

**PEBBLE CREEK OF SPRINGFIELD
MASTER DEED**

This Master Deed is executed on July 26, 1994, by Pebble Creek Development Company, a Michigan Copartnership (“Developer”), 2100 Georgetown Parkway, Fenton, Michigan 48430, pursuant to the provisions of the Michigan Condominium Act, 1978 P.A. 59, as amended, (the “Act”).

RECITALS: By recording this Master Deed, and the attached Bylaws (Exhibit A), Rules and Regulations (Exhibit A-1), and Condominium Subdivision Plan (Exhibit B), the Developer intends to establish the real property described in Article II below, together with the improvements located and to be located on, and the appurtenances to, that real property as a residential site condominium project under the provisions of the Act. Therefore, the Developer establishes Pebble Creek of Springfield as a Condominium Project under the Act and declares that Pebble Creek of Springfield (the “Condominium”, “Project” or the “Condominium Project”) shall be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved and in all ways utilized subject to the provisions of the Act and to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this Master Deed and Exhibits A and B, all of which shall be deemed to run with the land and shall be a burden and a benefit to the Developer, its successors and assigns, and any persons acquiring or owning an interest in the Condominium Premises, and their successors and assigns. In furtherance of the establishment of the Condominium Project, it is provided that:

ARTICLE I: TITLE AND NATURE. The Condominium Project shall be known as Pebble Creek of Springfield, Oakland County Condominium Subdivision Plan No. 874. The Condominium Project is established in accordance with the Act. The Units contained in the Condominium, including the number, boundaries, dimensions and area of each, are set forth completely in Exhibit B. Each Unit is capable of individual use by having its own entrance from and exit to a Common Element of the Project. Each Co-owner in the Project has an exclusive right to his Unit, has undivided and inseparable rights to share with other Co-owners the Common Elements of the Project, and has the right to construct a single residential dwelling on his Unit, subject to the Condominium Documents and all applicable laws.

ARTICLE II: LEGAL DESCRIPTION. The land submitted to the Condominium Project is described as:

Part of Sections 14 and 15, T4N R8E, Springfield Township, Oakland County, Michigan, described as follows: Beginning at a point on the North line of Section 14, which is N 89°00'30" E 578.89 feet from the Northwest corner of Section 14, T4N-R8E; thence continuing along said North line, N 89°00'30" E 400.74 feet; thence S 19°42'10" E 491.38 feet; thence S 88°52'30" W 358.57 feet; thence S 00°58'08" E 1202.29 feet; thence N 88°52'30" E 727.29 feet; thence S 19°21'10" E 640.27 feet; thence N 89°51'20" E 163.03 feet; thence S 21°22'00" E 400.00 feet to the East and West 1/4 line of Section 14; thence S 89°17'24" W 2039.94 feet, along the East and West 1/4 line to the West 1/4 corner of Section 14, also being the East 1/4 corner of Section 15; thence S 89°20'45" W, along the East and West 1/4 line of Section 15, a distance of 1326.11 feet to the East line of the West 1/2 of the Southeast 1/4 of said Section 15; thence S 01°15'47" E, along said East line, 1592.08 feet, to the Northeasterly right-of-way line of I-75 Expressway; thence along said Northeasterly line on a curve to the right, radius 7536.44 feet, with a chord bearing and distance N 45°19'27" W 1940.39 feet, to the North and South 1/4 line of Section 15; thence N 01°22'07" W, along said North and South 1/4 line, 231.42 feet, to the center of Section 15; thence N 89°27'41" E 674.51 feet (recorded N 88°41'35" E 676.67 feet), along the South line of the recorded “Pine Lake Forest” Condominium, as now surveyed; thence continuing along said “Pine Lake Forest”, N 00°47'48" W (recorded N 01°38'36" W) 1307.99 feet; thence N 89°00'61" E 2027.60 feet, along the South line of “Pine Lake Forest” and said line extended Easterly, to the East line of Section 15; thence N 88°56'15" E 578.20 feet; thence N 00°58'08" W 1321.60 feet, to the point of beginning, containing 145.23 gross acres of land, more or less, and being subject to that part now used as Davisburg Road, so-called.

ARTICLE III: DEFINITIONS. Certain terms are utilized in this Master Deed and Exhibits A and B, and in various other instruments such as the Rules and Regulations of the Pebble Creek Association, and deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment of, or transfer of interests in, the Project. Those terms are usually capitalized (for example, the “Project”) and are defined in the Act. Wherever used in those documents or any other pertinent instruments, those terms shall have the meanings given to them in the Act. The following terms are not defined in the Act, and shall have these meanings:

Section 1. Homesite. “Homesite” shall mean each Condominium Unit, its appurtenant Limited Common Elements, and the General Common Element land area between the Unit and the paved portion of the adjacent roadway.

Section 2. Development Period. “Development Period” means the period commencing on the date this Master Deed is recorded and continuing as long as Developer owns any Unit in the Project, or as long as the Developer owns or holds an option or other enforceable purchase interest in all or any part of the Area of Future Development, or as long as the Developer retains architectural review authority as provided in Article II, Section 2 of the Bylaws, whichever is longer.

Section 3. Area of Future Development. “Area of Future Development” means that land described in Article VII of this Master Deed that may be added to the Condominium Project pursuant to the provisions of Article VII of this Master Deed.

Section 4. Township. "Township" means the Charter Township of Springfield. Where Township approval is required pursuant to the provisions of this Master Deed or the other Condominium Documents, it shall be granted through the Springfield Township Board.

ARTICLE IV: COMMON ELEMENTS. The Common Elements of the Project and the respective responsibilities for maintenance, decoration, repair and replacement are:

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

- A. Roads.** The roadways located within the boundaries of Pebble Creek of Springfield, until they are dedicated to the public, if ever.
- B. Land.** Land within the Condominium Project not identified as either Units or Limited Common Elements shall be a General Common Element.
- C. Electrical, Gas, Telephone and Cable Television.** All underground electrical, gas, telephone and cable television mains and lines up to the point where they intersect the boundary of a Homesite and all common lighting for the Project, if any is installed.
- D. Storm Water Drainage System.** All storm water drainage facilities serving the Project, including those facilities depicted on the Condominium Subdivision Plan for the Project as being within the boundaries of a Unit or its appurtenant Limited Common Element land area.
- E. Water and Sanitary Sewers.** The water mains and sanitary sewer mains servicing the Project if and when they are installed. There currently are no public or private water systems in the Project. Such systems may be Common Elements only if and when installed in the future.
- F. Retention and Detention Area and Easements.** The storm water retention and detention areas and easements designated on the Condominium Subdivision Plan as General Common Elements.
- G. Landscaping, Exterior Lighting and Sprinkler Systems.** All landscaping, exterior lighting and sprinkler systems installed within the General Common Element land areas.
- H. Other.** Other elements of the Condominium not designated as General or Limited Common Elements and not located within a Unit that are intended for common use of all Co-owners or are necessary to the Project, including General Common Element pathways.

Section 2. Limited Common Elements. Limited Common Elements shall be subject to the exclusive use and enjoyment of the Owner(s) of the Unit(s) to which the Limited Common Elements are appurtenant. The Limited Common Elements are:

- A. Land.** Certain land may be shown on the Condominium Subdivision Plan as Limited Common Element, and is limited in use to the Unit to which it appertains, as shown on Exhibit B.
- B. Utility Leads.** All utility leads and lines lying within the Homesites and all septic tanks, septic fields, septic system pumps, water wells and all related potable water and on-site sewage disposal facilities servicing a Unit are limited in use to the Units serviced by them.
- C. Driveways.** Private driveways serving individual Units are Limited Common Element, even if they are located partially on the General Common Element land area.

Section 3. Structures on Units. All structures within the boundaries of a Unit and all improvements located within the boundaries of a Homesite shall be owned in their entirety by the Co-owner of the Unit and Homesite on which they are located and shall not be Common Elements.

Section 4. Responsibilities. The responsibilities for the maintenance, decoration, repair and replacement of the Common Elements area:

- A. Co-owner Responsibilities.**
 - 1. Homesites.** The responsibility for and the costs of maintenance, decoration, repair, replacement and insurance (both property and liability) of each Homesite (including all easement areas located on the Homesite), all improvements on that Homesite (except actual physical improvements that are General Common Elements) and all Limited Common Elements appurtenant thereto shall be borne by the Co-owner of the Unit in that Homesite or to which the Limited Common Element appertains, subject to the maintenance, appearance and other standards contained in the Bylaws and Rules and Regulations of the Association.

