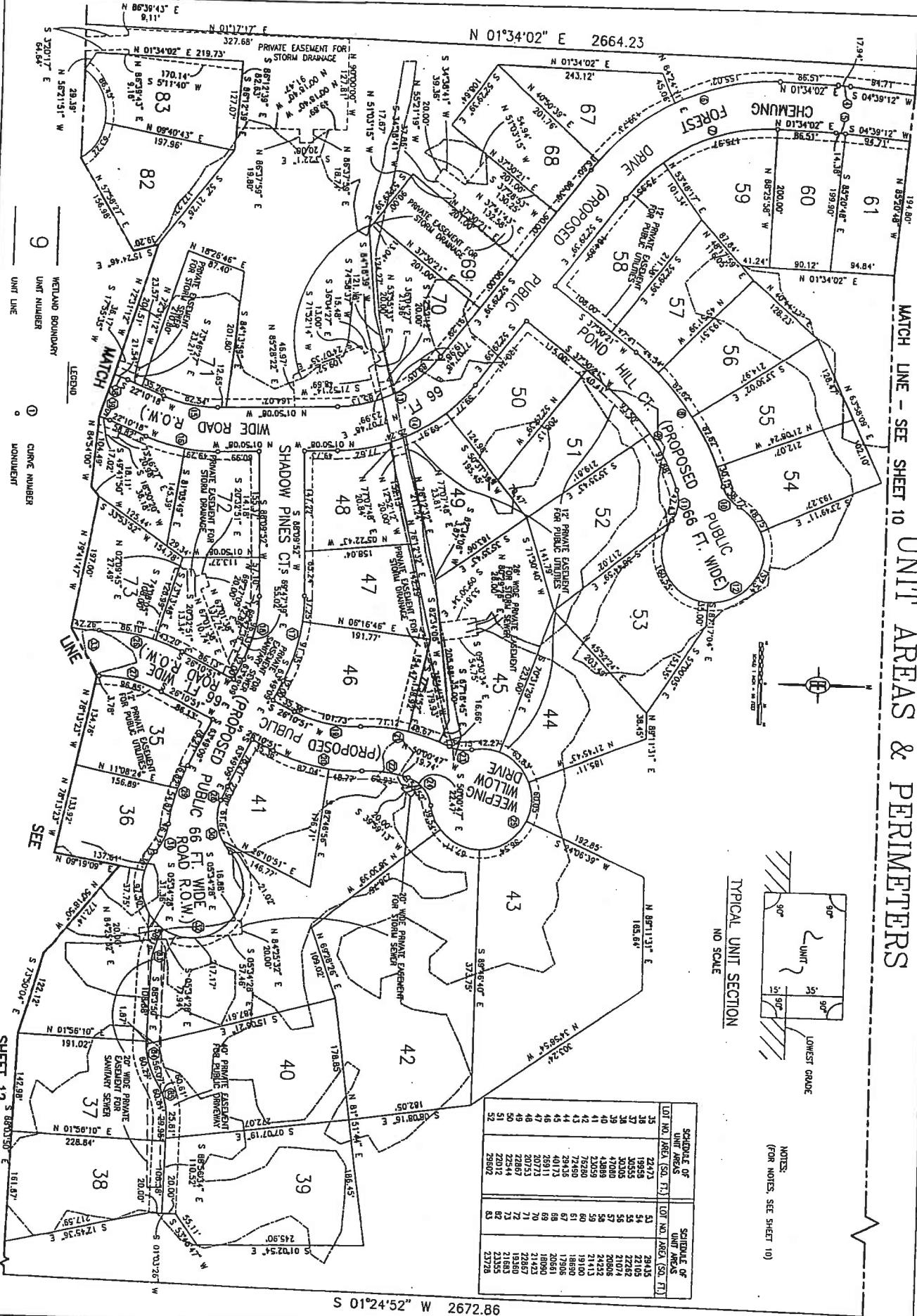
  
**BOSS ENGINEERING**  
ENGINEERS • SURVEYORS • PLANNERS  
LANDSCAPE ARCHITECTS

HOVELL OFFICES: 7125 E. GRAND RIVER AVE., FARMINGTON HILLS, MI 48336  
(248)346-6435 FAX (248)346-1970 (800)216-6735  
E-MAIL: [boss@boss.lan](mailto:boss@boss.lan)

WEST BLOOMFIELD OFFICES:  
7125 E. GRAND RIVER AVE., FARMINGTON HILLS, MI 48336  
MKT BY BOSS: (248)321-9450



MATCH LINE - SEE SHEET 10 UNIT AREAS & PERIMETERS



CLIENT		PROJECT		TITLE	
CHEMUNG FOREST, L.L.C.		WOODLAND SPRINGS AT LAKE CHEMUNG		BOSS ENGINEERING	ENGINEERS • SURVEYORS • PLANNERS LANDSCAPE ARCHITECTS
<b>UNIT AREAS &amp; PERIMETERS</b>					

HOURLY OFFICE  
(317) 441-4824 FAX (317) 441-4710 1400 S 14th ST.  
INDIANAPOLIS, IN 46222 E-MAIL [boss@bossinc.com](mailto:boss@bossinc.com)

KELI RECORDING OFFICE  
7125 DARDEN LANE, SUITE 100  
WEST BLOOMFIELD, MI 48322  
E-MAIL [keli@keli.com](mailto:keli@keli.com)



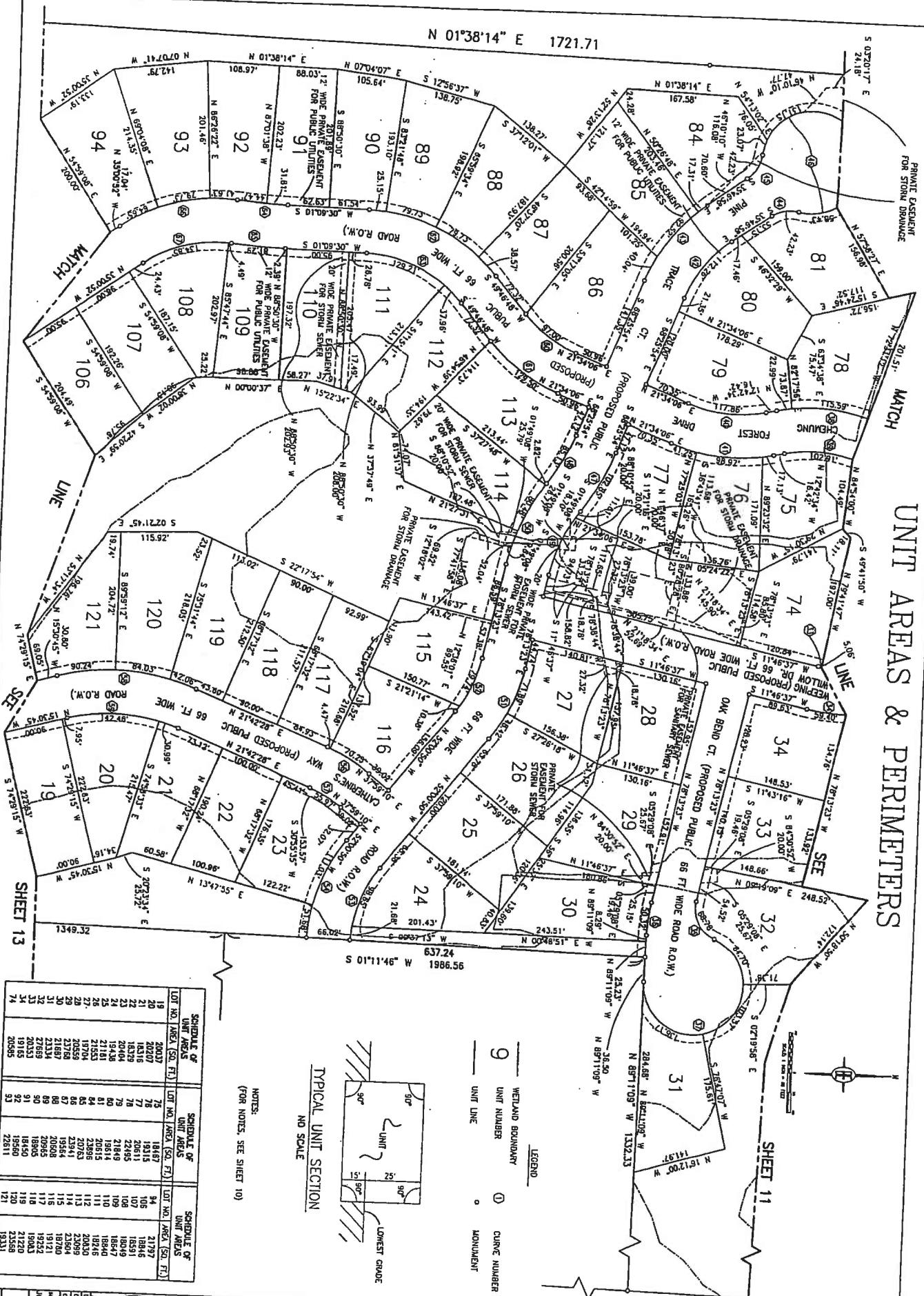
# UNIT AREAS & PERIMETERS

PRIVATE EASEMENT  
FOR STORM DRAINAGE

MATCH

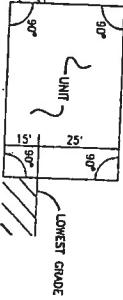


SHEET 11



TYPICAL UNIT SECTION  
NO SCALE

NOTES:  
(FOR NOTES, SEE SHEET 10)