2. **Utility Services.** The responsibility for and cost of maintenance, repair and replacement of all utility laterals and leads within a Homesite shall be borne by the Co-owner of the Unit in that Homesite, except to the extent that those expenses are borne by a utility company or a public authority.

B. Association Responsibilities.

1. **In General.** The costs of maintenance, repair and replacement of all General Common Elements except the part of the General Common Elements located within a Homesite shall be borne by the Association, subject to any contrary provisions of the Bylaws. The foregoing notwithstanding, the Association may expend funds for landscaping, decoration, maintenance, repair and replacement of the General Common Element roadways, even after any dedication to the public, if ever, and such costs and expenses shall be costs of operation and maintenance of the Condominium. The private roads, including any crosswalks, within the Project will be maintained (including, without limitation, snow removal), repaired, repainted, resurfaced, and replaced as necessary by the Association. It is the Association's responsibility to inspect and to perform preventative maintenance of the Project roads on a regular basis in order to maximize their useful life and to minimize repair and replacement costs. The storm water drainage system, including detention and retention areas, within the Project, including those portions located within the boundaries of a Unit or its appurtenant Limited Common Element land area, will be maintained, repaired and replaced as necessary by the Association.

2. **Pathway Easements.** Easements for pathways ("the Pathways") connecting the General Common Element open spaces have been established along the boundaries of certain Homesites. In General Common Element land areas, as depicted in the Condominium Subdivision Plan for the Project. Any provision of the Condominium Documents to the contrary notwithstanding, the responsibility for and the costs of maintenance, repair and replacement of all of the above Pathways shall be borne by the Association.

Section 5. Utility Systems. Some or all of the utility lines, systems (including mains and service leads) and equipment and the telecommunications facilities, if any, described above may be owned by the local public authority or by the company that is providing the pertinent service. Accordingly, the utility lines, systems and equipment, and any telecommunications and cable television facilities, shall be Common Elements only to the extent of the Co-owners' interest in those items, if any, and Developer makes no warranty whatever with respect to the nature or extent of that interest, if any. The extent of the Developer's and Association's responsibility will be to see to it that telephone, electric and natural gas mains are installed within reasonable proximity to, but not necessarily within, the Homesites. Each Co-owner will be entirely responsible for arranging for and paying all costs in connection with extension of utilities by laterals from the mains to any structures and fixtures located within the Units. Subject to the approval of the Oakland County Health Department (which shall have and maintain jurisdiction of on-site sewage disposal systems in the Project), each Co-owner shall also be responsible for determining whether his Unit and appurtenant Limited Common Element shall be suitable for on-site sewage disposal utilizing subsurface absorption and for determining the location of all tanks, pumps and septic fields on the Unit and appurtenant Limited Common Element.

Section 6. Use of Units and Common Elements. No Co-owner shall use his Unit or the Common Elements in any way inconsistent with the purposes of the Project or in any way that will interfere with or impair the rights of any other Co-owner in the use and enjoyment of his Unit or the Common Elements.

Section 7. Township's Right to Cure Deficiencies in Maintenance, Repair and Replacement. If the Association fails to provide adequate maintenance, repair and replacement of the private roads and drives and the storm water drainage system, including retention and detention areas, then the Township may serve written notice of the failure upon the Association. The notice shall set forth the deficiencies that the Township demands be cured and shall state a reasonable time within which the deficiencies are to be cured. If the deficiencies are not cured within that period, then the Township may undertake the maintenance, repair and replacement necessary to effect the cure; the costs of cure incurred by the Township and an administrative fee of 25% of those costs may be assessed by the Township against the Co-owners and collected as a special assessment on the next annual tax roll of the Township.

ARTICLE V: UNIT DESCRIPTIONS AND PERCENTAGES OF VALUE.

Section 1. Description of Units. Each Unit in the Condominium Project is described in this paragraph with reference to the Condominium Subdivision Plan of Pebble Creek of Springfield as prepared by Gould Engineering, Inc. (Exhibit B). Each Unit consists of the volume within the Unit boundaries as delineated with heavy outlines on Exhibit B.

Section 2. Percentages of Value. All of the Units shall have equal percentages of value, because the Units place approximately equal burdens on the Common Elements. The percentage of value assigned to each Unit shall determine each Co-owner's share of the Common Elements, the proportionate share of each Co-owner in the proceeds and expenses of administration and the value of the Co-owner's vote at meetings of the Association.

ARTICLE VI: SUBDIVISION, CONSOLIDATION AND OTHER MODIFICATIONS OF UNITS. Units in the Condominium may be consolidated, modified and the boundaries relocated, in accordance with Section 48 of the Act and this Article, subject to the approval of the Township. The resulting changes in the affected Unit or Units shall be promptly reflected in a duly recorded amendment or amendments to this Master Deed.

Section 1. By Developer. Developer reserves the sole right during the Development Period, without the consent of any other Co-owner or any mortgagee of any Unit, to:

- A. Consolidate Contiguous Units.** Consolidate under single ownership two or more contiguous units that it owns.
- B. Relocate Boundaries.** Relocate any boundaries between adjoining Units that it owns.

In connection with any consolidation or relocation of boundaries of Units by the Developer, the Developer may modify, add to or remove Common Elements, and designate or redesignate them as General or Limited Common Elements and shall reallocate the percentages of value of the affected Units, as required by the Act. These changes shall be given effect by an appropriate amendment(s) to this Master Deed, which shall be prepared and recorded by and at the expense of the Developer.

Section 2. By Co-owners. Subject to approval by Springfield Township and, during the Development Period, the Developer, and subject to Article II, Section 38 of the Bylaws, one or more Co-owners may consolidate under single ownership two or more contiguous Units that they own to eliminate boundaries or relocate the boundaries between those Units upon written request to the Association.

These changes shall be given effect by an appropriate amendment(s) to this Master Deed, which shall be prepared and recorded by the Association. The Co-owner(s) requesting the changes shall bear all costs of preparation and recording of the amendment(s). The changes shall become effective upon recording of the amendment in the office of the Oakland County Register of Deeds.

Section 3. Limited Common Elements. Limited Common Elements shall be subject to assignment and reassignment in accordance with Section 39 of the Act and in furtherance of the rights to consolidate or relocate boundaries described in this Article VI.

Section 4. Construction of Improvements on Units. Subject to the restrictions contained in the Condominium Documents, including the Rules and Regulations of the Project attached to and made a part of this Master Deed as Exhibit A-1, as amended, a Co-owner may construct on his Unit one single-family residence. All construction shall be in accordance with and subject to the Rules and Regulations and all applicable codes, ordinances, statutes, laws, rules, regulations and private use restrictions. All dwellings and other structures on a Unit shall be located within the boundary of that Unit.

ARTICLE VII: EXPANSION OF CONDOMINIUM.

Section 1. Area of Future Development. The Condominium Project established pursuant to the initial Master Deed of Pebble Creek of Springfield and consisting of One-hundred twelve (112) Units is intended to be the first stage of an Expandable Condominium under the Act to contain in its entirety a maximum of Three-hundred (300) Units. Additional Units, if any, will be constructed upon all or some portion or portions of the following described parcels of land:

Part of the Southwest 1/4 of Section 14, T4N-R8E, Springfield Township, Oakland County, Michigan, described as follows: Beginning at the West 1/4 corner; thence S 87°10'00" E 2499.98 feet; thence along curve to the left, having a radius of 1970.08 feet, chord bearing of S 33°18'33" E 158.14 feet, and distance of 158.19 feet; thence S 34°14'20" W 342.87 feet; thence S 55°26'20" E 60 feet; thence along a curve to the right, having a radius of 480 feet, chord bearing of S 51°05'35" W 272.92 feet, and distance of 283 feet; thence S 43°10'44" E 611.85 feet; thence S 02°42'50" W 365.25 feet; thence N 80°57'20" W 655.38 feet; thence N 03°34'00" E 109.72 feet; thence S 89°34'40" W 677.30 feet; thence S 06°17'50" W 38.10 feet; thence N 85°19'10" W 1324.18 feet; thence N 00°43'40" E 1231.24 feet to the place of beginning and also part of Section 15, T4N-R8E, described as all that part of the East 1/2 of the Southeast 1/4 of said Section 15 lying Northerly of I-75 Highway and also part of Section 14, T4N-R8E, described as the Southwest 1/4 of Southwest 1/4 of said Section 14, excluding that part taken for I-75 Highway (the "Area of Future Development").

Section 2. Increase In Number of Units. Therefore, any other provisions of this Master Deed notwithstanding, the number of Units in the Project may, at the option of the Developer or its successors or assigns, from time to time, within a period ending no later than six years from the date of recording this Master Deed, be increased by the addition to this Condominium of any portion of the Area of Future Development. The number, location, nature, and appearance of all such additional Units shall be determined by Developer in its sole discretion subject only to approval by the Township of Springfield.