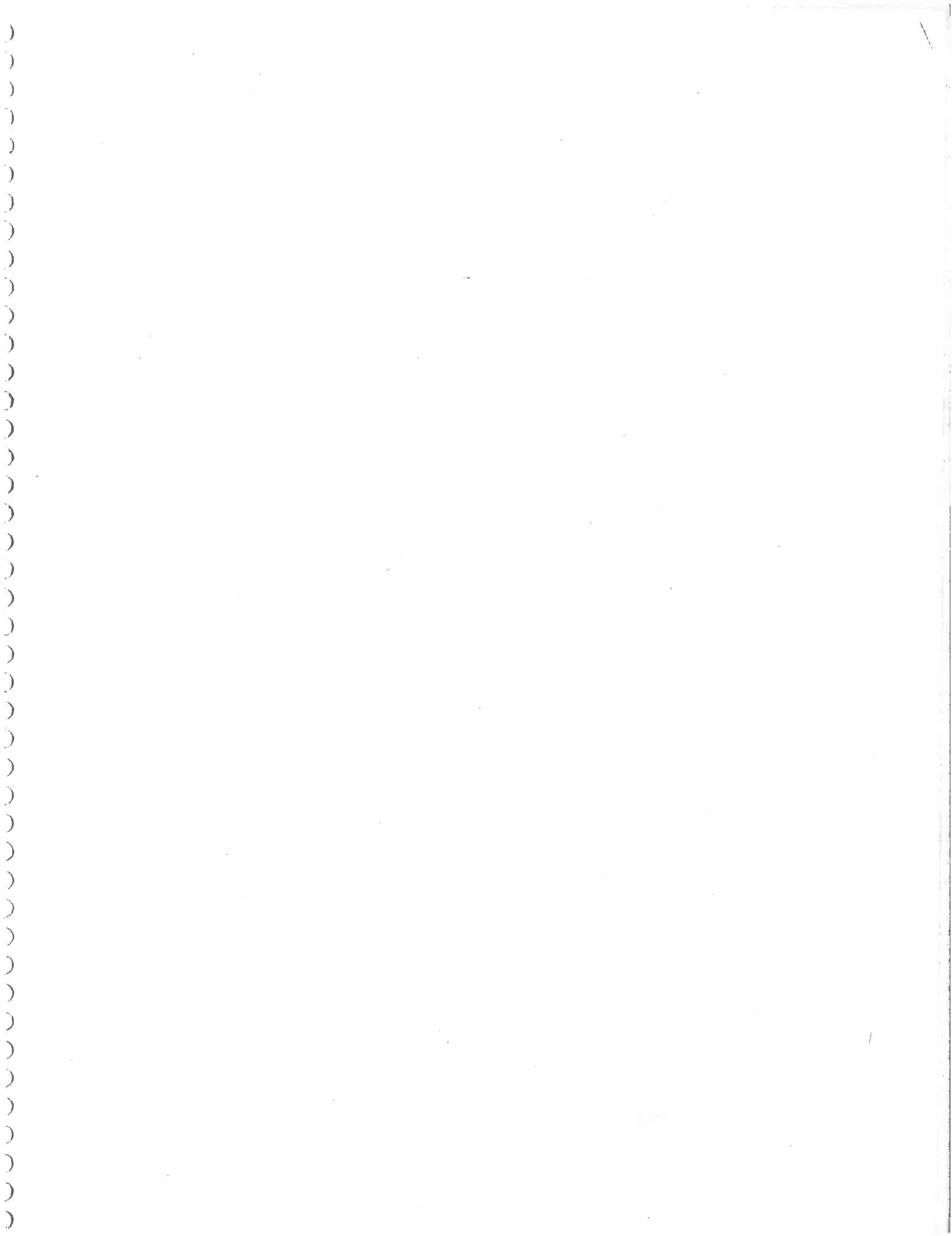


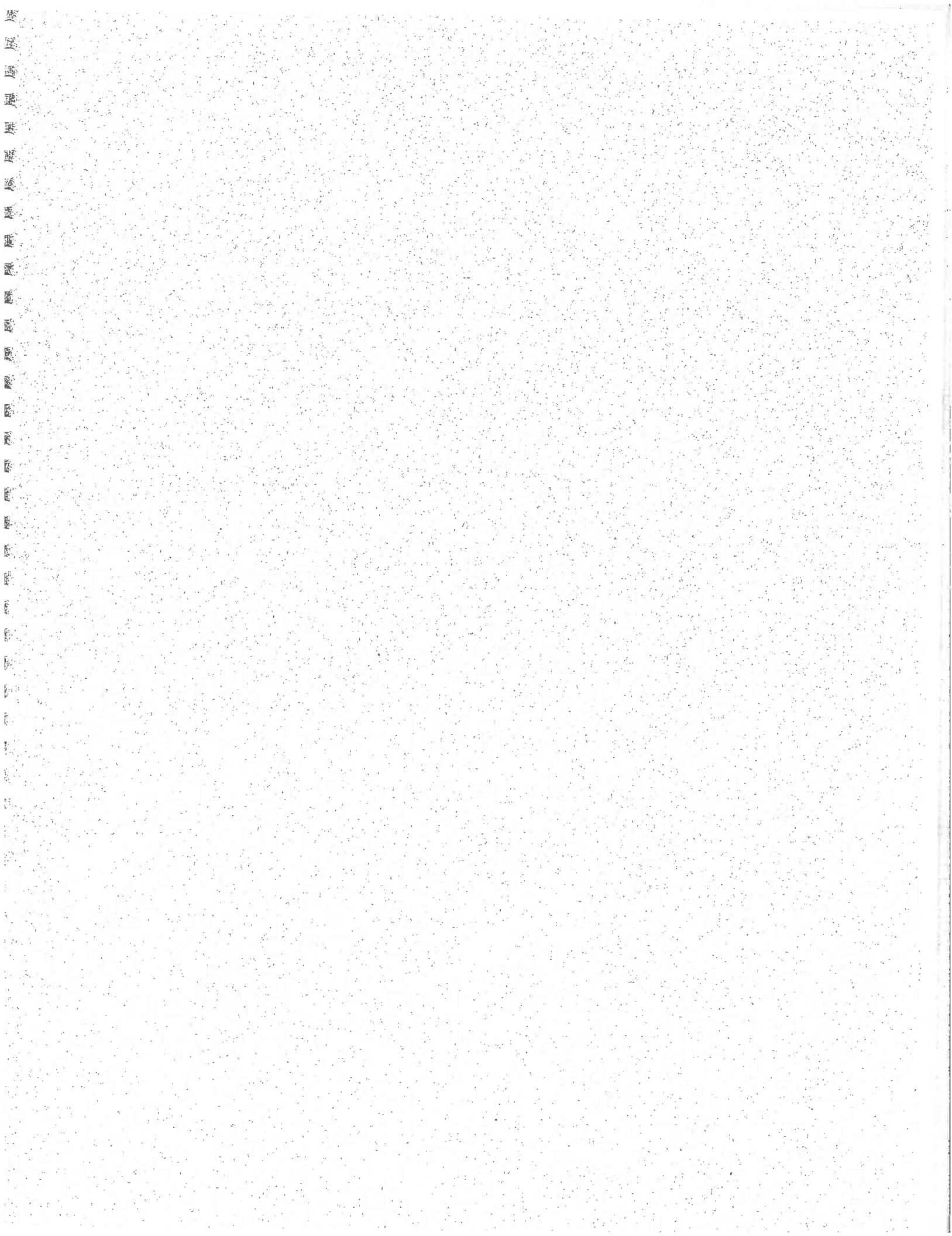
SHEET 13

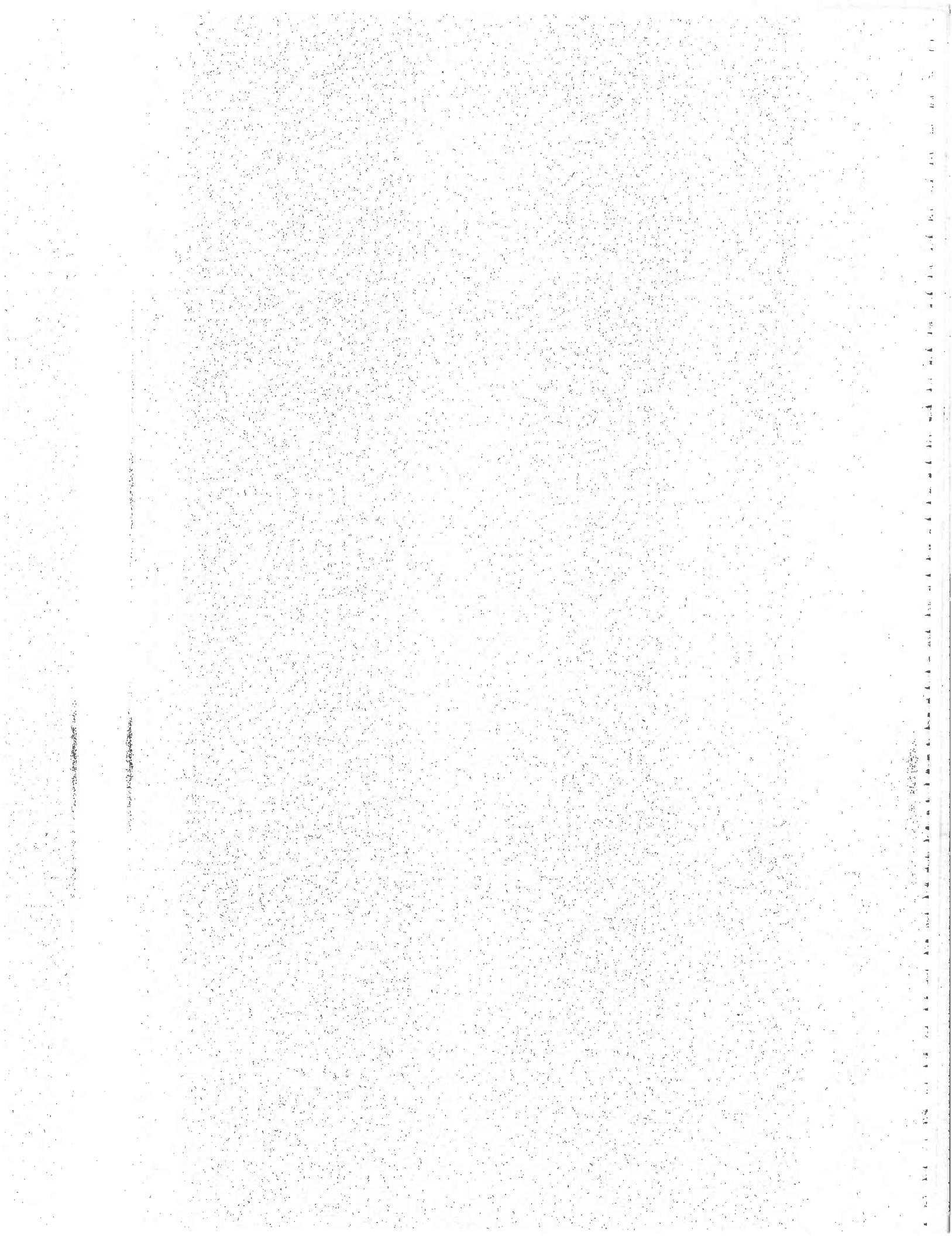
SCHEDULE OF UNIT AREAS			SCHEDULE OF UNIT AREAS			SCHEDULE OF UNIT AREAS			
LOT NO.	AREA (SO. FT.)	LOT NO.	AREA (SO. FT.)	LOT NO.	AREA (SO. FT.)	LOT NO.	AREA (SO. FT.)	LOT NO.	AREA (SO. FT.)
19	20037	20	20037	21	19115	21	19115	21	19115
20	76	21	19115	21	19115	21	19115	21	19115
21	18846	21	18846	21	18846	21	18846	21	18846
22	18229	22	18229	22	18229	22	18229	22	18229
23	20460	23	20460	23	20460	23	20460	23	20460
24	19433	24	19433	24	19433	24	19433	24	19433
25	21181	25	21181	25	21181	25	21181	25	21181
26	21553	26	21553	26	21553	26	21553	26	21553
27	19703	27	19703	27	19703	27	19703	27	19703
28	20559	28	20559	28	20559	28	20559	28	20559
29	21760	29	21760	29	21760	29	21760	29	21760
30	21169	30	21169	30	21169	30	21169	30	21169
31	22335	31	22335	31	22335	31	22335	31	22335
32	20865	32	20865	32	20865	32	20865	32	20865
33	18805	33	18805	33	18805	33	18805	33	18805
34	19155	34	19155	34	19155	34	19155	34	19155
35	19483	35	19483	35	19483	35	19483	35	19483
36	21269	36	21269	36	21269	36	21269	36	21269
37	21568	37	21568	37	21568	37	21568	37	21568
38	19311	38	19311	38	19311	38	19311	38	19311

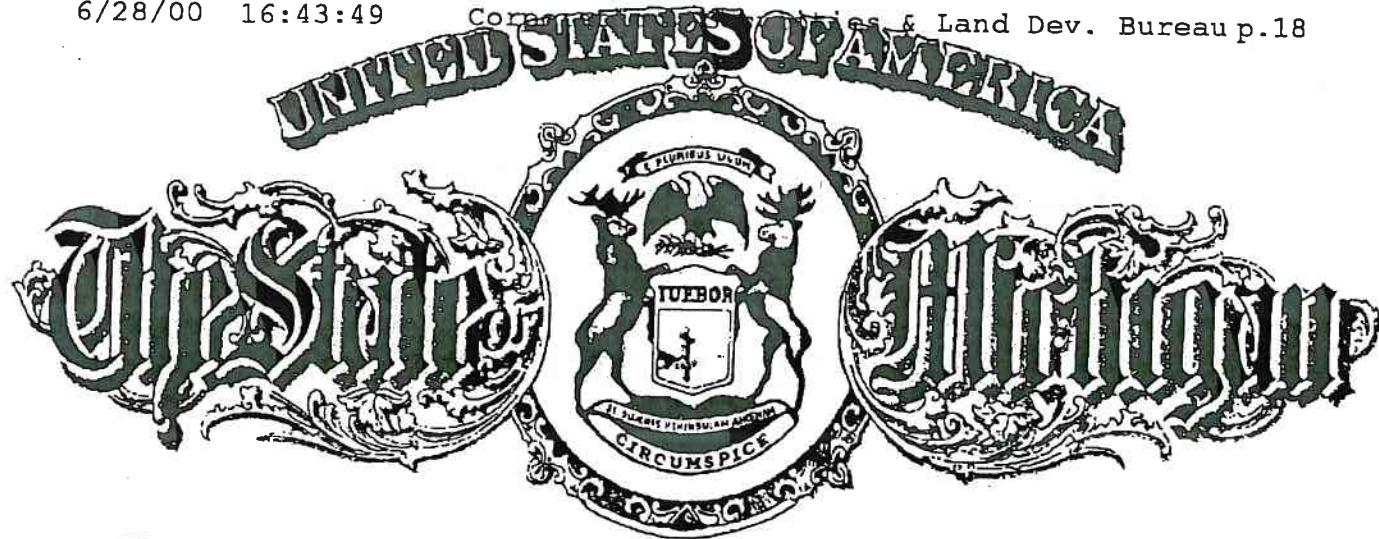
CHEMUNG FOREST, L.L.C.  
WOODLAND SPRINGS AT LAKE CHEMUNG  
UNIT AREAS & PERIMETERS

**BOSS ENGINEERING**  
ENGINEERS • SURVEYORS • PLANNERS  
LANDSCAPE ARCHITECTS  
HOME OFFICE: 1111 E. GRAND RIVER AVENUE, HONOLULU, HI 96843  
(808) 524-4822 • FAX: (808) 524-8733  
WEST BLOOMFIELD OFFICE: 7725 MICHIGAN AVENUE, SUITE 104  
WEST BLOOMFIELD, MI 48321  
E-MAIL: [boss@boss.com](mailto:boss@boss.com) • FAX: (248) 632-9480









**Michigan Department of Consumer and Industry Services**

Lansing, Michigan

*This is to Certify That*

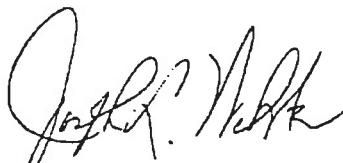
**WOODLAND SPRINGS AT LAKE CHEMUNG HOMEOWNERS ASSOCIATION**

*was incorporated on June 28, 2000, as a Michigan nonprofit corporation,  
and said corporation is in existence under the laws of this State.*

*This certificate is issued to attest to the fact that the corporation is in good standing  
in this office as of this date and is duly authorized to transact business or conduct  
affairs in Michigan and for no other purpose. It is in the usual form, made by me  
as the proper officer, and is entitled to have full faith and credit given it in every  
court and office within the United States.*



*In testimony whereof, I have hereunto set my  
hand and affixed the Seal of the Department,  
in the City of Lansing, this 28th day  
of June, 2000.*

  
*Jay R. Nett* . Director

Corporation, Securities and Land Development Bureau

# *Michigan Department of Consumer and Industry Services*

## *Filing Endorsement*

*This is to Certify that the ARTICLES OF INCORPORATION – NONPROFIT*

*for*

*WOODLAND SPRINGS AT LAKE CHEMUNG HOMEOWNERS ASSOCIATION*

*ID NUMBER: 763930*

*received by facsimile transmission on June 26, 2000 is hereby endorsed*

*Filed on June 28, 2000 by the Administrator.*

*The document is effective on the date filed, unless a  
subsequent effective date within 90 days after  
received date is stated in the document.*

*In testimony whereof, I have hereunto set my  
hand and affixed the Seal of the Department,  
in the City of Lansing, this 28th day  
of June, 2000.*



A circular seal for the Michigan Department of Consumer and Industry Services. The outer ring contains the text "MICHIGAN DEPT. OF CONSUMER AND INDUSTRY SERVICES" at the top and "CORPORATION, SECURITIES & LAND DEVELOPMENT BUREAU" at the bottom. The center features a shield with a figure holding a sword and a scale, with the word "TRUSTEESHIP" above it.

*[Signature]*, Director

*Corporation, Securities and Land Development Bureau*

## ARTICLES OF INCORPORATION

## MICHIGAN NON-PROFIT CORPORATION

Pursuant to the provisions of Act 162, Public Acts of 1982, the undersigned execute the following Articles:

## ARTICLE I.

The name of the corporation is Woodland Springs At Lake Chemung Homeowners Association.

## ARTICLE II.

The purposes for which the corporation is organized are:

- (a) To manage and administer the affairs of and to maintain Woodland Springs at Lake Chemung, a condominium according to the Master Deed recorded in Liber 2748, Page 129, Livingston County Records, being Livingston County Condominium Subdivision Plan No. 191, located in the Township of Genoa, Livingston County, Michigan (hereinafter called "Condominium");
- (b) To levy and collect assessments against and from the co-owner members of the corporation and to use the proceeds thereof for the purposes of the corporation;
- (c) To carry insurance and to collect and allocate the proceeds thereof;
- (d) To rebuild improvements after casualty;
- (e) To contract for and employ persons, firms, or corporations to assist in management, operation, maintenance, and administration of the Condominium;
- (f) To make and enforce reasonable regulations concerning the use and enjoyment of the Condominium;
- (g) To own, maintain and improve, and to buy, or operate, manage, sell, convey, assign, mortgage, or lease (as landlord or tenant) any real and personal property, (including Condominium units, easements, rights-of-way and licenses) on behalf of the corporation, for the purpose of providing benefit to the members of the corporation and in furtherance of any of the purposes of the corporation;
- (h) To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; to secure the same by mortgage, pledge or other lien;
- (i) To enforce the provisions of the Master Deed and Bylaws of the Condominium and of these Articles of Incorporation and such rules and regulations of the corporation as may hereafter be adopted;
- (j) To sue in all courts and participate in actions and proceedings judicial, administrative, arbitral or otherwise, subject to the express limitations on suits, actions and

proceedings as set forth in Article IX of these Articles;

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

(l) To make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of the Condominium and to the accomplishment of any of the purposes thereof.

### ARTICLE III.

The corporation is organized upon a nonstock, membership basis.

The assets of the corporation are:

Real Property: None  
Personal Property: None

The corporation is to be financed under the following general plan:

Assessment of members owning units in the Condominium.

### ARTICLE IV.

The address of the registered office is:

7013 Orchard Lake Road  
Suite 110  
West Bloomfield, Michigan 48322-3692

The mailing address of the registered office is the same as above.

The name of the first resident agent at the registered office is:

Gary Shapiro

### ARTICLE V.

The name and business address of the incorporator is:

**CHEMUNG FOREST, LLC**  
7013 Orchard Lake Road  
Suite 110  
West Bloomfield, Michigan 48322-3692

### ARTICLE VI.

The term of the corporate existence is perpetual.

## ARTICLE VII.

The qualifications of members, the manner of their admission to the corporation, the termination of membership, and voting by the members shall be as follows:

(a) Each co-owner (including the Developer named in the Condominium Master Deed) of a unit in the Condominium shall be a member of the corporation, and no other person or entity shall be entitled to membership.

(b) Membership in the corporation shall be established by the acquisition of fee simple title to a unit in the Condominium and by recording with the Register of Deeds in the County where the Condominium is located a deed or other interest establishing a change of record title to such unit and the furnishing of evidence of same satisfactory to the corporation (except that the Developer of the Condominium shall become a member immediately upon establishment of the Condominium), the new co-owner thereby becoming a member of the corporation, and the membership of the prior co-owner thereby being terminated. Land contract vendees of units shall be members if the land contract instrument expressly conveys the vendor's interest as a member of the corporation, in which event the vendor's membership shall terminate as to the unit sold.

(c) The share of a member in the funds and assets of the corporation cannot be assigned, pledged, encumbered or transferred in any manner except as an appurtenance to the member's unit in the Condominium.

(d) Voting by members shall be in accordance with the provisions of the Bylaws of this corporation.

## ARTICLE VIII.

A volunteer director (as defined in Section 110 of Act 162, Public Acts of 1982, as amended) of the corporation shall not be personally liable to the corporation or its members for monetary damages for breach of the director's fiduciary duty arising under any applicable law. However, this Article shall not eliminate or limit the liability of a director for any of the following:

- (1) A breach of the director's duty of loyalty to the corporation or its members.
- (2) Acts or omission not in good faith or that involve intentional misconduct, a knowing violation of law, or failure to follow the Bylaws of the corporation or these Articles.
- (3) A violation of Section 551(l) of Act 162, Public Acts of 1982, as amended.
- (4) A transaction from which the director derived an improper personal benefit.
- (5) An act or omission occurring before the date this document is filed.
- (6) An act or omission that is grossly negligent.

Any repeal or modification of this Article shall not adversely affect any right or  
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protection of any director of the corporation existing at the time of, or for or with respect to, any acts or omissions occurring before such repeal or modification.

## ARTICLE IX.

The requirements of this Article IX shall govern the corporation's commencement and conduct of any civil action except for actions to enforce the Bylaws of the corporation or collect delinquent assessments. The requirements of this Article IX will ensure that the members of the corporation are fully informed regarding the prospects and likely costs of any civil action the corporation proposes to engage in, as well as the ongoing status of any civil actions actually filed by the corporation. 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 corporation's assets in litigation where reasonable and prudent alternatives to the litigation exist. Each member of the corporation shall have standing to sue to enforce the requirements of this Article IX. The following procedures and requirements apply to the corporation's commencement of any civil action other than an action to enforce the Bylaws of the corporation or collect delinquent assessments:

(a) The Association's Board of Directors ("Board") shall be responsible in the first instance for recommending to the members that a civil action be filed, and supervising and directing any civil actions that are filed.

(b) Before an attorney is engaged for purposes of filing a civil action on behalf of the corporation, the Board shall call a special meeting of the members of the corporation ("litigation evaluation meeting") for the express purpose of evaluating the merits of the proposed civil action. The written notice to the members of the date, time and place of the litigation evaluation meeting shall be sent to all members 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:

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

- (a) it is in the best interests of the corporation to file a lawsuit;
- (b) that at least one Board member has personally made a good faith effort to negotiate a settlement with the putative defendant(s) on behalf of the corporation, without success;
- (c) litigation is the only prudent, feasible and reasonable alternative; and
- (d) the Board's proposed attorney for the civil action is of the written opinion that litigation is the corporation's most reasonable and prudent alternative.

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

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

(b) 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.

(3) The litigation attorney's written estimate of the amount of the corporation'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.

(4) 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.

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

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

(c) If the lawsuit relates to the condition of any of the common elements of the Condominium, the Board 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 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 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 members of the corporation 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 the members with the written notice of the litigation evaluation meeting.

(d) The corporation shall have a written fee agreement with the litigation attorney, and any other attorney retained to handle the proposed civil action. The corporation 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 members in the text of the corporation's written notice to the members of the litigation evaluation meeting.

(e) At the litigation evaluation meeting the members shall vote on whether to authorize the Board 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 corporation (other than a suit to enforce the Condominium Bylaws or collect delinquent assessments) shall require the approval of seventy-five (75%) in number and value of all members of the corporation. The determination of such voting power shall be made based on the entire membership of the corporation, i.e., not just the members present at the litigation evaluation meeting. The quorum required at any litigation evaluation meeting is seventy-five (75%) in number and value of all members of the corporation. Any proxies to be voted at the litigation evaluation meeting must be signed at least seven (7) days prior to the litigation evaluation

meeting.

(f) All legal fees incurred in pursuit of any civil action that is subject to this Article IX shall be paid by special assessment of the members of the corporation ("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 members of the corporation in the amount of the estimated total cost of the civil action. If the litigation attorney proposed by the Board is not retained, the litigation special assessment shall be in an amount equal to the retained attorney's estimated total cost of the civil action, as estimated by the attorney actually retained by the corporation. The litigation special assessment shall be apportioned to the members in accordance with their respective percentage of value interests in the Condominium and shall be collected from the members 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.

(g) During the course of any civil action authorized by the members pursuant to this Article IX, the retained attorney shall submit a written report ("attorney's written report") to the Board every thirty (30) days setting forth:

(1) 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").

(2) 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.

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

(4) 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.

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

(h) The Board shall meet monthly during the course of any civil action to discuss and review:

- (1) the status of the litigation;
- (2) the status of settlement efforts, if any; and
- (3) the attorney's written report.

(i) If, at any time during the course of a civil action, the Board determines that the originally estimated total cost of the civil action or any revision thereof is inaccurate, the Board 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 members, the Board shall call a special meeting of the members to review the status of the litigation, and to

allow the members to vote on whether to continue the civil action and increase the litigation special assessment. The meeting shall have the same voting requirement as a litigation evaluation meeting.

(j) The attorneys' fees, court costs, expert witness fees and all other expenses of any civil action subject to this Article IX ("litigation expenses") shall be fully disclosed to members in the corporation's annual budget. The litigation expenses for each civil action subject to this Article IX shall be listed as a separate line item captioned "litigation expenses" in the corporation's annual budget.

## ARTICLE X.

These Articles of Incorporation may only be amended by the affirmative vote of two-thirds (2/3's) of all members of the corporation.

The undersigned, incorporator, signs its name this 13<sup>th</sup> day of June, 2000.

CHEMUNG FOREST, LLC, a Michigan limited liability company

By: IVANHOE HUNTLEY CHEMUNG LAND, LLC,  
a Michigan limited liability company, Authorized Member

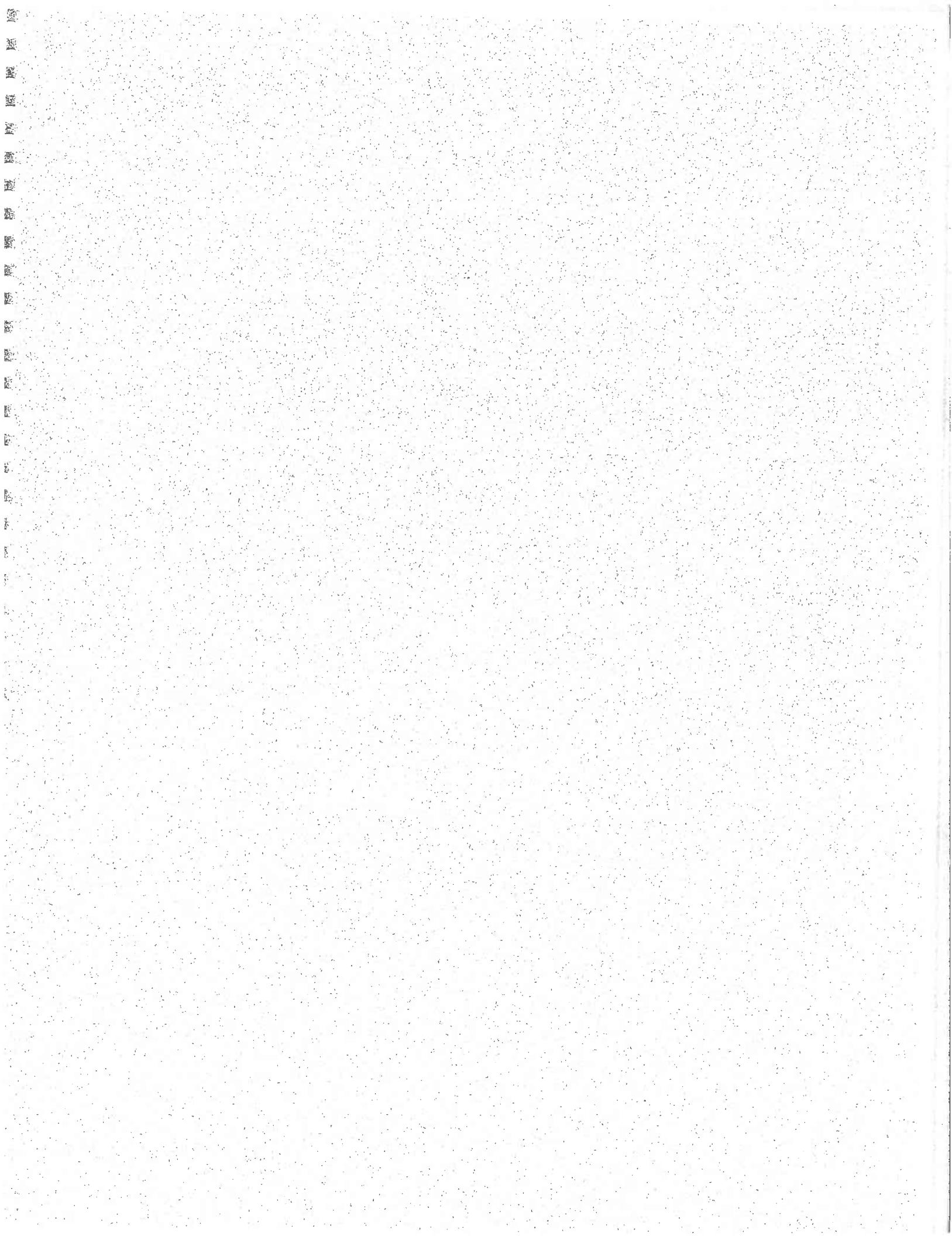


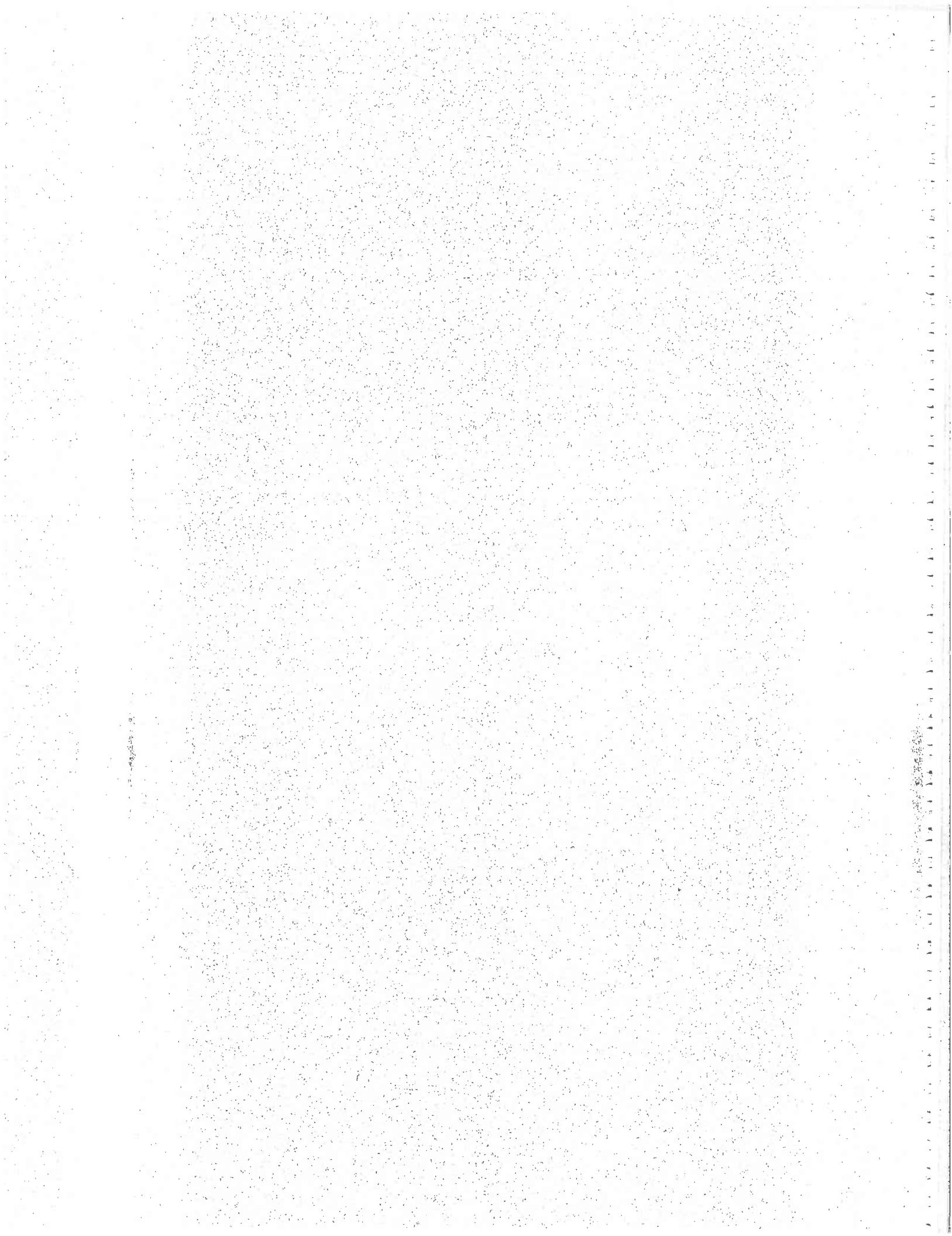
Gary Shapiro, Manager



Steven Perlman, Manager







# WOODLAND SPRINGS AT LAKE CHEMUNG

## ESCROW AGREEMENT

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THIS AGREEMENT is entered into this 23<sup>rd</sup> day of JUNE, 2000, by and between Chemung Forest, L.L.C., a Michigan Limited Liability Company, ("Chemung") and Title One, Inc. as Agent for Transnation Title Insurance Company, (hereinafter "Escrow Agent").

### RECITALS:

WHEREAS, Chemung is the Developer (the "Developer") of condominium units at Woodland Springs at Lake Chemung which has been established as a Condominium Project under the Michigan Condominium Act (Act No. 59, Public Acts of 1978, as amended) hereinafter, the Act; and,

WHEREAS, Developer is entering into Purchase Agreements with Purchasers for Units in substantially the form attached hereto, and each Purchase Agreement requires that all deposits made under such Agreement be held by Escrow Agent under an Escrow Agreement; and

WHEREAS, the parties hereto desire to enter into such an Escrow Agreement for the benefit of Developer and for the benefit of each Purchaser (hereinafter called "Purchaser") who makes a deposit under a Purchase Agreement.

NOW THEREFORE, it is agreed as follows:

1. Developer shall, after receipt, promptly transmit to Escrow Agent all sums deposited with it under a Purchase Agreement together with a fully executed copy of such Agreement.

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

A. Except as provided in Paragraph 2E hereof, amounts required to be retained in escrow in connection with the purchase of a Site shall be released to the Developer pursuant to Paragraph 4 only upon all of the following:

- (i) Issuance of certificate of occupancy for the Site, if required by local ordinance.
- (ii) Conveyance of legal or equitable title to the Site to the Purchaser.
- (iii) Receipt by the Escrow Agent of a certificate signed by a licensed professional engineer or architect either confirming that those portions of the phase of the Project in which the Site is located and which on the Condominium Subdivision Plan are labeled "must be built" are substantially complete, or determining the amount necessary for substantial completion thereof.

- (iv) Receipt by the Escrow Agent of a certificate signed by a licensed professional engineer or architect either confirming that recreational or other facilities which on the Condominium Subdivision Plan are labeled "must be built", whether located within or outside of the phase of the Project in which the Site is located, and which are intended for common use, are substantially complete, or determining the amount necessary for substantial completion thereof.
- B. In the event that the Purchaser under a Purchase Agreement shall default in making any payments required by said Agreement or in fulfilling any other obligations thereunder, for a period of 5 days after written notice by Developer to Purchaser, Escrow Agent shall release sums held pursuant to said Agreement to Developer in accordance with the terms of said Agreement.
- C. Escrow Agent shall be under no obligation to earn interest upon the escrowed sums held pursuant to this Agreement. In the event that interest is requested to be earned upon such sums, however, such interest shall be separately accounted for by Escrow agent and shall be held in escrow and paid to Developer upon termination of this Escrow Agreement.
- D. In the event that a Purchaser duly withdraws from a Purchase Agreement prior to the time that said Agreement becomes binding under Section 3 of the General Provisions thereof, then Escrow Agent shall release to Purchaser all of Purchaser's deposits held thereunder.
- E. If Developer requests that all of the escrowed funds held hereunder or any part thereof be delivered to it prior to the time it otherwise becomes entitled to receive the same, Escrow Agent may release all such sums to Developer if Builder has placed with escrow Agent an irrevocable letter of credit drawn in favor of Escrow Agent in form and substance satisfactory to Escrow Agent and securing full repayment of said sums, or has placed with Escrow Agent such other substitute security as may be permitted by law and approved by Escrow Agent.
- F. The Escrow Agent shall not be obligated to release any funds until it can satisfactorily ascertain that said funds have been "paid", "settled", and "finally collected", as such terms are defined under the provisions of MCL 440.4100, et seq.
  - 3.A. Substantial completion and the estimated cost for substantial completion of the items described in Paragraphs 2A(iii) and 2A(iv) and in Paragraph 4 shall be determined by a licensed professional engineer or architect, as provided in Paragraph 3B, subject to the following:
    - (i) Items referred to in Paragraph 2A(iii) shall be substantially complete only after all utility mains and leads and roadways, to the extent such items are designated on the Condominium Subdivision Plan as "must be built", are substantially complete in accordance with the pertinent plans therefor.
    - (ii) If the estimated cost of substantial completion of any of the items referred to in Paragraphs 2A(iii) and 2A(iv) cannot be determined by a licensed professional

engineer or architect due to the absence of plans, specifications, or other details that are sufficiently complete to enable such a determination to be made, such cost shall be the minimum expenditure specified in the recorded Master Deed or amendment for completion thereof. To the extent that any item referred to in Paragraphs 2A(iii) and 2A(iv) is specifically depicted on the Condominium Subdivision Plan, an estimate of the cost of substantial completion prepared by a licensed professional engineer or architect shall be required in place of the minimum expenditure specified in the recorded Master Deed or amendment.