Section 3. Expansion Not Mandatory. Nothing herein contained, however, shall in any way obligate Developer to enlarge the Condominium Project beyond the phase established by this Master Deed and Developer (or its successor or assigns) may, in its discretion, establish all or a portion of said Area of Future Development as rental development, a separate condominium project (or projects) or any other form of development subject only to the approval of the Township of

Springfield. There are no restrictions on the election of the Developer to expand the project other than as explicitly set forth herein. There is no obligation on the part of the Developer to add to the Condominium Project all or any portion of the Area of Future Development described in this Article VII nor is there any obligation to add portions thereof in any particular order nor to construct particular improvements thereon in any specific locations. One hundred percent (100%) of the Area of Future Development may be devoted to other than residential use, subject to compliance with the provisions of the Springfield Township zoning ordinance.

Section 4. Amendment of Master Deed and Modification of Percentages of Value. Such increase in size of this Condominium Project shall be given effect by an appropriate amendment or amendments to this Master Deed in the manner provided by law, which amendment or amendments shall be prepared by and at the discretion of the Developer or its successors and in which the percentages of value set forth in Article V hereof shall be proportionately readjusted in order to preserve a total value of 100 for the entire Project resulting from such amendment or 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 method of original determination of percentages of value for the Project.

Section 5. Redefinition of Common Elements. Such amendment or 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, serve and provide access to the additional parcel or parcels being added to the Project by such amendment. In connection with any such amendment(s), Developer shall have the right to change the nature of any Common Element previously included in the Project for any purpose reasonably necessary to achieve the purposes of this Article, including, but not limited to, the connection of roadways and sidewalks to the Project to any roadways and sidewalks that may be located on, or planned for the Area of Future Development, and to provide access to any Unit that is located on, or planned for the Area of Future Development from the roadways and sidewalks located in the Project, subject to the approval of the Township.

Section 6. Consolidating Master Deed. A Consolidating Master Deed shall be recorded pursuant to the Act when the Project is finally concluded as determined by Developer in order to incorporate into one set of instruments all successive stages of development. The Consolidating Master Deed, when recorded, shall supersede the previously recorded Master Deed and all amendments thereto.

Section 7. Consent of Interested Persons. All of the Co-owner and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments to this Master Deed to effectuate the foregoing and to any proportionate reallocation of percentages of value of existing Units which Developer or its successors may determine to be necessary in conjunction with such amendment or amendments. All such interested persons irrevocably appoint Developer or its successors as agent and attorney for the purpose of execution of such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing. For purposes of this Section 7, the Township shall not be deemed to be an "interested person".

ARTICLE VIII: CONVERTIBLE AREAS.

Section 1. Units and Common Elements

A. Designation of Convertible Areas. Each and every Unit is hereby designated as Convertible Area within which another Unit of different dimensions and/or Limited Common Elements and/or General Common Elements may be created and modified as provided in this Master Deed. Each Limited Common Element and General Common Element is hereby designated as Convertible Area within which Limited Common Elements and/or General Common Elements and/or Units may be created and modified as provided in this Master Deed. All of the land described in Article II and Article VII of this Master Deed is designated as Convertible Area within which Units, Limited Common Elements and General Common Elements may be created and modified as provided in this Master Deed.

B. Developer's Right to Create and Modify Units and Common Elements. The Developer reserves the right, in its sole discretion and without the consent of any Co-owner, but subject to the approval of the Township, during the period ending six (6) years after the recording of this Master Deed, to create additional Units and Common Elements, and modify the size, location, design or elevation of Units and/or General or Limited Common Elements appurtenant or geographical proximate to those Units and Common Elements within the Convertible Areas designated in Subsection 1A, above, as long as those modifications do not unreasonably impair or diminish the appearance of the Project or the view, privacy or other significant attribute or amenity of any Unit that adjoins or is proximate to the modified Unit or Common Element. The maximum number of Units that may be created within the Convertible Areas is 300 Units.

Section 2. Type and Compatibility of Improvements. Only residential site Units, roadways, utility facilities and other General and Limited Common Elements of the types described in Article IV may be created within the Convertible Areas. All improvements constructed within the Convertible Areas shall be reasonably compatible with the structures on other portions of the Condominium Project. In exercising its rights under this Article VII, the Developer may create General or

Limited Common Elements within the Convertible Areas and assign or reassign any General or Limited Common Elements now existing or created after this date as General or Limited Common Elements.

Section 3. Amendment of Master Deed. Developer hereby reserves the right to designate each Common Element as either a General Common Element or as a Limited Common Element appurtenant to a particular Unit or Units by subsequent amendment or amendments to the Master Deed in the manner provided by law, subject to approval by the Township. Those amendments shall be prepared by and at the discretion of the Developer (or its successors).

Section 4. Redefinition of Common Elements. Those amendment(s) 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, serve and provide access to the parcel or parcels being converted and the Common Elements being modified by that amendment. In connection with any amendment(s), Developer shall have the right to change the nature of any Common Element previously included in the Project for any purpose reasonably necessary to achieve the purposes of this Article, subject to approval by the Township.

Section 5. Consolidating Master Deed. A Consolidating Master Deed shall be recorded pursuant to the Act when the Project is finally concluded as determined by Developer in order to incorporate into one set of instruments all successive stages of development. The Consolidating Master Deed, when recorded, shall supersede the previously recorded Master Deed and all amendments.

Section 6. Consent of Interested Persons. The consent of no Co-owner shall be required as a condition for conversion under this Article VIII. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to amendments to this Master Deed to effectuate this Article VIII and to any proportionate reallocation of percentages of value of existing Units that Developer or its successors may determine necessary in conjunction with that amendment or amendments. All interested persons irrevocably appoint Developer or its successors as agent and attorney for the purpose of execution of such amendments to the Master Deed and all other documents necessary to effectuate this Article VIII. Those amendments may be effected without the necessity of rerecording an entire Master Deed or the Exhibits and may incorporate by reference all or any pertinent portions of the Master Deed and the Exhibits. For purposes of this Section 6, the Township shall not be deemed to be an "interested person".

ARTICLE IX: EASEMENTS.

Section 1. Easement for Utilities. There shall be easements to, through and over the land in the Condominium (including all Units and their adjoining Limited Common Element setback areas) for the continuing maintenance, repair, replacement and enlargement of any General Common Element utilities in the Condominium as depicted on the Condominium Subdivision Plan as amended from time to time. If any portion of a structure located within a Unit encroaches upon a Common Element due to shifting, settling or moving of a building, or due to survey errors, construction deviations or change in ground elevations, reciprocal easements shall exist for the maintenance of that encroachment for as long as that encroachment exists, and for its maintenance after rebuilding in the event of destruction.

Section 2. Easements Retained by Developer.

A. Roadway Easements. (1) Developer reserves for the benefit of itself, its successors and assigns an easement for the unrestricted use of all roads and walkways in the Condominium for the purpose of ingress and egress to and from all or any portions of the Project and/or the Area of Future Development, whether or not all or any part of the Area of Future Development is ever added to the Project. Developer further reserves the right without the necessity of obtaining the consent of any Co-owner or mortgagee of any Unit or any other person interested in the Project, to grant to any person or entity who owns all or any part of the land described in Article II or Article VII of this Master Deed an easement for the unrestricted use of all roads and walkways in the Condominium for the purpose of ingress and egress to and from all or any portions of the Project and/or the Area of Future Development, whether or not all or any part of the Area of Future Development is ever added to the Project. Developer further reserves the right during the Development Period to install temporary construction roadways and access ways over the General Common Elements in order to gain access to the Project and the Area of Future Development from a public road. The owners of all or any part of the Area of Future Development whose sole means of access to the public roads known as Dixie Highway and/or Davisburg Road is over the roads in the Project shall pay a portion of the costs and expenses of maintenance, repair and replacement of the roads and entranceways in the Project equal to the product obtained by multiplying those costs and expenses by a fraction the numerator of which is the number of dwelling units outside the Project that are serviced by those roads and the denominator of which is the total number of dwelling units (including those within the Project) serviced by those roads.

(2) The Developer reserves the right at any time until the lapse of two (2) years after the expiration of the Development Period, and the Association shall have the right subsequent to that period, to dedicate to the public a right-of-way of such width as may be required by the local public authority over any or all of the General Common Element roadways in Pebble Creek of Springfield. That right-of-way dedication may be made by the Developer without the consent of any Co-owner,

mortgagee or other person and shall be evidenced by an appropriate amendment to this Master Deed and Exhibit B, recorded in the Oakland County Records.

(3) The Developer reserves the exclusive right until the lapse of the Development Period to maintain, repair, replace, decorate and landscape the Entranceways to the Project. The nature, extent and expense of maintenance, repair, maintenance, replacement, decoration and landscaping shall be at the sole discretion of the Developer. All costs and expenses of initial installation of decorations and landscaping shall not be costs and expenses of administration and operation of the Condominium, but shall be borne by the Developer. All costs and expenses of maintenance, repair, maintenance, replacement, decoration and landscaping other than for the initial installation of those improvements shall be costs and expenses of operation and administration of the Condominium. As used in this Paragraph (3), the term "Entranceways" shall include but shall not be limited to the paved portions of the General Common Element roads and General Common Element land areas including but not limited to median strips and planting and green areas located within 1,000 feet of the respective centerlines of the public roads known as Dixie Highway and Davisburg Road. After expiration of the Development Period or when Developer assigns to the Association or to another person the Developer's rights under this Paragraph A(3), the Association shall have the responsibility for maintenance, repair, replacement, decoration and landscaping of the entranceways to the extent those areas are General Common Elements for which the Association would otherwise have those responsibilities under the Master Deed and Bylaws for the Project.

B. Utility Easements. The Developer also hereby reserves for the benefit of itself, its successors and assigns and all future owners of all or any portion of the Area of Future Development, perpetual easements to utilize, tap, tie into, extend and enlarge all utility mains located in the Condominium Premises, including, but not limited to, water, gas, telephone, electrical, cable television, storm and sanitary sewer mains. In the event the Developer, its successors or assigns, utilizes, tips, ties into, extends or enlarges any utilities located on the Condominium Premises, it shall be obligated to pay all of the expenses reasonably necessary to restore the Condominium Premises to their state immediately prior to such tapping, tying-in, extension or enlargement

C. Granting Utility Rights to Agencies. The Developer reserves the right at any time until the lapse of two (2) years after the expiration of the Development Period, and the Association shall have the right thereafter, to grant easements for utilities over, under and across the Condominium to appropriate governmental agencies or public utility companies and to transfer title of utilities to governmental agencies or to utility companies. Any easement or transfer of title may be conveyed by the Developer without the consent of any Co-owner, mortgagee or other person and shall be evidenced by an appropriate amendment to this Master Deed and Exhibit B recorded in the Oakland County Records.

D. Developer's Right of Use. The Developer, its successors and assigns, agents and employees, may maintain facilities as necessary on the Condominium Premises to facilitate the construction, development and sale of the Units including offices, models, storage areas, maintenance areas and parking. The Developer shall also have the right of access to and over the Project to permit the construction, development and sale of the Units.

Section 3. Grant of Easements by Association. The Association, acting through its lawfully constituted Board of Directors (including any Board of Directors acting prior to the Transitional Control Date) shall be empowered and obligated to grant easements, licenses, rights-of-entry and rights-of-way over, under and across the Condominium Premises for utility purposes, access purposes or other lawful purposes that may be necessary for the benefit of the Condominium subject, however, to the approval of the Developer so long as the Development Period has not expired.

Section 4. Association Easements for Maintenance, Repair and Replacement. The Developer, the Association and all public or private utilities shall have such easements over, under, across and through the Condominium Premises, including all Units and Common Elements, as may be necessary to fulfil any responsibilities of maintenance, repair, decoration, replacement or upkeep 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.

Section 5. Telecommunications Agreements. The Association, acting through its duly constituted Board of Directors and subject to the Developer's approval during the Development Period, shall have the power to grant easements, licenses and other rights of entry, use and access and to enter into any contract or agreement, including wiring agreements, right-of-way agreements, access agreements and multi-unit agreements and, to the extent allowed by law, contracts for sharing of any installation or periodic subscriber service fees as may be necessary, convenient or desirable to provide for telecommunications, videotext, broad band cable, satellite dish, earth antenna and similar services (collectively "Telecommunications") to the Project or any Unit. However, the Board of Directors shall not enter into any contract or agreement or grant any easement, license or right of entry or do any other act or thing that will violate any provision of any federal, state or local law or ordinance. Any and all sums paid by any Telecommunications or other company or entity in connection with such service, including fees, if any, for the privilege of installing same or sharing periodic subscriber service fees, shall be receipts affecting the administration of the Condominium Project within the meaning of the Act and shall be paid over to and shall be the property of the Association.

Section 6. Other Community Easements. The Developer (or the Association after the expiration of the Development Period) shall have the right to grant any other easements on the General Common Elements that are necessary or desirable for development, community usage, coordinated maintenance and operation of the Pebble Creek of Springfield community and to confer responsibilities and jurisdiction for administration and maintenance of those easements upon the administrator of the Pebble Creek of Springfield community.

Section 7. Emergency Vehicle Access Easement. There shall exist for the benefit of the Township or any emergency service agency an easement over all roads in the Project including the Area of Future Development if and when it is added to the Project, for use by the Township and emergency vehicles for the purposes of ingress and egress to provide, without limitation, fire and police protection, ambulance and rescue services and other lawful governmental or private emergency services to the Project and Co-owners. This grant of easement is not, and shall not be deemed to be, a dedication of the Project roads, streets, driveways or land to the public.

Section 8. Reciprocal Easement for Ingress and Egress for Pine Lake Forest. There shall exist for the benefit of each Co-owner of a Unit in Pine Lake Forest (a Condominium according to the Master Deed thereof recorded at Liber 12078, Pages 320-392, Oakland County Records, and designated as Oakland County Condominium Subdivision Plan No. 737, as amended) and their respective successors-in-title, as an easement appurtenant, a perpetual nonexclusive easement and right-of-way for ingress and egress over, on and across all General Common Element roadways, boulevards, vehicle entranceways, acceleration lanes, deceleration lanes and radii within the Project, as they now exist or may exist in the future (the "Roadways"). Expressly and specifically excluded from the term "the Roadways" are the individual driveways serving the residential dwellings on the respective individual site condominium Units in the Project.

Section 9. Adjoining Property Owner's Easement. (a) The Developer reserves the right to grant to the owners of the three parcels of property described in Article VII, Section 1 (collectively, "the Adjoining Parcel") the right of ingress and egress over and across the private roads within the Project, as long as the Co-owners of Units in the Project are granted reciprocal rights of ingress and egress over roads constructed now or in the future on the Adjoining Parcel. If the owner(s) of the Adjoining Parcel are granted such rights of ingress and egress over the roads in the Project then the owner(s) of the Adjoining Parcel shall contribute to the Association a proportionate share of the cost of maintenance, repair and replacement of the roads in the Project.

(b) In connection with the development of all or any portion of the Adjoining Parcel in a manner that requires approval of the Township, the Township may require the developer(s) of the Adjoining Parcel, at the sole expense of the developer(s) of the Adjoining Parcel, to connect the roads within the Adjoining Parcel to the stub road shown on the approved site plan for Pebble Creek of Springfield, subject to the further qualifications:

(1) In all cases, irrespective of the development of the Adjoining Parcel, this connection shall be available for use by emergency vehicles, including, without limitation, police, fire, utility service, and ambulance vehicles. This connection between the Project and the Adjoining Parcel may be barricaded in such a manner between the two parcels by means of a breakaway gate of similar obstruction that will preclude unrestricted direct vehicular access but will allow use of the connection by emergency vehicles.

(2) An unrestricted connection for all vehicles may be required by the Township upon the Township's determination that the connection is necessary for adequate neighborhood or area traffic circulation, conditioned upon the following: (A) the connection shall not be the only improved means of access to a public road from the Adjoining Parcel; (B) restrictions prohibiting the passage of construction vehicles and equipment through Pebble Creek of Springfield will apply to the Adjoining Parcel; (C) the connection, for purposes of providing emergency vehicle access under Section 9(b)(1), above, will be required to be constructed as soon as the roads on the approved site plan for the Adjoining Parcel are constructed, but the connection will not be required for unrestricted permanent access by all vehicles until certificates of occupancy shall have been issued by the Township for at least 75% of the dwelling units allowed on the site plan approved by the Township for the portion of the Adjoining Parcel that will connect to Pebble Creek of Springfield; and (D) irrevocable, nonamendable restrictions on that portion of the Adjoining Parcel that will connect to Pebble Creek of Springfield shall be recorded and shall be binding upon that parcel, which restrictions shall require: (i) development of that parcel solely for single family detached residential use; (ii) minimum house size of 1,800 square feet with a garage of 400 square feet for a single story house, and minimum house size of 2,300 square feet with a garage of 400 square feet for other than a single story house; and (iii) the exterior elevation of each dwelling and garage together shall contain a minimum of 15% brick and/or stone coverage.