- B. A structure, element, facility or other improvement shall be deemed to be substantially complete when it can be reasonably employed for its intended use and, for purposes of certification under this section, shall not be required to be constructed, installed, or furnished precisely in accordance with the specifications for the Project. A certificate of substantial completion shall not be deemed to be a certification as to the quality of the items to which it relates.
- 4. Upon receipt of a certificate issued pursuant to Paragraphs 2A(iii) and 2A(iv) determining the amounts necessary for substantial completion, the Escrow Agent may release to the Developer all funds in escrow in excess of the amounts determined by the issuer of such certificate to be necessary for substantial completion. In addition, upon receipt by the Escrow Agent of a certificate signed by a licensed professional engineer or architect confirming substantial completion in accordance with the pertinent plans of an item for which funds have been deposited in escrow, the Escrow Agent shall release to the Developer the amount of such funds specified by the issuer of the certificate as being attributable to such substantially completed item. However, if the amounts remaining in escrow after such partial release would be insufficient in the opinion of the issuer of such certificate for substantial completion of any remaining incomplete items for which funds have been deposited in escrow, only the amount in escrow in excess of such estimated cost to substantially complete shall be released by the Escrow Agent to the Developer. Notwithstanding a release of escrowed funds that is authorized or required by this Paragraph, the Escrow Agent may refuse to release funds from an escrow account if the Escrow Agent, in its judgment, has sufficient cause to believe the certificate confirming substantial completion or determining the amount necessary for substantial completion is fraudulent or without factual basis.
- 5. If applicable, not earlier than 9 months after closing the sale of the first Unit in a phase of a Condominium Project for which escrowed funds have been retained under Paragraph 2A(iii) or for which security has been provided under Paragraph 2E, the Escrow Agent, upon the request of the Association or any interested Owner, shall notify the Developer of the amount of funds deposited under Paragraph 2A(iii) or security provided under Paragraph 2E for such purpose that remains, and of the date determined under this Paragraph upon which those funds can be released. In the case of a recreational facility or other facility intended for general common use, not earlier than 9 months after the date on which the facility was promised in the Condominium

Documents to be completed by the Developer, the escrow Agent, upon the request of the association or any interested Owner, shall notify the Developer of the amount of funds deposited under Paragraph 2A(iv) or security provided under Paragraph 2E for such purpose that remains, and of the date determined under this Paragraph upon which those funds can be released. Three months after receipt of a request pertaining to funds described in Paragraph 2A(iii) or 2A(iv), funds that have not yet been released to the Developer may be released by the escrow Agent for the purpose of completing incomplete improvements for which the funds were originally retained, or for a purpose specified in a written agreement between the Association and the Builder entered into after the Transitional Control Date. The agreement may specify that issues relating to the use of the funds be submitted to arbitration. The Escrow Agent may release funds in the manner provided in such an agreement or may initiate an interpleader action and deposit retained funds with a court of competent jurisdiction. In any interpleader action, the circuit court shall be empowered, in its discretion, to appoint a receiver to administer the application of the funds. Any notice or request provided for in this Paragraph shall be in writing.

6. The Escrow Agent in the performance of its duties under this Agreement shall be deemed an independent party not acting as the agent of the Developer, any Purchaser, Co-owner, or other interested party. So long as the Escrow Agent relies upon any certificate, cost estimate, or determination made by a licensed professional engineer or architect, as described in the Act, the Escrow Agent shall have no liability whatever to the Developer or to any Purchaser, Owner, or other interested party for any error in such certificate, cost estimate, or determination, or for any act or omission by the Escrow Agent in reliance thereon. The Escrow Agent shall be relieved of all liability upon release, in accordance with this Agreement, of all amounts deposited with it pursuant to the Act.
7. Escrow Agent may require reasonable proof of occurrence of any of the events, actions, or conditions stated herein before releasing any sums held by it pursuant to any Purchase Agreement to a Purchaser thereunder, or to the Developer.
8. Upon making delivery of the funds deposited with Escrow Agent pursuant to any of the aforementioned Purchase Agreements and performance of the obligations and services stated therein and herein, Escrow Agent shall be released from any further liability under any such Agreement, it being expressly understood that liability is limited by the terms and provisions set forth in such Agreement and in this Agreement, and that by acceptance of this Agreement, Escrow Agent is acting in the capacity of a depository and is not, as such, responsible or liable for the sufficiency, correctness, genuineness or validity of the instruments submitted to it, or the marketability of title to any Unit reserved or sold under any other Agreement. It is not responsible for the failure of any bank used by it as an escrow depository for funds received by it under this escrow.

9. Developer hereby agrees to indemnify and hold harmless Escrow Agent for any loss or damage sustained by Escrow Agent, including, but not limited to, attorney fees resulting from any litigation arising from the performance of Escrow Agent's wrongful act or negligence.
10. All notices required or permitted hereunder and all notices of change of address shall be deemed sufficient if personally delivered or sent by registered or certified mail, postage prepaid and return receipt requested, addressed to the recipient party at the address shown below such party's signature to this Agreement or upon any of the other said Agreements. For purposes of calculation time periods under the provisions of this Agreement, notice shall be deemed effective upon mailing or personal delivery, whichever is applicable.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by their duly authorized officers on the date set forth at the outset hereof.

**CHEMUNG FOREST, L.L.C.,**  
a Michigan Limited Liability Company

By: \_\_\_\_\_

Gary Shapiro

Its: Manager

7001 Orchard Lake Road Ste 220  
West Bloomfield, Michigan 48322

**TITLE ONE, INC., as agent for  
TRANSNATION TITLE INSURANCE COMPANY  
ESCROW AGENT**

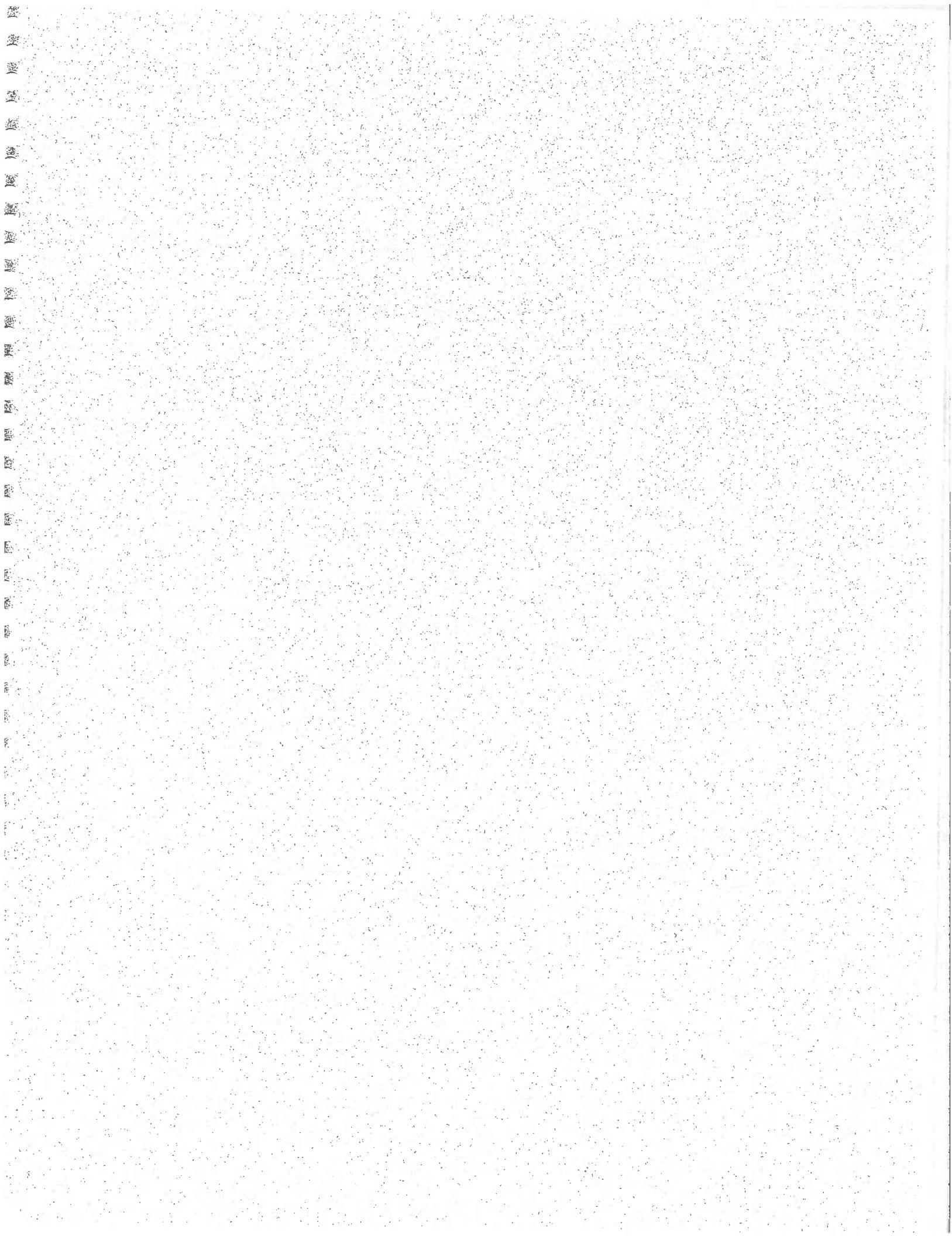
By: \_\_\_\_\_

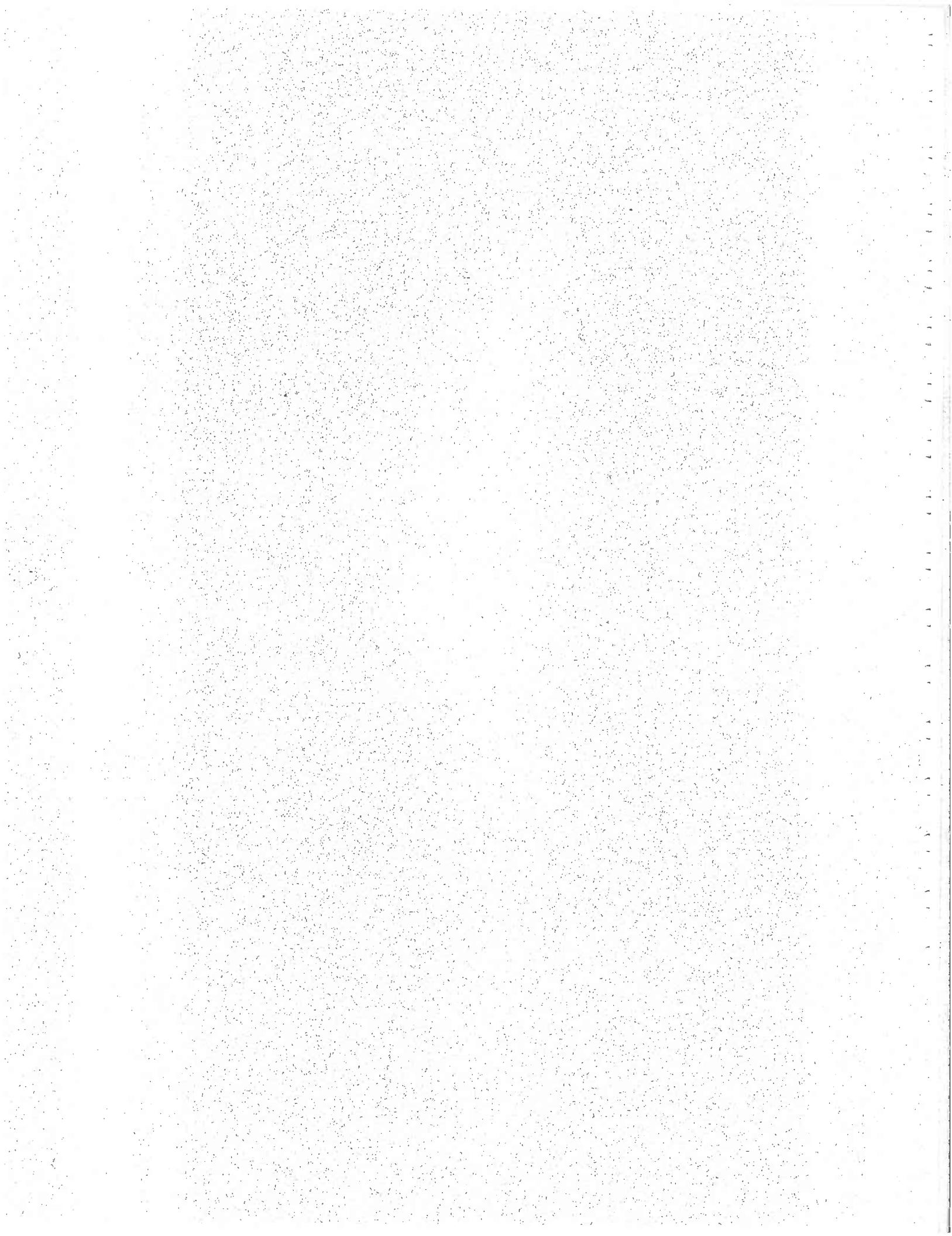
JAMES E. NEIGHBORS

Its: MANAGER

33300 5 Mile Road, Ste 201  
Livonia, MI 48154







# WOODLAND SPINGS AT LAKE CHEMUNG

## Information Statement

**NOTICE OF PURCHASERS:** Stated below are the provisions of Section 84a of the Condominium Act of 1978, as amended (Act No. 59 of the Michigan Public Acts of 1978, as amended, hereinafter referred to as the "Act"). A copy of this section of the Act is being submitted to Purchasers to comply with the requirements of the Act. By signing below, the Purchasers acknowledge that Purchasers have reviewed this section of the Act and have received from Developer a copy of the recorded Master Deed, signed Purchase Agreement, Escrow Agreement, Condominium Buyer's Handbook, and Disclosure Statement.

Section 84a of the Act provides in part:

- (1) The developer shall provide copies of all of the following documents to a prospective purchaser of condominium unit, other than a business condominium unit:
  - (a) The recorded master deed.
  - (b) A copy of a purchase agreement that conforms with section 84 [of the Act], and that is in a form in which the purchaser may sign the agreement, together with a copy of the escrow agreement.
  - (c) A condominium buyer's handbook. The handbook shall contain, in a prominent location and in boldface type, the name, telephone number, and address of the person designated by the administrator to respond to complaints. The handbook shall contain a listing of the available remedies as provided in section 145 [of the Act].
  - (d) A disclosure statement relating to the project containing all of the following:
    - (I) An explanation of the association of co-owners' possible liability pursuant to Section 58 [of the Act].
    - (ii) The names, addresses, and previous experience with condominium projects of each developer and any management agency, real estate broker, residential builder, and residential maintenance and alteration contractor.
    - (iii) A projected budget for the first year of operation of the association of co-owners.
    - (iv) An explanation of the escrow arrangement.