(c) If the connection in Section 9(b), above, is required by the Township: (1) there shall exist for the benefit of each Co-owner of a Unit in Pebble Creek of Springfield and each owner of all or any part of the Adjoining Parcel that is connected to Pebble Creek of Springfield by the road connection, and their respective successors-in-title, as easements appurtenant, reciprocal, perpetual, nonexclusive easements and rights-of-way for ingress and egress over, on and across all roadways, boulevards, vehicle entranceways, acceleration lanes, deceleration lanes and radii (but not private driveways) within the Adjoining Parcel and within Pebble Creek of Springfield, as they now exist or may exist in the future; and (2) adequate cost-

sharing provisions, as determined by the Township, shall be imposed so that the owners of all or any part of the Adjoining Parcel shall pay a portion of the costs and expenses of maintenance, repair and replacement of the roads and entranceways in Pebble Creek of Springfield reasonably related to the amount of usage of those roads by the owners of all or any part of the Adjoining Parcel, and the use of the roads in the Adjoining Parcel by the co-owners of Units in Pebble Creek of Springfield.

Section 10. Storm Water Drainage System Easement. There shall exist perpetual, nonexclusive easements in favor of the Association and the Township and their respective agents over all portions of Units and Limited Common Element land areas, as depicted in the Condominium Subdivision Plan for the Project that is attached to and made a part of this Master Deed as Exhibit B, for the construction, operation, maintenance, repair and replacement of the portions of the storm water drainage system that are located within the boundaries of Units and appurtenant Limited Common Element land areas.

Section 11. Pathway Easements. There shall exist perpetual, non-exclusive easements in favor of the Co-owners of Units in the Project over the Pathways described in Article IV, Section 4.B.2. and depicted on the Condominium Subdivision Plan for the Project for the purpose of crossing by foot (and not by vehicle, except as reasonably required by any physical disability) between the General Common Element open spaces in the Project.

ARTICLE X: AMENDMENT. This Master Deed and the Condominium Subdivision Plan may be amended with the consent of 66-2/3% of the Co-owners, except that:

Section 1. Modification of Units or Common Elements. A Unit's dimensions, and the nature, extent and the responsibility for maintenance, repair or replacement of its appurtenant Limited Common Elements may not be modified in any material way without the written consent of the Co-owner and mortgagee of that Unit.

Section 2. Mortgagee Consent. A proposed amendment that would materially alter or change the rights of mortgagees generally shall require the approval of 66-2/3% of all first mortgagees of record allocating one vote for each mortgage held.

Section 3. By Developer. Prior to 1 year after expiration of the Development Period, the Developer may, without the consent of any Co-owner or any other person, amend the Condominium Documents to correct survey or other errors and make other amendments that do not materially affect any rights of any Co-owners or mortgagees in the Project.

Section 4. Change In Percentage of Value. The value of the vote of any Co-owner, the corresponding proportion of common expenses assessed against him and the percentage of value assigned to his Unit shall not be modified without his and his mortgagee's written consent of that Co-owner and his mortgagee's consent, except as otherwise provided in the Condominium Documents.

Section 5. Termination, Vacation, Revocation or Abandonment. The Condominium Project may not be terminated, vacated, revoked or abandoned without the written consent of the Developer and 80% of non-Developer Co-owners.

Section 6. Developer Approval. During the Development Period, the Master Deed and Exhibits A and B shall not be amended or modified without the written consent of the Developer.

Section 7. Township Approval. Any provision of the Condominium Documents to the contrary notwithstanding, no provision of the Condominium Documents that grants any right of approval or other right to the Township shall be amended or revoked without the consent of the Township. Without limitation, among the provisions that may not be amended or revoked without Township approval are:

In the Master Deed: Article IV, Section 4, Subsections B and C; Article VI, introductory paragraph; Article VII, Sections 2, 3 and 5; Article VIII, Sections 1(B), 3 and 4; Article IX, Section 7; Article IX, Section 9; and Article X, Section 7.

In the Bylaws: Article II, Section 1; Article II, Section 17; and Article IV, Section 2, Subsection b., final sentence.

ARTICLE XI: ASSIGNMENT. The Developer may assign any or all of its rights or powers under the Condominium Documents or law, to another person or the Association by an appropriate written document duly recorded in the office of the Oakland County Register of Deeds.

**EXHIBIT A TO MASTER DEED
BYLAWS OF PEBBLE CREEK**

ARTICLE I: ASSOCIATION OF CO-OWNERS. Pebble Creek, a residential site condominium Project located in Springfield Township, Oakland County, Michigan, shall be administered by an Association of Co-owners which shall be a Michigan non-profit corporation (the "Association") responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Project 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 Co-owner shall be entitled to membership and no other person or entity shall be entitled to membership. The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Project available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Project. All Co-owners in the Project and all persons using or entering upon or acquiring any interest in any Unit or Common Elements shall be subject to the provision and terms set forth in the Condominium Documents.

ARTICLE II: RESTRICTIONS. All of the Units in the Condominium shall be held, used and enjoyed subject to the following limitations and restrictions:

Section 1. Residential Uses. No Unit in the Condominium shall be used for other than single-family residential purposes and the Common Elements shall be used only for purposes consistent with single-family residential use. No building or any kind shall be erected within a Unit except one private residence. The provisions of the Springfield Township Zoning Ordinance (Ordinance No 26., as amended, referred to as "the Ordinance") regarding minimum lot size, minimum floor area per dwelling unit, yard setbacks, and maximum building height shall apply to this Project. In applying these Ordinance provisions to the Project:

- A. The term "lot" as used in the Ordinance shall mean the Unit and its appurtenant Limited Common Element yard area.
- B. The term "front lot line" as used in the Ordinance shall mean the line separating the Unit's appurtenant Limited Common Element yard area from the area of the land that is a General Common Element within which a roadway is contained.
- C. The term "side lot line" as used in the Ordinance shall mean the line between a Unit's side Limited Common Elements year area and an adjoining Unit's appurtenant side Limited Common Element yard area.

Section 2. Architectural Control. An architectural control process has been established to assure that Pebble Creek is developed in the highest quality manner consistent with the design goals for the community, as described in the Rules and Regulations, which are attached to and made a part of the Master Deed as Exhibit A-1. No building, structure, landscaping or other improvement shall be erected, constructed, installed or permitted to remain on any Unit or elsewhere in the Project unless it has been approved by the Developer in accordance with the Rules and Regulations and also complies with the other restrictions and requirements of the Condominium Documents. No alteration, modification, substitution or other variance from the designs, plans, specifications and other materials that have been approved by the Board of Directors shall be permitted without the Board of Director's written approval of that variance, regardless of the reasons for the variance.

Section 3. Alterations and Modification of Units and Common Elements. No Co-owner shall make alterations, modifications or changes on any of the Units or Common Elements without the express written approval of the Board of Directors. No Co-owner shall restrict access to any utility line or any other element that must be accessible to service the Common Elements or that affects an Association responsibility in any way. No lawn ornaments, sculptures or statues shall be placed or permitted to remain on any Unit, except that holiday decorations shall be permitted subject to the Rules and Regulations of the Association as they may from time to time be amended, unless approved in writing by the Board of Directors.

Section 4. Activities. No improper, unlawful, noxious or offensive activity or an activity that is or may become an annoyance or a nuisance to the Co-owners shall be carried on in any Unit or upon the Common Elements. No

unreasonably noisy activity shall occur in or on the Common Elements or in any Unit at any time. Disputes among Co-owners arising as a result of this provision that cannot be amicably resolved shall be arbitrated by the Board of Directors. No Co-owner shall do or permit anything to be done or keep or permit to be kept in his or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Board of Directors. A Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance or any such condition on his Unit, if approved. Activities deemed offensive and expressly prohibited include, but are not limited to, the following: Any activity involving the use of firearms, air rifles, pellet guns, B-B guns, bows and arrows, or other similar dangerous weapons, projectiles or devices, burning of trash or leaves, installation or operation of electronic insect killers or operation of flood or other bright lights which are an annoyance to an adjacent resident.

Section 5. Pets. No animals, other than household pets, shall be maintained by any Co-owner. Those pets shall be cared for and restrained so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal may be permitted to run loose at any time upon the Common Elements. All animals shall at all times be leashed and attended by some responsible person while on the Common Elements. No savage or dangerous animal shall be kept. Any Co-owner who causes any animal to be brought or kept upon the premises of the Condominium shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as the result of the presence of that animal on the premises, whether or not the Association has given its permission. Each Co-owner shall be responsible for collection and disposition of all fecal matter deposited by any pet maintained by such Co-owner. No dog that barks and can be heard on any frequent or continuing basis shall be kept in any Unit or on the Common Elements even if permission was previously granted to maintain the pet on the premises. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article V of these Bylaws if the Association determines that assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association may, without liability to the Owner, remove or cause to be removed from the Condominium any animal that it determines to be in violation of the restrictions imposed by this Section. The Association shall have the right to require that any pets be registered with it and may adopt additional reasonable rules and regulations with respect to animals as it deems proper. The Board of Directors of the Association may assess fines for violations of this Section in accordance with these Bylaws and in accordance with duly adopted Rules and Regulations of the Association.

Section 6. 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 duly adopted Rules and Regulations of the Association. No flagpole or exterior radio, television aerial, antenna, satellite dish or other reception or transmission device shall be placed, constructed, altered or maintained on any Unit or Common Element without the prior written consent of the Board of Directors, which the Board of Directors may withhold in its sole discretion. Trash shall be stored out of sight in standard receptacles specified by the Board of Directors, and placed at the curb for trash pickup no sooner than the evening before the collection day. If the Township of Springfield does not provide for trash collection, then Co-owners shall contract with a single company selected by the Association in order to obtain a better rate and limit trash collection to a single day per week. Trash receptacles shall be removed as soon as possible after trash collection. If trash containers are stored outside, the storage location must be visually screened and approved by the Board of Directors in writing. No refuse pile, compost heap or other unsightly or objectionable materials shall be allowed to remain on any Homesite. Refuse, ashes, building materials, garbage or debris of any kind shall be treated in a manner that is not offensive or visible to any other Co-owners in the Condominium. The Common Elements and Units shall not be used in any way for the drying, shaking or airing of clothing or other fabrics. All portions of window treatments, including, but not limited to, curtains, drapes, blinds and shades, visible from the exterior of any dwelling shall be made of or lined with material which is white or off-white in color or blends with the exterior of the residence. In general, no activity shall be carried on nor condition maintained by a Co-owner, either in his Unit or upon the Common Elements, that is detrimental to the appearance of the Condominium. Without written approval by the Association, no Co-owner shall change in any way the exterior appearance of the residence and other improvements and appurtenances located on his Unit. In connection with any maintenance, repair, replacement, decoration or redecoration of such residence, improvements or appurtenances, no Co-owner shall modify the design, material or color of any item including, without limitation, windows, doors, screens, roofs, siding or any other component which is visible from a Common Element or other Unit.

Section 7. Vehicles. Except as provided in subsections F and G below:

- A. No house trailers, trucks, pick-up trucks, commercial vehicles, boat trailers, aircraft, boats, camping vehicles, camping trailers, motorcycles, all-terrain vehicles, snowmobiles, passenger vans, snowmobile trailers or vehicles, other than automobiles or vehicles used primarily for general personal transportation purposes, may be parked upon the premises of the Condominium unless in garages.
- B. No inoperable vehicles of any type may be stored outdoors under any circumstances.
- C. Commercial vehicles and trucks shall not be parked in or about the Condominium except during deliveries or pickups in the course of business.
- D. The Association may require Co-owners to register with the Association all cars maintained on the Condominium Premises.
- E. No motorcycles, snowmobiles or vehicles designed primarily for off-road use shall be used, maintained or operated in the Condominium or on its roads.
- F. Boats, boat trailers, campers, and recreational vehicles primarily designed as temporary living quarters for recreational, camping, or travel use, which either has its own mode of power or is mounted on or drawn by another vehicle which is self-powered, or flatbed trailers used to transport snowmobiles or similar vehicles, are permitted to be outside of a fully enclosed building for a period not to exceed forty-eight hours twice a year.
- G. Construction trailers may be parked upon a Unit or the premises of the Condominium only during the period of active construction on the Unit. Such vehicles and equipment shall be parked, where possible, where they are least noticeable to neighboring units and street traffic. Such vehicles and equipment may be parked only while a current building permit is in effect for the Unit and in no event for a period greater than one year, unless such period is extended by the Board in its sole discretion.

Section 8. Advertising. No signs or other advertising devices of any kind that are visible from the exterior of a Unit or on the Common Elements, including any "For Sale" signs other than standard size "For Sale" signs customarily employed by real estate brokers and builders in Springfield Township shall be displayed without written permission from the Association. The size, location, color and content of any sign permitted by the Board of Directors shall be as specified by the Board of Directors.

Section 9. Rules and Regulations. The Board of Directors of the Association may make Rules and Regulations from time to time to reflect the needs and desires of the majority of the Co-owners in the Condominium. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws concerning the use of the Common Elements may be made and amended from time to times by any Board of Directors of the Association. Copies of all rules, regulations and amendments shall be furnished to all Co-owners.

Section 10. Right of Access of Association. The Association or its duly authorized agents shall have access to each Unit and its appurtenant Limited Common Elements, during reasonable working hours, upon notice to the Co-owner, as necessary to carry out any responsibilities imposed on the Association by the Condominium Documents. The Association or its agents shall also have access to Units and appurtenant Limited Common Elements as necessary to respond to emergencies. The Association may gain access in any manner reasonable under the circumstances and shall not be liable to a Co-owner for any resulting damage to his Unit and appurtenant Limited Common Elements. This provision, in and of itself, shall not be construed to permit access to the interiors of residences or other structure.

Section 11. Common Element Maintenance. Yard, landscaped areas, driveways, and parking areas shall not be obstructed and shall not be used for purposes other than that for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or other obstructions may be left unattended on the Common Elements. Each Co-owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by him, or his family, guests, agents or invitees, except to the extent those damages or costs are covered and reimbursed by insurance carried by the Association. Any costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article V.

Section 12. Co-owner Maintenance.

- A. Unit. Each Co-owner shall maintain his Unit and the improvements thereon in a safe, clean and sanitary condition, and in accordance with the following standards:
- (1) The foundations and the foundation walls of every building or structure, or part of a building or structure, within a Unit shall be structurally sound and maintained in that condition so that any masonry cracks are grouted, walls, joists, beams or other exposed wooden members are waterproofed, and so that there is adequate sub-soil drains at footing levels.
 - (2) The exterior walls of every building or structure, or part of a building or structure, within a Unit must be structurally sound, weatherproof and free of loose and unsecured objects and materials, improperly secured objects and materials shall be either removed, replaced or repaired.
 - (3) All brick and stone work, cornices, walls, trim, wall facings and similar decorative features shall be maintained in good repair and safe condition with proper anchorage.
 - (4) The exterior wall of every building and structure within a Unit shall be properly painted or otherwise treated.
 - (5) The roof of every building or structure within a Unit shall be structurally sound, weatherproof, and free of loose or unsecured objects and materials and excessive accumulations of ice and snow. Improperly secured objects and materials shall be either removed, repaired or replaced.
 - (6) All roof lashing, gutters, valleys, eaves troughs and downpipes shall be secured, free of rust and maintained in a serviceable condition.
 - (7) All soffit and fascia components of a building shall be secured and maintained in good repair and properly painted or otherwise treated.
 - (8) The exterior doors, windows and exterior trim of every building or structure, or part of a building or structure, within a Unit shall be maintained in good standard of repair, properly fitted to prevent the entrance of the elements, and painted or otherwise treated to maintain an attractive appearance and provide protection against decay and rust.
 - (9) Grass should be mowed and trimmed on a regular basis during the growing season. All crab grass, dandelions, and tall weeds over six inches in height and overgrown vines should be trimmed or removed. Grass clippings shall be kept within the boundaries of the Unit and in no event shall grass clippings intentionally be allowed to be blown or deposited in any of the roadways of the condominium.

Section 13. Reserved Rights of the Association.

- A. **Prior Approval by Developer.** The purpose of this Section is to assure the continued maintenance of the Condominium as a beautiful and harmonious resident development. This Section shall be binding upon the Association and all Co-owners. No buildings, fences, walls, retaining walls, drives, walks or other structures or improvements shall be commenced, erected, maintained, and no additional to, or change or alteration to any structure shall be made (including in color or design), except interior alteration that do not affect structural elements or any Unit, and no hedges, trees or substantial planting or landscaping modification shall be made, until plans and specification, acceptable to the Board of Directors, showing the nature, kind, shape, height, materials, color scheme, location and approximate cost of the structure or improvement and the grading or landscaping plan of the area to be affected shall have been submitted to and approved in writing by the Board of Directors, its successors or assigns, and a copy of the plans and specification, as finally approved, lodged permanently with the Board of Directors. The Board of Directors shall have the right to refuse to approve any plan or specifications, or grading or landscaping plans that are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing upon the plans, specification, grading or landscaping, it shall

have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed, and the degree of harmony with Condominium as a whole.