- (v) Any express warranties undertaken by the developer, together with a statement that express warranties are not provided unless specifically stated.
- (vi) If the condominium project is an expandable condominium project, an explanation of the contents of the master deed relating to the election to expand the project prescribed in section 32 [of the Act], and an explanation of the material consequences of expanding the project.
- (vii) If the condominium project is a contractable condominium project, an explanation of the contents of the master deed relating to the election to contract the project prescribed in section 33 [of the Act], an explanation of the material consequences of contracting the project, and a statement any structures or improvements proposed to be located in a contractable area need not be built.
- (viii) If section 66(2)(j) [of the Act] is applicable, an identification of all structures and improvements labeled pursuant to section 66 [of the Act] ‘need not be built.’
- (ix) If section 66(2)(j) [of the Act] is applicable, the extent to which financial arrangements have been provided for completion of all structures and improvements labeled pursuant to section 66 [of the Act] ‘must be built.’
- (x) Other material information about the condominium project and the developer that the administrator requires by rule.

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- (2) A purchase agreement may be amended by agreement of the purchaser and developer before or after the agreement is signed. An amendment to the purchase agreement does not afford the purchaser any right or time to withdraw in addition to that provided in section 84(2) [of the Act]. An amendment to the condominium documents effected in the manner provided in the documents or provided by law does not afford the purchaser any right or time to withdraw in addition to that provided in section 84(2) [of the Act].
- (3) At the time of the purchaser received the documents required in subsection (1) the developer shall provide a separate form that explains the provisions of this section. The signature of the purchaser upon this form is *prima facie* evidence that the documents required in subsection (1) were received and understood by the purchaser.

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- (5) With regard to any documents required under this section, a developer shall not make an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.
- (6) The developer promptly shall amend a document required under this section to reflect any material change or to correct any omission in the document.
- (7) In addition to other liabilities and penalties, a developer who violates this section is subject to section 115 [of the Act, which section imposes penalties upon a developer or any other person who fails to comply with the Condominium Act or any rule, agreement or master deed and may make a developer liable to a purchaser of a unit for damages].

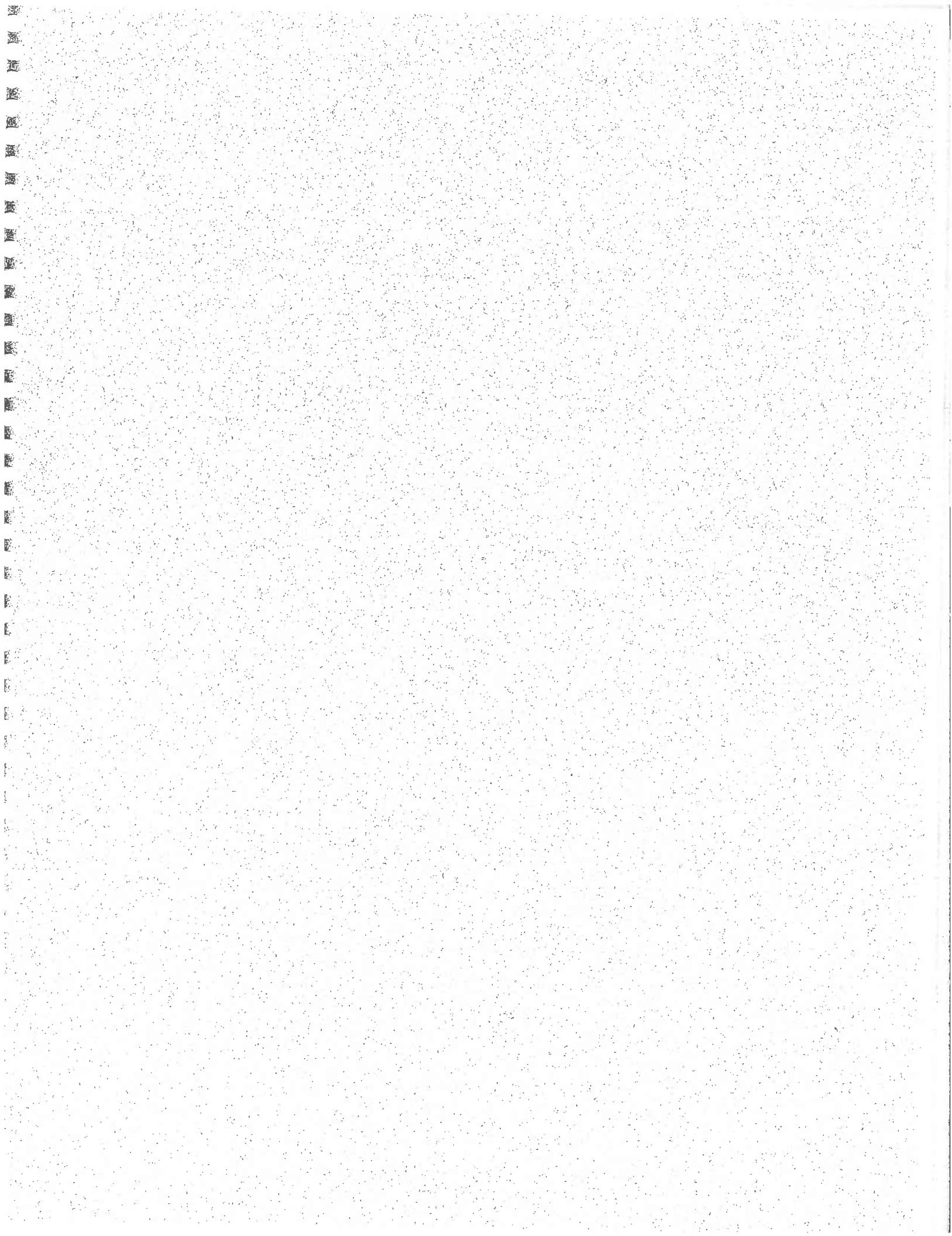
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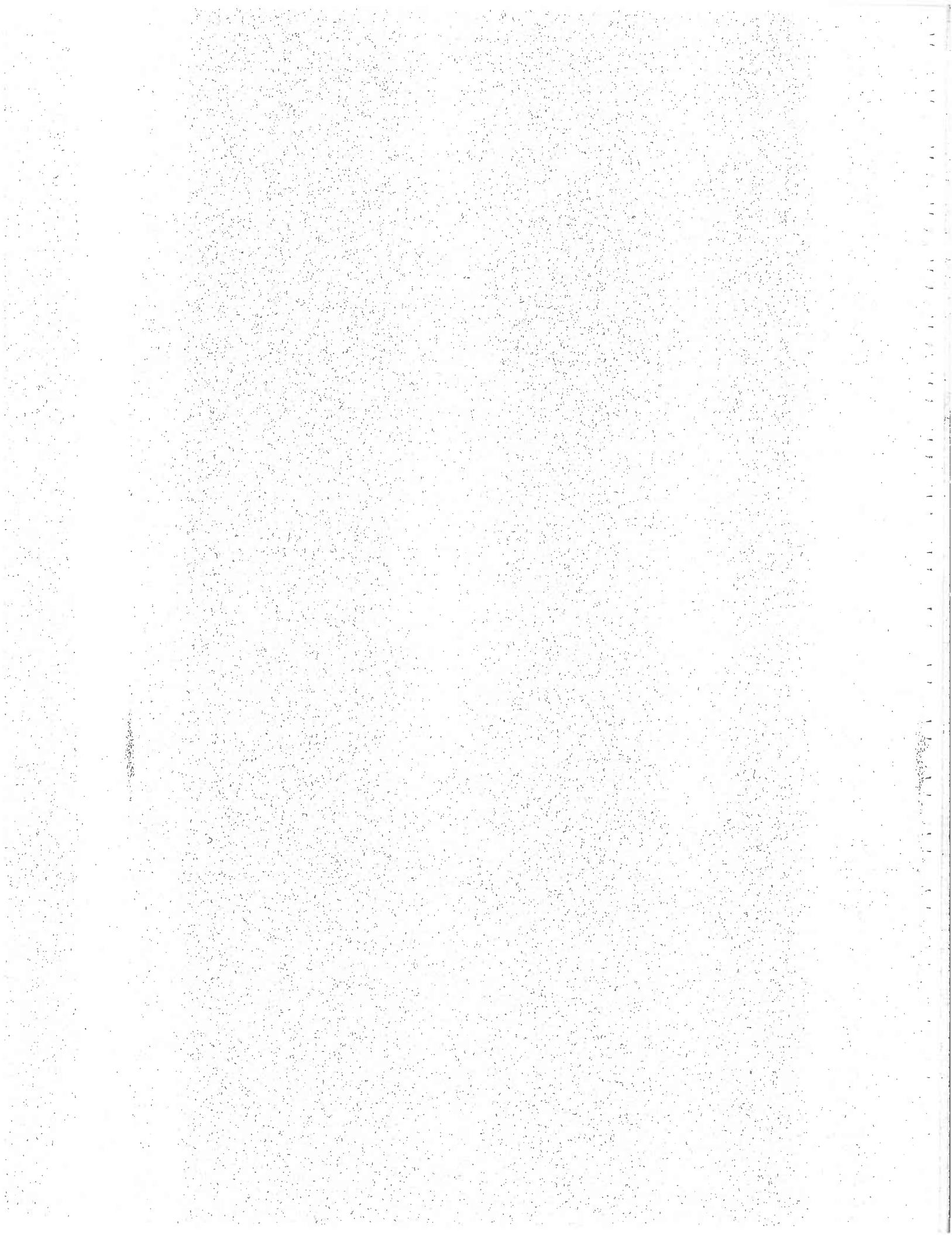
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Dated: \_\_\_\_\_







DISCLOSURE STATEMENT

**WOODLAND SPRINGS AT LAKE CHEMUNG**

Genoa Township, Michigan

Developed By

**CHEMUNG FOREST LLC.**  
7001 Orchard Lake Road, Suite 220  
West Bloomfield, MI 48322-3692

Effective Date: June 1, 2000

Woodland Springs at Lake Chemung is a single family residential condominium comprised of one hundred twenty-one (121) units.

THIS DISCLOSURE STATEMENT IS NOT A SUBSTITUTE FOR THE MASTER DEED OR OTHER APPLICABLE LEGAL DOCUMENTS. PURCHASERS SHOULD READ ALL SUCH DOCUMENTS TO FULLY ACQUAINT THEMSELVES WITH THE PROJECT AND THEIR RIGHTS AND RESPONSIBILITIES RELATING THERETO.

PRIOR TO PURCHASING A CONDOMINIUM UNIT, PURCHASERS SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISORS.

## WOODLAND SPRINGS AT LAKE CHEMUNG

### TABLE OF CONTENTS

	<u>Page</u>
I. Introduction	3
II. The Condominium Concept	3
III. Description of Woodland Springs at Lake Chemung	4
IV. Legal Documentation	6
V. Developer's Background and Experience	7
VI. Operation of Woodland Springs at Lake Chemung	8
VII. Condominium Warranties	10
VIII. Radon Gas	10
IX. Purpose of Disclosure Statement	11

## DISCLOSURE STATEMENT

### WOODLAND SPRINGS AT LAKE CHEMUNG

#### I. Introduction.

Condominium development in Michigan is governed largely by the Michigan Condominium Act, being Act 59 of the Michigan Public Acts of 1978, as amended.

This Disclosure Statement, together with copies of the legal documents required for the creation and operation of the condominium, are furnished to each purchaser pursuant to the requirement of the Michigan Condominium Act that the Developer of a condominium disclose to prospective purchasers the characteristics of the condominium units which are offered for sale. This Disclosure Statement, along with the documents contained in the Purchaser Information Booklet, are the only authorized description of Woodland Springs at Lake Chemung. The Developer's officers, employees and agents (including but not limited to sales representatives) are not permitted to vary the terms contained therein.

#### II. The Condominium Concept.

A condominium is a method of subdividing and describing real property. A condominium unit has the same legal attributes as any other form of real property under Michigan law and may be sold, mortgaged or leased, subject only to such restrictions as are contained in the condominium documents or as otherwise may be applicable to the property. In this Disclosure Statement, and in the other documents contained in the Purchaser Information Booklet, the condominium units in Woodland Springs at Lake Chemung are sometimes referred to as "sites". The terms "unit" and "site" have the same definition in Woodland Springs at Lake Chemung Master Deed and are used interchangeably in the condominium documents.

Each owner receives a deed to the site purchased. Each owner owns, in addition to the site purchased, an undivided interest in the condominium's common facilities ("common elements"). Title to the common elements is included as part of, and is inseparable from, title to the individual sites. Each owner's proportionate share of the common elements is determined by the percentage of value assigned to the owner's site in the Master Deed. The Master Deed, which is described in Section IV of this Disclosure Statement, must be examined carefully to determine each owner's rights and obligations with respect to common elements.

The condominium sites in Woodland Springs at Lake Chemung consist of only the individual building sites. The common elements generally do not include the buildings and other improvements to be constructed on the sites. Each site consists of the space contained within the site boundaries as shown in the Condominium Subdivision Plan and delineated with heavy outlines. In the more traditional form of condominium, the sites consist of the air space enclosed within each of the buildings, and the common elements include the exterior structural components of the buildings. In Woodland Springs at Lake Chemung, each owner holds an absolute and undivided title to his site and to the home and other improvements built thereon (to the extent such improvements are not designated in the Master Deed as common elements). Each site owner will be responsible for all decoration, maintenance, repair and replacement of the dwelling and other improvements located on his site and adjoining yard area, including mowing of the lawn area. Unlike more traditional condominiums, each owner in Woodland Springs at Lake Chemung will be responsible for maintaining fire and extended coverage

insurance on his site, adjoining yard area and the home and other improvements located thereon, as well as personal property, liability and other personal insurance coverage. The Association will maintain only liability insurance coverage for occurrences on the general common elements.

All portions of Woodland Springs at Lake Chemung not included within the sites constitute the common elements. Limited common elements are those common elements set aside for use by less than all site owners. There are no limited common elements in Woodland Springs at Lake Chemung. General common elements are all common elements other than limited common elements.

The proximity of the sites in Woodland Springs at Lake Chemung and each site owner's right, in common with all other site owners, to use the general common elements, dictates that certain restrictions and obligations be imposed on each owner for the mutual benefit of all owners. The restrictions and obligations are set forth in the Master Deed and in the Bylaws which are attached as Exhibit A to the Master Deed. All owners and site occupants must be familiar with and abide by such restrictions and obligations.

The management and administration of Woodland Springs at Lake Chemung is the responsibility of Woodland Springs at Lake Chemung Homeowners Association, a Michigan nonprofit corporation of which all owners are members (the "Association"). The nature and duties of the Association are set forth in the Condominium Bylaws attached as Exhibit A to the Master Deed and are summarized in Section VI of this Disclosure Statement.

Except for the year in which a site is first established as part of Woodland Springs at Lake Chemung, real property taxes and assessments are levied individually against each site in Woodland Springs at Lake Chemung. The separate taxes and assessments cover the site and its proportionate share of the common elements. No taxes or assessments are levied independently against the common elements.

The foregoing is necessarily generalized to some degree. Accordingly, each purchaser is urged to carefully review all of the documents contained in the Purchaser Information Booklet for Woodland Springs at Lake Chemung as well as any other documents that have been delivered to the purchaser in connection with this development. Any purchaser having questions pertaining to the legal aspects of the condominium is advised to consult the purchaser's own lawyer or other professional advisor.

### **III. Description of Woodland Springs at Lake Chemung.**

**A. Size, Scope and Physical Characteristics of Woodland Springs at Lake Chemung.** Woodland Springs at Lake Chemung is a one hundred twenty-one (121) site residential condominium located in Genoa Township, Livingston County, Michigan.

**B. Improvements Labeled "Must be Built" or "Need Not be Built".** The Condominium Act requires that proposed structures and improvements be labeled in the Condominium Subdivision Plan as either "must be built" or "need not be built." The Condominium Plan identifies all roads serving Units 1 through 27, 77, and 79 through 121 and utilities serving Units 1 through 27, 77, and 79 through 121 as "must be built"; all other units and improvements "need not be built".

**C. Recreational Areas and Facilities.** There are no recreational facilities within

Woodland Springs at Lake Chemung. There is, however, a general common element park that is available for the use and enjoyment of the site owners, subject to the surface and subsurface drainage easements and wetlands areas, as shown on the Plan.