- B. Enforcement of the Bylaws.** The Association shall have the responsibility and the obligation to enforce the provision contained in these Bylaws including the restrictions set forth in Article II. The Project shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private, residential community for the benefit of the Co-owners and all persons having an interest 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 those high standards, a Co-owner may elect to maintain, repair and replace any Common Elements and to do any landscaping required by these Bylaws and to charge the cost to the Association as an expense of administration.

Section 14. Leasing and Rental

- A. Right to Lease.** A Co-owner may lease or sell his Unit for the same purposes set forth in Section 1 of this Article II subject to the provisions of subsection (B) below. No Co-owner shall lease less than an entire Unit in the Condominium. No tenant shall be permitted to occupy except under a lease having an initial term of at least six months unless approved in writing by the Association. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents.
- B. Leasing Procedures.** The leasing of Units in the Project shall conform to the following provisions:
- (1) A Co-owner desiring to rent or lease a Unit, shall disclose that fact in writing to the Association and shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents at least 10 days before presenting a lease form to a potential tenant.
 - (2) 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.
 - (3) If the Association determines that the tenant or non-owner occupant has failed to comply with the conditions of the Condominium Documents, then:
 - (a) The Association shall notify the Co-owner by certified mail of the alleged violations by the tenant.
 - (b) The Co-owner shall have 15 days after receipt of the notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.
 - (c) If after 15 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 Co-owners on behalf of the Association, if it is under the control of the Developer, an action for eviction against the tenant or non-owner occupant and simultaneously for money damages in the same action against the Co-owner and tenant or non-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages to the Common Elements caused by the Co-owner or tenant.
 - (4) When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not constitute a breach of the rental agreement or lease by the tenant.

Section 15. Notification of Sale. A Co-owner intending to make a sale of his Unit shall notify the Association in writing at least 21 days before the closing date of the sale and shall furnish the name and address of the intended purchaser and other information reasonably required by the Association. The purpose of this Section is to enable the Association to be aware at all times of the identities of all persons owning or occupying a Unit and to facilitate communication with them regarding the rights, obligations and responsibilities under the Condominium Documents. Under no circumstances shall this provision be used for purposes of discrimination against any owner, occupant or prospective owner on the basis of race, color, creed, national origin, sex or other basis prohibited by law.

Section 16. Incorporation of Rules and Regulations. The Rules and Regulations adopted by the Association, as amended from time to times, are hereby made a part of these Bylaws as if fully set forth in these Bylaws, and may be enforced by the Association as if a part of the Bylaws.

Section 17. Nondisturbance of Wetlands and Open Space. Except as shown on the plans approved by the Township, the General Common Element land areas, including all required open space and wetlands, shall remain in their natural state and shall not be altered or disturbed by either the Co-owners or the Association without Township and Association approval and without first obtaining all other necessary federal, state and local permits. Large portions of the land in the project are greenspace and wetlands, some of which may be protected by state and federal law. Under these laws, any disturbance of a wetland may be done only after a permit has been obtained from the agency having jurisdiction over wetlands (currently the Michigan Department of Natural Resources). Penalties for noncompliance are substantial. The Association will assess substantial fines and penalties and will seek recovery of money damages and other remedies, as provided in the Condominium Documents, for violations of the provisions of this Section. It shall be the duty of the Association to preserve the wetlands by enforcement of this Section.

Section 18. Construction Traffic. No Co-owner or his or her contractors, subcontractors, laborers, suppliers or other agents shall use the roads in Pine Lake Forest, a condominium project adjacent to this Project, for the purpose of access for construction traffic for site improvements, residential dwelling construction or other Unit or common element improvements in the Project.

Section 19. Public Health Requirements. The Oakland County Health Division requires inclusion of the following provisions in these Bylaws. No Homesite shall be used for other than single family residential use. Permits for the installation of wells and on-site sewage disposal systems shall be obtained from the Oakland County Health Division, Department of Institutional and Human Services of Oakland County ("the Health Division") prior to any construction on a Homesite. When deemed necessary due to soil conditions, configuration of the Homesite or Unit, or grade, an engineered plan for a septic design may be required for on-site sewage disposal. Such plans, if required, must be submitted for review and approval prior to issuance of an on-site sewage disposal permit. Dwellings in the Project shall be served by a potable water supply system. All wells on individual Homesites shall be drilled by a well driller registered by the State of Michigan, and must penetrate an adequate protective clay overburden or aquaclude. To accomplish this, the well must be to a depth of 100 feet to 150 feet or more. All wells shall be completely grouted. A completed well log from for each potable well shall be submitted to the Health Division within 60 days following completion of the well. The Association Board of Directors shall have the authority to bind the Project to participation in a municipal water and/or sewer system. Each Co-owner shall own and shall be solely responsible for the installation, maintenance, repair and replacement of the well/water supply system and the septic tank/drainfield/sanitary disposal system serving his or her Unit, and the Association shall have no financial responsibility or other duty with respect to those systems or items; all prospective Co-owners are hereby advised of and agree to this requirement. Septic systems must be in close proximity to the Unit serviced by that system.

Section 20. Satellite Dishes and Related Devices. Notwithstanding any other provision of the Master Deed, Bylaws, and Rules and Regulations, the following provisions shall govern regulation of satellite dishes and related devices within the condominium:

- A. This subsection applies to devices designed to receive video programming services or other information through devices designed for over the air reception and includes, antennas and the device known as the "satellite dish."
- B. Devices allowed under this provision shall include the following:

- (1) A “dish” antenna that is one meter or less in diameter and is designed to receive correct broadcast satellite service, including direct-to-home satellite service, or to receive or transmit fixed wireless signals via satellite.
 - (2) An antenna that is one meter or less in diameter or diagonal measurement and is designed to receive video programming services via capital MMDS (wireless cable) or to receive or transmit fixed wireless signals other than via satellite.
 - (3) An antenna that is designed to receive local television broadcast signals. The antennas as covered by this rule may be mounted on “masts” to receive the height needed to receive or transmit an acceptable quality signal.
- C. No such device shall be allowed without prior association approval if the device encroaches in whole or in part on any of the general common elements of the condominium.
 - D. A co-owner may install such a device within the boundaries of a Unit or the limited common element appurtenant to that Unit, subject to compliance with this subsection.
 - E. For a device described in paragraph D above, prior association approval is not required; however, such device shall comply with the following restrictions:
 - (1) The device must be located in the side yard or rear yard of the Unit or the Unit’s appurtenant limited common element. The dish shall not be allowed in the front yard of the Unit, defined as that area between a roadway and a parallel line running through the front of the Unit, and extending across the entire width of the appurtenant limited common element.
 - (2) The co-owner shall notify the association prior to installation of the device.

ARTICLE III: RECONSTRUCTION AND REPAIR.

Section 1. Association Responsibility for Repair. Immediately after the occurrence of a casualty causing damage to a General Common Element, 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 or after completion of the reconstruction or repair, the funds for the payment of the cost are insufficient, assessment shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair.

Section 2. Timely Reconstruction and Repair. If damage to the General Common Elements adversely affects the safety, appearance or utility of the Project, the Association shall proceed with replacement of the damaged property without delay.

Section 3. Co-owner’s Responsibility. Each Co-owner shall be responsible for all maintenance, repair and replacement required within his Homesite and appurtenant Limited Common Elements.

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

- A. **Taking of Unit or Improvements Thereon.** If all or any portion of a Unit or any improvements on a Unit are taken by eminent domain, then the award for that taking shall be paid to the Co-owner and mortgagee of the Unit as their interests may appear, despite any contrary provision of the Act. If a Co-owner’s entire Unit is taken by eminent domain, then that Co-owner and his mortgagee shall, after acceptance of the condemnation award, be divested of all interest in the Project.
- B. **Taking of General Common Elements.** If there is any taking of any portion of the General Common Elements, the condemnation proceeds from that taking shall be paid to the Co-owners and their mortgagees in proportion to their respective interests in the Common Elements and the affirmative vote of more than 50% of the Co-owners in number and in value shall determine whether to rebuild, repair or replace the portion taken or to take any other action they deem appropriate.
- C. **Continuation of Condominium After Taking.** If the Project continues after taking by eminent domain, then the remaining portion of the Project shall be resurveyed and the Master Deed amended

accordingly. If any Unit has been taken, then Article V of the Master Deed shall also be amended to reflect that taking and to readjust the percentages of value of the remaining Co-owners proportionally, based upon a continuing value of 100% for the Condominium. That amendment may be made by an officer of the Association authorized by the Board of Directors without execution or approval by any Co-owner.