**D. Wetland Protection.** Any general common element wetlands areas shown on the Plan are subject to a conservation and preservation easement whereby the Association and all Woodland Springs at Lake Chemung site owners shall refrain from altering the topography of, placing fill material in, dredging, removing or excavating any soil or materials from, draining surface water from, constructing or placing any structure on, plowing, tilling, cultivating, or otherwise altering or developing the wetlands areas. The purpose of this restriction is to maintain the wetlands in their natural and undeveloped condition. The Association is required to maintain all general common element wetlands shown on the Plan in their natural and undeveloped condition, including any portion of the wetlands that are located within a site. The purpose of such maintenance is to preserve the natural character of the wetlands and their continuing functioning. In the event any Woodland Springs at Lake Chemung site owners fail to preserve the wetlands in accordance with the Master Deed or fail to maintain the wetlands in their natural state, the Association has the power to assess fines as more fully set out in Article XIII of the Master Deed.

**E. Private Roads.** Presently, the roads in Woodland Springs at Lake Chemung are private, although Developer intends to dedicate the roads to the public. Woodland Springs at Lake Chemung has access to a public road over the roads included in the condominium. Until dedicated to the public, the roads in Woodland Springs at Lake Chemung will be maintained (including, without limitation, snow removal) by the Association, not the board of county road commissioners. Replacement, repair and resurfacing will be necessary from time to time as circumstances dictate. It is impossible to estimate with any degree of accuracy future road repair or replacement costs. It is the Association's responsibility to inspect and to perform preventive maintenance of the Woodland Springs at Lake Chemung roads on a regular basis in order to maximize the life of such roads and to minimize repair and replacement costs. The developer has reserved the right but not the obligation to contract the condominium to exclude the roads after the roads are dedicated to the public.

**F. Utilities.** Woodland Springs at Lake Chemung is served by natural gas, electric and telephone service. All utilities will be separately metered for payment by the individual site owners. Each site will have its own individual well for water services. All site owners shall use potassium chloride (KCl) for regeneration of water softeners and water softener systems. Backwash water from water softeners and water softener systems shall not be discharged into the sanitary sewers. The developer and the Association reserve the right to require each site owner to purchase only potassium chloride regeneration products for use in water softeners and/or water softener systems within the condominium in the event that the Michigan Department of Environmental Quality ("MDEQ") or any successor of MDEQ having authority concerning the operation and maintenance of the Genoa-Oceola Waste Water Treatment Plant determines that the level of sodium concentration being discharged into the Waste Water Treatment Plant exceeds MDEQ requirements.

**G. Site 6.** When the condominium was approved by Genoa Township, the land that comprises the condominium included a pre-existing single family home. That home is now located within Site 6. For this reason, developer declares that site 6, as presently existing, and as the same may be maintained and repaired in the future, shall be exempt from the building and use restrictions of the Master Deed, including without limitation the building and use restrictions of Article VI of the Bylaws. Developer further declared and reserved in the Master

Deed, exclusively to the site owners from time-to-time of site 6, all lake access and use rights in Lake Chemung that, before recording of the Master Deed, were appurtenant to all of the land.

#### H. Reservation of Rights and Easements.

Developer expressly reserved in the Master Deed, all right, title and interest in and to the oil and gas under Woodland Springs at Lake Chemung, provided however, that neither the Developer nor Developer's successors or assigns shall have any right of entry into Woodland Springs at Lake Chemung for any purpose (including, but not limited to, any entry for the purpose of exploration, analysis of subsurface strata, collection of subsurface date and production upon the property), or any other surface right with respect to the condominium for any purpose whatsoever.

#### I. Reserved Rights of Developer.

(1) **Convertible Areas and Expansion of the Condominium.** In order to facilitate the development and sale of sites in Woodland Springs at Lake Chemung the Developer has reserved the right, at any time on or before six (6) years after recordation of the original Master Deed, to modify, expand, delete or create sites and to add to or modify limited and/or general common elements within the convertible areas. Developer has also reserved the right, at any time on or before six (6) years after recordation of the original Master Deed, to expand the condominium to include the future development area shown on the Plan and to add up to 63 sites to the condominium within such area described in the Master Deed and identified as such on the Condominium Subdivision Plan.

(2) **Improvements and Landscaping.** Until all of the sites in Woodland Springs at Lake Chemung have been sold, no exterior modifications of any type may be made without the Developer's approval.

(3) **Conduct of Commercial Activities.** Until all of the sites in Woodland Springs at Lake Chemung have been sold, the Developer has reserved the right to maintain on Woodland Springs at Lake Chemung premises a sales office, advertising display signs, a business office, model homes for sale to site purchasers, storage areas, reasonable parking incident to the use of such areas, and such access to, from and over Woodland Springs at Lake Chemung premises as may be reasonable to enable development and sale of all sites in Woodland Springs at Lake Chemung as well as the sale of homes to be built within sites.

(4) **Right to Amend.** The Developer has reserved the right to amend the Master Deed and the Exhibits thereto without approval from site owners or their mortgagees for certain purposes specified in the Master Deed. Those purposes include but are not limited to converting the convertible areas, expanding the size of the condominium, contracting the condominium (to exclude the roads), correcting errors and for any other purpose so long as the amendment would not materially alter or change the rights of an owner or mortgagee. Further, certain provisions of the Master Deed cannot be amended without Developer approval.

(5) **General.** In the condominium documents and in the Michigan Condominium Act, certain rights and powers are granted or reserved to the Developer to facilitate the development and sale of sites in Woodland Springs at Lake Chemung, including the power to approve or disapprove a variety of proposed acts and uses and the power to secure representation on the Association Board of Directors.

IV. Legal Documentation.

A. **General.** Woodland Springs at Lake Chemung was established pursuant to the Master Deed recorded in the Oakland County Records and a copy of which is contained in the Purchaser Information Booklet for the condominium. The Master Deed includes the Bylaws as Exhibit A and the Condominium Subdivision Plan as Exhibit B.

B. **Master Deed.** The Master Deed contains the definitions of certain terms used in connection with Woodland Springs at Lake Chemung, the percentage of value assigned to each site in Woodland Springs at Lake Chemung, a general description of the sites and common elements included in Woodland Springs at Lake Chemung and a statement regarding the relative responsibilities for maintaining the common elements. Article VII of the Master Deed covers easements, restrictions and other agreements, Article VIII reserves in favor of the Developer the right to amend the condominium documents for various purposes including but not limited to converting Woodland Springs at Lake Chemung common elements and unsold sites, making changes therein, providing for the correction of errors and complying with the requirements of certain lending institutions. Article IX sets forth Developer's right to convert certain areas of Woodland Springs at Lake Chemung. Article X sets forth Developer's right to contract Woodland Springs at Lake Chemung to exclude the roads after dedication of the roads to public use.

C. **Bylaws.** The Bylaws contain provisions relating to the operation, management and fiscal affairs of Woodland Springs at Lake Chemung and, in particular, set forth the provisions relating to the assessment of Association members for the purpose of paying the costs of operation of Woodland Springs at Lake Chemung. Article VI of the Bylaws contains provisions permitting the adoption of rules and regulations governing the common elements. Article VI also contains certain restrictions upon the ownership, occupancy and use of Woodland Springs at Lake Chemung.

D. **Condominium Subdivision Plan.** The Condominium Subdivision Plan is a three-dimensional survey depicting the physical location and boundaries of each of the sites and all of the common elements of Woodland Springs at Lake Chemung. The architectural and building specifications and use restriction set forth in the Bylaws govern the development and use of each site in Woodland Springs at Lake Chemung. All improvements made within any site, including the construction of a residence or any other improvement, and the use and occupancy thereof, must comply fully with the architectural and building specifications and use restrictions established by the Bylaws.

E. **Planned Unit Development.** Woodland Springs at Lake Chemung was approved as a Planned Unit Development, subject to the Planned Unit Development Agreement executed between Developer and Genoa Township, which imposes certain affirmative obligations on all persons having an interest in the condominium. The Planned Unit Development Agreement is available from the township and is also maintained on file with the Association. All on-going expenses and obligations imposed on the condominium property pursuant to the Planned Unit Development Agreement (i.e., obligations and expenses that deal with the operation of the Condominium and its use as a residential community rather than the development of the Condominium) shall be expenses of administration assessed to the Owners as provided in Article II of the Condominium Bylaws. Such expenses include, but are not limited to, the Association's obligation to maintain the General Common Elements and conservation areas (including wetlands) shown on the Condominium Plan.

V. Developer's Background and Experience.

Developer, Chemung Forest LLC, 7001 Orchard Lake Road, Suite 220, West Bloomfield, Michigan 48332, is a licensed residential developer. The developer was organized for the purpose of developing the condominium and therefore has no prior experience in condominium development. There are no judicial or administrative proceedings involving Woodland Springs at Lake Chemung or the Developer.

VI. Operation of Woodland Springs at Lake Chemung.

A. **The Association.** The responsibility for management and maintenance of Woodland Springs at Lake Chemung is vested in the Association. As each individual purchaser acquires title to a site in Woodland Springs at Lake Chemung, the purchaser will also become a member of the Association. The Articles of Incorporation of the Association are in the Purchaser Information Booklet and along with the Bylaws control procedural operations of the Association. The Association is governed by its Board of Directors whose initial members are designees of the Developer. Until a successor Board of Directors is elected by the members, the Association will be controlled by the Directors named by Developer. Developer's rights of representation on the Association's Board of Directors are set forth in Article XI of the Bylaws.

B. **Percentages of Value.** The percentage of value of each site in Woodland Springs at Lake Chemung is equal. The percentage of value assigned to each site determines, among other things, the value of each owner's vote and the owner's proportionate share of regular and special Association assessments and of the proceeds of administration of Woodland Springs at Lake Chemung.

C. **Project Finances.**

(1) **Budget.** Article II of the Bylaws requires the Board of Directors to adopt an annual budget for the operation of Woodland Springs at Lake Chemung. The Association's only source of revenue to fund its budget is by the assessment of its members. The initial budget for Woodland Springs at Lake Chemung was formulated by the Developer and is intended to provide for the normal and reasonably predictable expenses of administration of Woodland Springs at Lake Chemung, and includes a reserve for replacement of the major common element improvements of Woodland Springs at Lake Chemung. To the extent that estimates prove inaccurate during actual operations and to the extent that the goods and services necessary to service Woodland Springs at Lake Chemung change in cost in the future, the budget and the expenses of the Association also will require revision. The initial budget of the Association has been included as Appendix A to this Disclosure Statement. Developer does not represent or warrant that the budget attached as Appendix A accurately reflects the assessments which will be charged by the Association.

(2) **Assessments.** Except as set forth below with respect to the Developer, each owner of a site in Woodland Springs at Lake Chemung must pay for the expenses of general administration of the Association in proportion to the percentage of value assigned to the site(s) the owner owns. The Board of Directors may also levy special assessments in accordance with the provisions of Article II, Section 3(b) of the Bylaws. As set forth in Article II, Section 9 of the Bylaws, the Developer does not pay Association assessments for the sites it

owns until they are occupied but does reimburse the Association for certain expenses it may incur for such sites.

(3) **Foreclosure of Lien.** The Association has a lien on each site to secure payment of Association assessments. The Bylaws provide that the Association may foreclose its lien in the same fashion that mortgages may be foreclosed by action or by advertisement under Michigan law.

(4) **Possible Additional Liability.** It is possible for owners to become obligated to pay a percentage share of assessment delinquencies incurred by other owners. This can happen if a delinquent owner defaults on a first mortgage and if the mortgagee forecloses. The delinquent assessments then become a common expense which is reallocated to all the owners, including the first mortgagee, in accordance with the percentages of value in the Master Deed. The Michigan Condominium Act (Section 58) provides:

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. The unpaid assessments are deemed to be common expenses collectible from all of the condominium site owners including such persons, its successors and assigns.

#### D. Insurance.

The condominium documents require that the Association carry fire and extended coverage, vandalism and malicious mischief and liability insurance and workers' compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the common elements of Woodland Springs at Lake Chemung. The insurance policies have deductible clauses and, to the extent thereof, losses will be borne by the Association. The Board of Directors is responsible for obtaining insurance coverage for the Association. Each owner's pro rata share of the annual Association insurance premiums is included in the monthly assessment. The Association insurance policies are available for inspection during normal working hours. A copy of the Certificate of Insurance with respect to Woodland Springs at Lake Chemung common elements will be furnished to each owner upon request. The insurance coverage carried by the Association will not cover the homes built on individual sites, any other improvements to the sites or any personal property of any owner.

Each owner is responsible for obtaining coverage with respect to the owner's site, the home built thereon and any other improvements to the site and to the extent indicated in Article IV of the Bylaws. The Association should periodically review all insurance coverage to be assured of its continued adequacy and each owner should do the same with respect to the owner's personal insurance.

E. **Restrictions on Ownership, Occupancy and Use.** Article VI of the Bylaws contains comprehensive restrictions on the use of sites and the common elements. It is impossible to paraphrase these restrictions without risking the omission of some portion that may be of significance to a purchaser. Consequently, each purchaser should examine the

restrictions with care to be sure that they do not infringe upon an important intended use. The following is a list of certain of the most significant restrictions:

(1) Sites are to be used only for residential purposes and construction of residences and other permitted structures.

(2) No savage or dangerous animals shall be kept.

(3) There are substantial limitations upon physical changes which may be made to the common elements in Woodland Springs at Lake Chemung, and upon the uses to which the common elements and sites may be put. All sites in Woodland Springs at Lake Chemung are subject to the substantial restrictions on the type and quality of improvements that may be made to any site, including the construction of a home or any other structure, all as provided in Article VI of the Bylaws.

(4) Motorcycles are allowed on the roads in Woodland Springs at Lake Chemung, but motorcycles and all other motorized off-road vehicles are prohibited in all other general common element areas. Snowmobiles are prohibited in all general common element areas in Woodland Springs at Lake Chemung.

(5) Reasonable regulations may be adopted by the Board of Directors of the Association concerning the use of common elements, without vote of the owners.

(6) Until all of the sites in Woodland Springs at Lake Chemung have been sold, no exterior modifications of any type may be made without the Developer's approval.

(7) Subject to the requirements set forth in Section 11 of Article VI of the Bylaws, an owner (including Developer) may rent sites owned at any time for any term of occupancy not less than thirty (30) days. An owner must disclose the owner's intention to lease a site and provide a copy of the exact lease form to the Association at least ten (10) days before presenting a lease to a potential lessee. Developer reserves the right to lease sites and hereby notifies all owners that it may do so if market conditions so require.

None of the restrictions apply to the commercial activities or signs of the Developer.

F. **Association Litigation.** Article IX of the Articles of Incorporation of the Association and Article III of the Bylaws establish procedures that govern all Association litigation other than actions to enforce the Bylaws or collect delinquent assessments. As with the restrictions on ownership, occupancy and use, it is impossible to paraphrase these procedures without risking the omission of some portion that may be of significance to a purchaser.

## VII. Condominium Warranties.

The Developer is warranting only that the roads that are labeled "must be built" on the Condominium Subdivision Plan and the general common element utility mains along those roads have been or will be installed to serve Woodland Springs at Lake Chemung. Developer provides no other warranty of any sort.

## VIII. Radon Gas.

Radon is a naturally-occurring, colorless and odorless radioactive gas formed by the breakdown of uranium and radium deposits in the soil. Radon can escape from the soil and enter buildings. Preliminary studies by the United States Environmental Protection Agency (EPA) suggest that prolonged exposure to radon may result in adverse health consequences.

The extent to which an area or site may be exposed to radon depends upon a number of factors, including natural geologic conditions, prior land use, groundwater, construction materials and techniques, ventilation and air-conditioning systems, and homeowner maintenance. Because of the multitude of factors involved, it is difficult to predict whether a specific residence may be subject to high radon levels unless specific tests are conducted by experts in the area.

Developer neither has nor claims any expertise in radon, and it does not provide advice to homeowners about the acceptable levels or possible health hazards of radon. It is possible that tests or studies might disclose information which a purchaser might consider significant in deciding whether to purchase a site in Woodland Springs at Lake Chemung from Developer. Developer assumes no responsibility to make any tests or studies.

The EPA, as well as state and local regulatory authorities, are best equipped to render advice regarding the risks which may exist in a particular area, the risks associated with radon exposure, the methods available to detect and measure radon levels, and whether remedial measures may be advisable in particular circumstances to reduce the risk of radon exposure. The EPA has published two guides which are available to interested persons: "A Citizen's Guide to Radon: What It Is and What To Do About It" and "Radon Reduction Methods: A Homeowner's Guide."

#### **IX. Purpose of Disclosure Statement.**

This Disclosure Statement paraphrases various provisions of the Master Deed and other documents required by law. It is not a complete statement of all the provisions of those documents which may be important to purchasers. In an attempt to be more readable, this Disclosure Statement omits most legal phrases, definitions and detailed provisions of the other documents. Certain of the terms used herein are defined in the Michigan Condominium Act, as amended. This Disclosure Statement is not a substitute for the legal documents which it draws information from, and the rights of purchasers and other parties will be controlled by the other legal documents and not by this Disclosure Statement.

Developer has prepared this Disclosure Statement in good faith, in reliance upon sources of information believed to be accurate and in an effort to disclose material facts about Woodland Springs at Lake Chemung. Developer disclaims liability to any purchaser for misstatements herein (or for omissions which make statements herein appear misleading) if such misstatements were made by Developer in good faith, or were immaterial in nature, or were not relied upon by the purchaser, or did not result in any damages to the purchaser.

Each purchaser is urged to engage a competent lawyer or other advisor in connection with the purchaser's decision to purchase a site. In accepting title to a site in Woodland Springs at Lake Chemung, each purchaser shall be deemed to have waived any claim or right arising out of or relating to any immaterial defect, omission or misstatement in this Disclosure Statement. In preparing this Disclosure Statement and the other condominium documents, Developer's counsel has not undertaken professional responsibility to the association or to any owners or mortgagees for the completeness, accuracy, or validity of the condominium

documents.

The Michigan Department of Commerce publishes The Condominium Buyers Handbook which the Developer has delivered to you. The Developer assumes no obligation, liability, or responsibility as to the statements contained therein or omitted from The Condominium Buyers Handbook.

Exhibit A

**Woodland Springs at Lake Chemung  
Budget  
2000**

Utilities-electric		\$5,000
Lawn Maintenance		
Lawn Cutting	3,640	
Bed Care	270	
Fertilizer	240	
Clean-ups	300	
Flowers	500	4,950
Snow Removal and Salt		8,750
Repairs and Maintenance		1,250
Insurance		1,500
Holiday Lights		750
Office Expense		250
Accounting		150
Total		22,600
Reserve Fund		2,260
Total		<u><u>\$24,860</u></u>
Annual Association Dues per Unit		<u><u>\$205</u></u>

## WOODLAND SPRINGS AT LAKE CHEMUNG

### BUILDER'S SUPPLEMENT TO DISCLOSURE STATEMENT

#### I. Builder's Background and Experiences.

Builder, Ivanhoe Huntley Woodland Springs, LLC, a Michigan limited liability company, Farmington Hills, Michigan 48334, is a licensed residential builder. Ivanhoe Huntley Woodland Spring, LLC was organized for the purpose of building homes in Woodland Springs at Lake Chemung and therefore has no prior home building experience or prior experience with condominium development. Members of the Builder are principals of Ivanhoe Building Company, a Michigan corporation, and of Huntley Homes, Inc., a Michigan corporation. Ivanhoe Building Company and/or its related entities has been engaged in the real estate and building business for over 75 years. Huntley Homes, Inc. has been engaged in the real estate and building business for over 50 years. Ivanhoe Building Company has been involved in the development of the following Michigan condominium projects: Oakhurst, Clarkston; Golfview Pointe at Copper Creek, Farmington Hills; Torrey Ridge, West Bloomfield; Commerce Lake Woods, Commerce; The Pointe on Pleasant Lake, West Bloomfield.

#### II. Rights and Obligations Between Builder and Owners.

A. **Before Closing.** The respective obligations of the Builder and the purchaser of a site in Woodland Springs at Lake Chemung prior to closing are set forth in the Purchase Agreement and the accompanying Escrow Agreement. Those documents contain, among other provisions, the provisions relating to the disposition of earnest money deposits advanced by the purchaser prior to closing and the anticipated closing adjustments, and should be closely examined by all purchasers.

The Escrow Agreement provides that all deposits made under Purchase Agreements be placed in escrow. The Escrow Agreement provides for the release of an escrow deposit to any purchaser who withdraws from a Purchase Agreement in accordance with the Purchase Agreement. Such a withdrawal is permitted by each Purchase Agreement if it takes place within nine business days after the purchaser has received all of the condominium documents or if the condominium documents are changed in a way that materially reduces the purchaser's rights. The nine business day withdrawal period established by the Purchase Agreement shall not commence to run until the date on which Builder delivers to Purchaser a copy of the recorded Master Deed. The Escrow Agreement also provides that a deposit will be released to the Builder if the purchaser defaults in any obligation under the Purchase Agreement after the Purchase Agreement has become binding upon the purchaser. The Escrow Agreement provides, pursuant to Section 103b of the Michigan Condominium Act, that the escrow agent shall maintain sufficient funds or other security to complete improvements labeled as "must be built" on the Condominium Subdivision Plan until such improvements are substantially complete. The Escrow Agreement also provides that deposits will be released to the Builder when the closing of the sale takes place provided that improvements labeled "must be built" are substantially complete or other conditions of the Escrow Agreement are met. The "must be built" improvements for Woodland Springs at Lake Chemung are substantially complete. For this reason, after expiration of the nine (9) business day withdrawal period provided in the purchase agreement, all deposits shall be released to Builder, and any additional deposits shall be paid directly to Builder. Each purchaser of a site will receive a copy of the Escrow Agreement.

B. **At Closing.** Each purchaser will receive by warranty deed fee simple title to the purchaser's site subject to the condominium documents, governmental agreements and easements and

restrictions of record. The Purchase Agreement provides that the Builder will give each purchaser a commitment for an owner's title insurance policy at or prior to closing, and that the policy itself shall be ordered at closing. The cost of the owner's commitment and policy is to be borne by the Builder. The Purchase Agreement provides that at the closing purchaser will pay all mortgage costs. Builder shall pay all transfer taxes applicable to the Builder's conveyance of the purchaser's site to purchaser.

C. After Closing.

(1) **General.** Subsequent to the purchase of the site, the legal relationship between the Builder and the Purchaser are governed by the Master Deed, except to the extent that any provisions of the Purchase Agreement are intended to survive the closing.

(2) **Limited Warranty.** The only warranty made by the Developer regarding either the unit or the Condominium property is contained in the separate Limited Warranty delivered to Purchaser simultaneous with the execution of this Agreement and incorporated herein by this reference. Developer's liability relating to the Condominium property, Purchaser's unit and this Agreement is strictly limited to the obligations provided in Developer's Limited Warranty: After the closing, any controversy, claim or dispute arising out of or relating to the construction of the home (including claims subject to the Builder's Limited Warranty) or the condition of the site shall be settled by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association ("AAA") and the Federal Arbitration Act (title 9 of the United States Code) and judgment rendered by the arbitrator(s) may be confirmed, entered and enforced in any court having jurisdiction. As a condition precedent to arbitration, the dispute shall first be mediated in accordance with the Construction Industry Mediation Rules of the AAA, or such other mediation service selected by Builder.

(3) **Limitation of Builder's Liability.** The Purchase Agreement strictly limits Builder's liability whether in contract, tort, under any warranty, in negligence or otherwise, to the obligations provided in Builder's limited warranty. Builder is not liable to purchaser for or responsible to compensate or indemnify purchaser for any damages, claim, demand, loss, cost, or expense resulting from an alleged claim of breach of warranty, whether relating to injury to persons, property, or otherwise, or relating to the presence of any toxic or hazardous waste, substance or contaminant, including without limitation radon gas, in, on, or under the purchaser's unit, the Woodland Springs at Lake Chemung development, or the real estate adjacent to or in close proximity with the Woodland Springs at Lake Chemung development. The Purchase Agreement further provides that Builder shall in no circumstances be liable for any consequential, incidental, special or secondary damages, even if Builder has been advised of the possibility of such damages. All of purchaser's rights relating to the Purchase Agreement, the limited warranty, the unit and appurtenant common elements may be asserted only by purchaser and not by any association or class representative. Builder makes no representations or warranties (other than the limited warranty described above) in the Purchase Agreement or otherwise concerning the unit, Woodland Springs at Lake Chemung, the value or resale value of the unit, the real estate adjacent to or in close proximity with Woodland Springs at Lake Chemung or the condition of the air, the soils, surface waters, and groundwaters in, on or under the unit, Woodland Springs at Lake Chemung or such adjacent or proximate real estate. Purchaser should make its own investigation prior to executing the Purchase Agreement with respect to each of the foregoing. Without purchaser's agreement to and acknowledgement of the provisions of the Purchase Agreement and limited warranty described above, Builder would not agree to sell the purchaser's unit to purchaser.

### **III. Radon Gas.**

Radon is a naturally-occurring, colorless and odorless radioactive gas formed by the breakdown of uranium and radium deposits in the soil. Radon can escape from the soil and enter buildings. Preliminary studies by the United States Environmental Protection Agency (EPA) suggest that prolonged exposure to radon may result in adverse health consequences.

The extent to which an area or site may be exposed to radon depends upon a number of factors, including natural geologic conditions, prior land use, groundwater, construction materials and techniques, ventilation and air-conditioning systems, and homeowner maintenance. Because of the multitude of factors involved, it is difficult to predict whether a specific residence may be subject to high radon levels unless specific tests are conducted by experts in the area.

Builder neither has nor claims any expertise in radon, and it does not provide advice to homeowners about the acceptable levels or possible health hazards of radon. It is possible that tests or studies might disclose information which a purchaser might consider significant in deciding whether to purchase a site in Woodland Springs at Lake Chemung from Builder. Builder assumes no responsibility to make any tests or studies.

The EPA, as well as state and local regulatory authorities, are best equipped to render advice regarding the risks which may exist in a particular area, the risks associated with radon exposure, the methods available to detect and measure radon levels, and whether remedial measures may be advisable in particular circumstances to reduce the risk of radon exposure. The EPA has published two guides which are available to interested persons: "A Citizen's Guide to Radon: What It Is and What To Do About It" and "Radon Reduction Methods: A Homeowner's Guide."

### **IV. Purpose of Builder's Supplement to Disclosure Statement.**

This Builder's Supplement to Disclosure Statement paraphrases various provisions of the Purchase Agreement, Escrow Agreement, Limited Warranty and other documents required by law. It is not a complete statement of all the provisions of those documents which may be important to purchasers. In an attempt to be more readable, this Builder's Supplement omits most legal phrases, definitions and detailed provisions of the other documents. Certain of the terms used herein are defined in the Michigan Condominium Act, as amended. This Builder's Supplement is not a substitute for the legal documents which it draws information from, and the rights of purchasers and other parties will be controlled by the other legal documents and not by this Builder's Supplement to Disclosure Statement.

Builder has prepared this Builder's Supplement to Disclosure Statement in good faith, in reliance upon sources of information believed to be accurate and in an effort to disclose material facts about this transaction. Builder disclaims liability to any purchaser for misstatements in the Builder's Supplement to Disclosure Statement (or for omissions which make statements herein appear misleading) if such misstatements were made by Builder in good faith, or were immaterial in nature, or were not relied upon by the purchaser, or did not result in any damages to the purchaser.

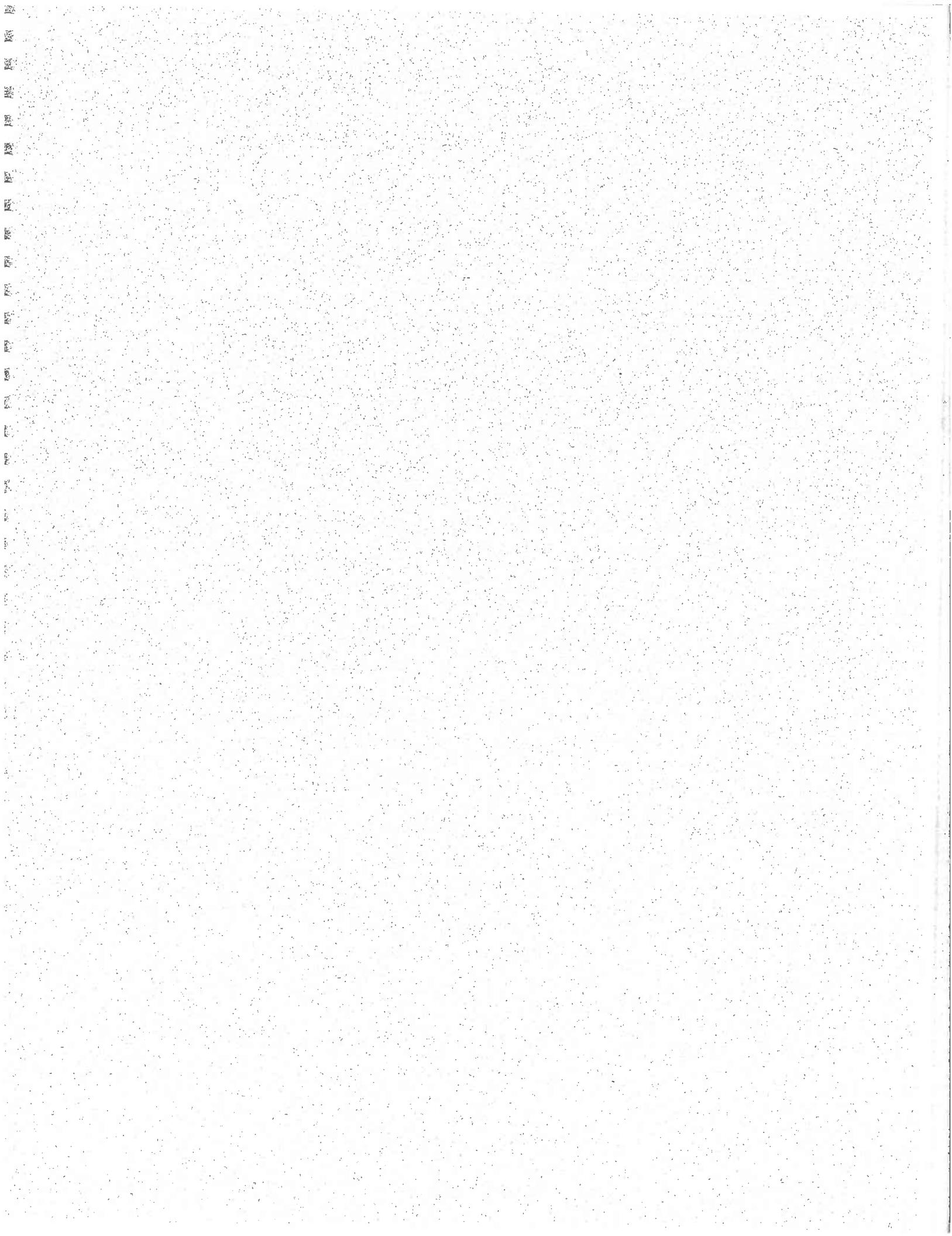
Each purchaser is urged to engage a competent lawyer or other advisor in connection with the purchaser's decision to purchase a site. In accepting title to a unit in Woodland Springs at Lake Chemung, each purchaser shall be deemed to have waived any claim or right arising out of or relating to any immaterial defect, omission or misstatement in this Builder's Supplement to Disclosure Statement. In preparing this Builder's Supplement to Disclosure Statement, and the other condominium documents,

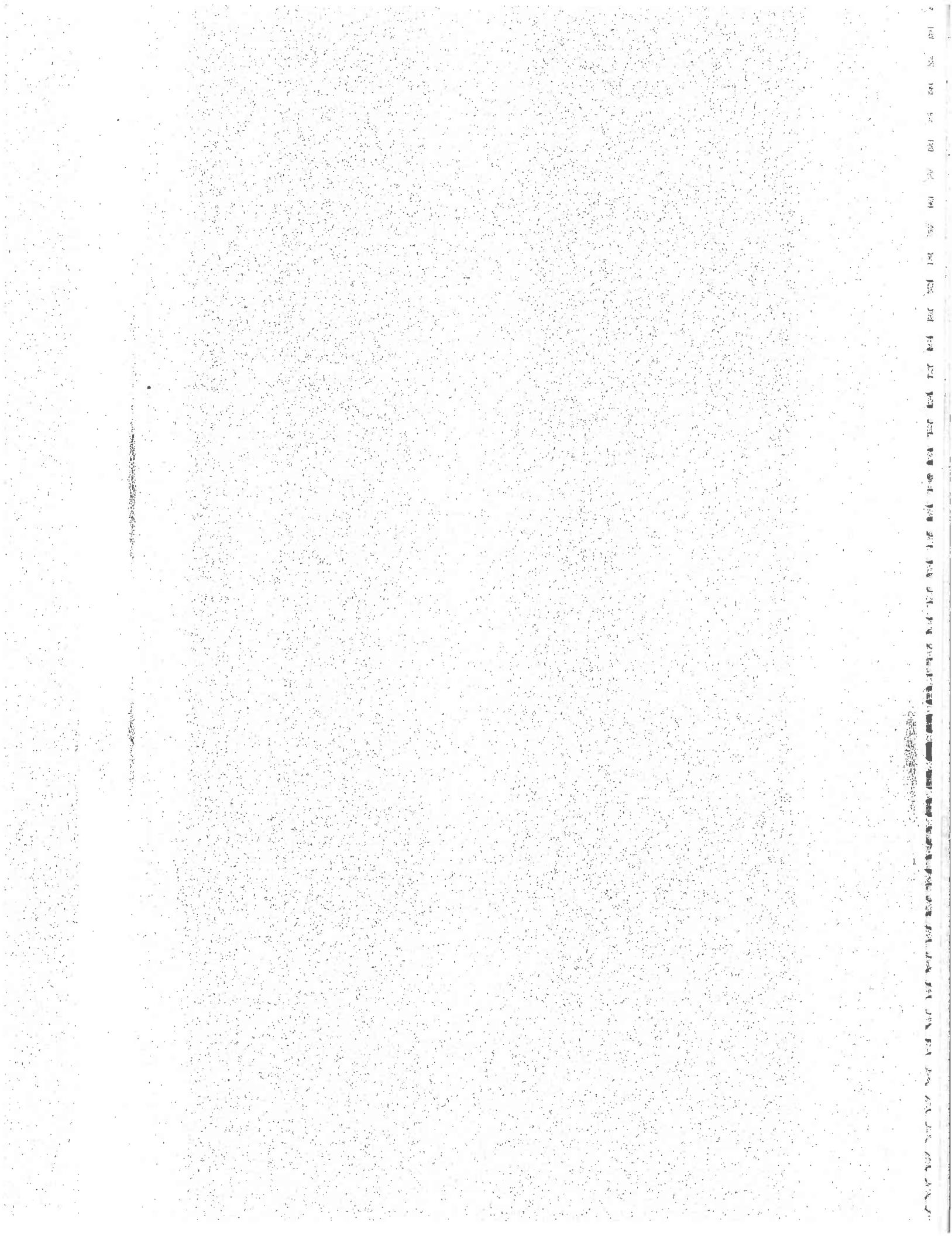
Builder's counsel has not undertaken professional responsibility to the association or to any owners or mortgagees for the completeness, accuracy, or validity of the condominium documents.

The Michigan Department of Commerce publishes The Condominium Buyers Handbook which the Builder has delivered to you. The Builder assumes no obligation, liability, or responsibility as to the statements contained therein or omitted from The Condominium Buyers Handbook.

WK009558.1







## **PLANNED UNIT DEVELOPMENT AGREEMENT**

This Planned Unit Development Agreement (the "Agreement") is entered into this 15 day of March, 1999 by and between Chemung Forest, LLC, a Michigan limited liability company, whose address is 7013 Orchard Lake Road, Suite 110, West Bloomfield, Michigan 48322 (the "Developer") and the Township of Genoa, a Michigan municipal corporation, whose address is 2980 Dorr Road, Brighton, Michigan 48116 (the "Township").

### **RECITALS**

A. Developer owns certain real property located in Genoa Township, Livingston County, Michigan, which is more particularly described on Exhibit A attached hereto and made a part hereof (the "Property").

B. Developer desires to develop the Property under a single family land use plan (the "PUD" or "Planned Unit Development").

C. On December 7, 1998 , the Township Board reviewed the Preliminary Application and Conceptual Site Plan and made recommendations to Developer concerning the PUD.

D. Developer submitted to the Township Planning Commission, an Application for Final Approval to the PUD and Final Site Plan (collectively the "Final Application"), pursuant to the provisions of Article 10 of the Township's Zoning Ordinance (the "Zoning Ordinance").

E. The Planning Commission, after giving proper notice, held a public hearing, as required by Act No. 184 of Public Acts of 1943, as amended, at which the Final Application was considered, comments and recommendations of the public were heard, and a favorable recommendation was made by the Planning Commission to the Township Board concerning the Final Application..

F. The uses to be permitted within a PUD may consist of Single Family Residential and certain related recreational uses.

G. The Township Planning Commission and the Township Board have reviewed the Final Site Plan attached hereto as Exhibit B (the "Plan") and have approved such Plan.

H. The Final Site Plan for the PUD is consistent with the purposes and objectives of the Township and is consistent with the Zoning Ordinance pertaining to permitted land uses, the intensity

of such uses, the size and location of open space areas and the manner of their use.

I. Developer has made its application to the Township Board for final approval of the PUD, pursuant to and in accordance with the provisions of Article 10 of the Zoning Ordinance.

J. The Zoning Ordinance requires the Township and the Developer to enter into a Planned Unit Development Agreement in connection with the approval of the PUD.

**NOW, THEREFORE**, Developer and Township, in consideration of the mutual covenants of the parties described in this Agreement, and with the express understanding that this Agreement contains important and essential terms as part of the final approval of the PUD, agree as follows:

## ARTICLE I

### GENERAL TERMS OF AGREEMENT

1.1 Township and Developer acknowledge and represent that the foregoing recitals are true and accurate and binding upon the respective parties.

1.2 Township acknowledges and represents that the Property is currently zoned to a residential PUD Zoning District.

1.3 The Final Site Plan is hereby approved in accordance with the authority granted to and vested in the Township under and pursuant to: Act No. 184, Public Acts of 1943, the Township Rural Zoning Act and the Zoning Ordinance of Genoa Township, enacted September 8, 1981, as amended through November 6, 1991, except as modified in this Agreement. The approval of the Development Plan and/or this Agreement shall not relieve Developer from full compliance with the applicable provisions of Act. No. 288, Public Acts of 1967, the Subdivision Control Act of 1967, Genoa Township Ordinance No. 74-00 in the form existing as of the date of this Agreement, (the "Subdivision Regulations"), Act No. 59, Public Acts of 1978, the Condominium Act, and the Zoning Ordinance in the form existing as of the date of this Agreement.

1.4. The approved Site Plan is attached hereto as Exhibit "B".

1.5 The approval of the Site Plan and the terms, provisions and conditions of this Agreement are for the benefit of the Property and shall run with the Property, and shall bind and inure to the benefit of the successors and assigns of the parties to this Agreement.

## ARTICLE II

**SPECIFIC TERMS OF AGREEMENT**  
**REGARDING LAND USE AND LAND DEVELOPMENT**

2.1 The PUD designated for (S-R) Single Family Residential Use, the only permitted principal uses shall be single family dwellings, recreational and utility uses normally incident to the existence of open space recreational areas.

2.2 The PUD may be developed only with a comprehensive sewer system serving all the residential units with the PUD, which is reviewed, inspected and approved by the Township Engineer and all other governmental agencies having jurisdiction thereover, and which complies with all applicable laws and regulations. Developer shall be responsible for the design and construction of a centralized sewer collection system and internal pump station located within the PUD. All plans, specifications, and construction of the sewer facilities shall be reviewed and approved by the Township Engineer at Developer's cost. Developer shall cause a registered professional engineer to design all facilities necessary to connect the sewer system within the PUD to Township's sewer system. Township agrees that Developer shall be entitled to connect the sewer system to the existing pump station which is owned and operated by the Genoa-Oceola Sewer District, said station being located at Hughes Road and Elmhurst. Upon completion of the sewer collection facilities within the PUD and the inspection, approval and acceptance of such facilities by the Township Engineer, Developer shall convey to Township, and Township shall accept the components of the system including, but not limited to, all pipes, connections, lift stations and other collection facilities. Developer shall also assign all construction warranties Developer has obtained with respect to the sewer system, if any, to Township. Developer will construct the sewer collection system within the PUD.

If Developer carries out the Construction in phases, at Township's request, the conveyance of the sewer system shall occur in phases, promptly upon completion of each phase and the review, inspection and approval of the sewer system within such phase by Township's Engineer. The sewer connection fees shall be as follows:

\$3,100.00      Single Family Units    1.0      REU

Payment of the applicable sewer connection fees for the applicable residential units within the PUD that are being constructed shall be made to the Township at the time a Land Use Certificate is requested from Genoa Township. Township shall not increase the above referenced sewer connection fees. The PUD shall be subject to Township's ordinances regulating the use of sewers by Township residents.

2.3 The Property is within the Genoa-Oceola Lake Chemung sewer area.

\$3,100.00      Single Family Units    1.0      REU

The formula for sewer connection within this area (not covered in the special assessment district) is

as follows:

\$3,200.00 per acre for one hundred (100) acres.  
\$36.00 per front foot for 891.27 front feet.

The developer shall be responsible for these payments which are separate from the sewer connection fees previously mentioned. On March 15, 1999, the Board of Trustees of Genoa Township approved payment of these fees on a Unit by Unit Basis when a Land Use Permit is issued in connection with the construction of a residential residence on a particular site.

2.4 The PUD Plan may be developed with individual wells for each approved single family unit approved.

2.5 All lots and structures shall conform, with following area and bulk requirements

Minimum lot sizes:	18,000 SF
House style	Side yard or offset garage entry as an option, subject to house fit on the lot
Setbacks	F-35, S-15/15, R-50  Side yard garage entry homes- 10 ft and 20 ft Rear yards that border wetlands-front yard setback-25 ft. with a corresponding 10' increase in the wetland setback
Lot width:	90' at building setback
Wetlands	25'
Maximum building height:	two stories 35'
Maximum lot coverage	20%
Minimum Building Size	1,600 SF

2.6 The Development Plan and Final Site Plan shall not exceed a total of 121 residential units which are to located pursuant to the Final Site Plan attached hereto.

2.7 Covenants and restrictions governing the use and enjoyment of the Single Family Residential portion shall be submitted by Developer to Township for its review and approval, prior to construction and development of the subject property. The covenants and restrictions shall provide that no lake access shall be permitted for the subject property. The covenants and restrictions shall also provide that the lots owners are subject to the terms and conditions of this Agreement.

2.8 Open space within the PUD shall be retained as open space and natural areas and will include only limited improvements, such as a gazebo, foot trails and boardwalks within the open space areas, subject to DNR approval, if required by law. Developer shall have the right to reserve, dedicate and/or grant public or private easements within the open space areas for construction, installation, repair, maintenance and replacement of rights-of-ways, walkways, bicycle paths, sewers,

drains, retention. The open space shown on the site plan shall be designated as a private park.

The General Common Element Open Space Areas described on the Condominium Subdivision Plan shall remain open space in perpetuity, subject only to uses approved by Genoa Township on the approved site plan. Any subdivision of the General Common Element Open Space Areas or its use for other than recreation, conservation or easements for utilities is prohibited. The General Common Elements Open Space Areas may be used for the recreation of the co-owners of Chemung Forest in accordance with (i) the Agreement, (ii) the ordinances of Genoa Township and (iii) any rules and regulations established by the Association of Homeowners, subject to the following restrictions and prohibitions:

- (a) No dumping or storing of materials or refuse.
- (b) No activity shall occur that may cause risk of soil erosion or threaten any living plant material.
- (c) No cutting or removal of live plant material except for removal of dying or diseased vegetation.
- (d) No use of motorized off road vehicles.
- (e) No cutting, filling or removal of vegetation from the wetlands areas.
- (f) No use of pesticides, herbicides or fertilizers within or adjacent to wetlands areas.

Certain portions of the Condominium, including certain Unit areas, have been designated on the Condominium Subdivision Plan as wetlands and wetland setback areas. No building or structure shall be constructed in the wetlands or within the 25 foot wetland setback areas. The wetlands shall be preserved in their natural state and are not to be disturbed in any manner whatsoever, including without limitation, by dredging, filling, removing natural materials, cutting or clearing of vegetation or trees, or construction of any improvements without the prior approval of and permits required by Genoa Township, or other applicable governmental agency.

Any improvements within MDEQ regulated wetlands shall only be installed or constructed upon receiving the necessary approvals of the MDEQ and in accordance with all applicable MDEQ rules and regulations. The rights of owners, residents and their guests and invitees to use and enjoy the open space areas within the PUD shall be governed by covenants and restrictions and/or master deed(s) recorded with respect to the portion of the PUD which includes the open space areas in question. A single family homeowner's association will be created through the covenants and restrictions recorded with respect to the Single Family Residential portion of the PUD, for the purpose of, among other things, maintaining and regulating the use of the open spaces which are located within the Single Family Residential area. The use, enjoyments of, and maintenance

responsibilities for the applicable open spaces and other common areas shall be shared by the respective owners and their tenants, invitees and guests. The right of owners and their respective tenants, invitees and guests to use and enjoy open space and other common areas within the PUD shall be solely governed by and derived from the covenants and restrictions recorded with respect to the PUD; this Agreement is not intended to confer any rights or privileges to any owners or their respective tenants, invitees or guests with respect to the open spaces or other common areas within the PUD. The Association of homeowners shall also be responsible for the maintenance of the private drive servicing Lots 37, 38, 39 and 40. Nothing contained herein shall prevent the Association of Homeowners from surcharging the owners of Lots 37, 38, 39 and 40 for the cost of the required maintenance of said private drive.

The design of the roads, however, may with the Township's approval, which shall not be unreasonable withheld, deviate from the county road width of clearances, width of pavement, roadside plantings and such other design features, that are necessary to preserve the desirable vegetation, unique topography and natural features of the PUD development.

2.9 In connection with the development of the Chemung Forest Condominium, Developer shall cause to be recorded the Master Deed and Bylaws, thereof. All terms, conditions and covenants contained in said Master Deed are hereby incorporated by reference into this Agreement and are made a part hereof.

2.10 This Agreement may not be modified, replaced, amended or terminated without the prior written consent of the parties to this Agreement. Developer and Township shall be entitled to modify, replace, amend or terminate this Agreement, in accordance with the procedures outlined within the PUD ordinance, without the consent of any other person or entity whatsoever, regardless of whether such person or entity now or hereafter has any interest in the Property, including residential lot or condominium unit owners, mortgagees, tenants and others. In the event there exists any conflict between the terms and provisions of this Agreement (including the attached Site Plan) and the provisions of the Zoning Ordinance or other Township Ordinances, rules and regulations, the provisions of this Agreement and, if applicable, the Site Development Plan, shall control. Any violation of the terms of this Agreement shall be a violation of the Zoning Ordinance. The remedies of the Township for a violation shall be such remedies as are provided by and for a violation of a Zoning Ordinance. This Agreement shall exist in perpetuity. Any subsequent amendments to the PUD ordinance , the Zoning Ordinance, other Township Ordinances and rules and regulations shall not alter the terms and conditions of this Agreement.

IN WITNESS HEREOF, the parties have executed this Agreement as of the date and year first above written.

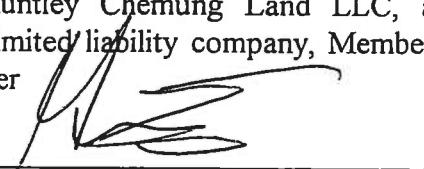
**Signatures on following page**

**DEVELOPER:**

Chemung Forest, LLC, a Michigan limited liability Company

By: Ivanhoe Huntley Chemung Land LLC, a Michigan limited liability company, Member and Manager

By:

  
Gary Shapiro, Manager

**TOWNSHIP:**

Township of Genoa, a Michigan municipal corporation

By:   
Paulette A. Skolarus  
Paulette A. Skolarus, Township Clerk