- D. **Notification of Mortgagees.** If all or a part of a Unit or Common Elements is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the Association shall promptly notify each institutional holder of a first mortgage of any Unit in the Condominium.
- E. **Applicability of the Act.** To the extent not inconsistent with these Bylaws, Section 133 of the Act shall control upon any taking by eminent domain.

Section 5. Priority of Mortgagee Interests. Nothing contained in the Condominium Documents shall be construed to give a Co-owner or any other party priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Co-owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units or Common Elements.

ARTICLE IV: INSURANCE.

Section 1. Extent of Coverage. The Association shall, to the extent appropriate in light of the nature of the General Common Elements of the Project, carry all risk insurance coverage, liability insurance (in a minimum amount to be determined by the Developer or the Association in its discretion, but in no event less than \$1,000,000 per occurrence), officers' and directors' liability insurance, workmen's compensation insurance, if applicable, and any other insurance the Association may deem applicable, desirable or necessary, and pertinent to the ownership, use and maintenance of the General Common Elements. That insurance shall be carried and administered in accordance with the following provisions:

- A. **Responsibilities of the Association.** All insurance shall be purchased by the Association for the benefit of the Association, the Board of Directors and the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgage endorsements to the mortgagees of Units.
- B. **Insurance of Common Elements.** All General Common Elements of the Project shall be insured against fire and other perils covered by a standard extended coverage endorsement, if applicable and appropriate, in an amount equal to the current insurable replacement value, excluding foundation and excavation costs, if any, as determined annually by the Board of Directors of the Association. The Association shall not be responsible for maintaining insurance with respect to Limited Common Elements, Units, and structures on and improvements and appurtenances to Units, Limited Common Elements and Homesites.
- C. **Premium Expenses.** All premiums on insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.
- D. **Proceeds of Insurance Policies.** Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association and the Co-owners and their mortgagees, as their interest may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article III 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 that repair or reconstruction.

Section 2. Authority of Association to Settle Insurance Claims. Each Co-owner, by ownership of a Unit in the Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Project and the General Common Elements, with all insurers that provide insurance for the Project, including the full power and authority to purchase and maintain insurance, to collect and remit premiums, to collect and distribute proceeds to the Association, the Co-owners and 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 the Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the provisions of this Article.

Section 3. Responsibilities of Co-owners. Each Co-owner shall be responsible for obtaining all risk insurance coverage with respect to the building and all other improvements constructed or to be constructed within the perimeter of Co-owner's Unit and for his personal property located on that Unit or elsewhere on the Project. There is no responsibility on the part of the Association to insure any of those improvements whatsoever. Each Co-owner also shall be obligated to obtain insurance coverage for his personal liability for occurrences within the perimeter of his Homesite and appurtenant Limited Common Elements (naming the Association as additional insureds), and also for any other personal insurance coverage that the Co-owner wishes to carry. Each Co-owner shall deliver certificates of insurance to the Association from time to time to evidence the continued existence of all insurance required to be maintained by the Co-owner. If a Co-owner fails to obtain or provide evidence of that insurance, then the Association may, but is not required to, obtain that insurance on behalf of the Co-owner, and the premiums for that insurance shall constitute a lien against the Co-owner's Unit and may be collected from the Co-owner in the same manner that Association assessments may be collected in accordance with Article V. Each Co-owner shall also be obligated to obtain insurance from an insurer identified by the Association in the event the Association elects to make that designation.

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

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

ARTICLE V: ASSESSMENTS. All expenses arising from the management, administration and operation of the Association in carrying out its authority and duties as set forth in the Condominium Documents and the Act shall be levied by the Association against the Units and the Co-owners in accordance with the following provisions:

Section 1. Assessments for Common Elements. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the Common Elements of the administration of the Project shall be expenditures affecting the administration of the Project, and all sums received as the proceeds of, or pursuant to, any policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Project shall be receipts affecting the administration of the Project, within the meaning of Section 54(4) of the Act. If snow removal is not performed by a governmental body, the Association reserves the right to contract for the removal of snow from paved areas located within General Common Element areas except the approaches of individual driveways servicing the Units. The cost of snow removal shall be an expense of administration of the Project.

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

- A. Budget.** The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year. The budget shall project all expenses for the coming year that may be required for the proper operation, management and maintenance of the Project, including a reasonable allowance for reserves and contingencies. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular payments as set forth in Section 3 below rather than by special assessments. At a minimum, the reserve fund shall be equal to 10% of the Association's current annual budget on a noncumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular project, the Association of Co-owner should carefully analyze the Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner and the assessment for the year

shall be established based upon the budget. The failure to deliver a copy of the budget to each Co-owner shall not affect or in any way diminish the liability of any Co-owner for any existing or future assessments. If the Board of Directors decides, in its sole discretion, that the assessments levied are or may be insufficient to pay the costs of operation and management of the Condominium, then it shall have the authority to increase the general assessment or to levy additional assessments that it deems necessary. 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 its members, and shall not be enforceable by any creditors of or members of the Association.

- B. Special Assessments.** Special assessments, in addition to those required in subparagraph A, above, may be made by the Board of Directors for time to time and approved by the Co-owners as provided below to meet other requirements of the Association, including, but not limited to: (1) assessments for additions to the Common Elements of a cost exceeding \$2000.00 for the entire Project per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5, or (3) assessments for any other appropriate purpose not described elsewhere in these Bylaws. Special assessments referred to in this subparagraph B (but not including those assessments referred to in subparagraph A, above, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than 60% of all Co-owners in number. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and its members and shall not be enforceable by any creditors of or members of the Association. This Section shall not apply to assessments levied by the Township pursuant to applicable provisions of the Master Deed.

Section 3. Apportionment of Assessments and Penalty for Default. Unless otherwise provided in these Bylaws or in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with the percentage of value allocated to each Unit in Article V of the Master Deed. Payment of an assessment shall be on a monthly, quarterly, semiannual or annual basis, as determined by the Association. The payment of an assessment shall be in default if all or any part of that assessment is not paid to the Association in full on or before its due date. The Association may assess reasonable automatic late charges or may, under Article XIX, Section 4, levy fines for late payment. Each Co-owner (whether 1 or more persons) shall be and remain personally liable for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment) pertinent to his Unit that are levied while he is the owner. However, a land contract purchaser from any Co-owner shall be so personally liable and a land contract seller shall not be personally liable for all assessments levied up to and including the date upon which the land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorney's fees; second, to any interest charges and fines for late payment on installments; and third, to installments in default in order of their due dates.

Section 4. Waiver of Use or Abandonment of Unit. No Co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit.

Section 5. Enforcement.

- A. Remedies.** In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable.
- B. Foreclosure Proceedings.** Each Co-owner, and every other person who has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing 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 made a part of these Bylaws for the purposes of

establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to those actions. Further, each Co-owner and every other person who has any interest in the Project shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of that sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Project acknowledges that at the time of acquiring title to his Unit, he was notified of the provisions of this subparagraph and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit.

- C. Notice of Action.** Neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of 10 days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or their last known address, a written notice that 1 or more installments of the annual assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies if the default is not cured within 10 days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney's fees and future assessments), (iv) the legal description of the subject Units(s), and (v) the name(s) of the Co-owner(s) of record. The affidavit shall be recorded in the office of the Oakland County Register of Deeds prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing. If the delinquency is not cured within the 10-day period, the Association may take any remedial action available to it under these Bylaws or Michigan law. If the Association elects to foreclose the lien by advertisement, then the Association shall so notify the delinquent Co-owner and shall inform him that he may request a judicial hearing by bringing suit against the Association.
- D. Expenses of Collection.** The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorney's fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on his Unit.

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

Section 7. Statement as to Unpaid Assessments. The purchaser of any Unit may request a statement of the Association as to the amount of any unpaid Association assessments thereon, whether regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement under which the purchaser holds the right to acquire a Unit, the Association shall provide a written statement of the unpaid assessments that exist or a statement that none exist. That statement shall be binding upon the Association for the period stated. Upon the payment of that sum within the period stated, the Association's lien for assessments as to that Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such a statement at least 5 days prior to the closing of the purchase of the Unit shall render any unpaid assessments and the lien securing them fully enforceable against the purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and the proceeds of sale prior to all claims except real property taxes and first mortgages of record.

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

Section 9. Personal Property Tax Assessment of Association Property. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and those personal property taxes shall be treated as expenses of administration.

Section 10. Construction Lien. 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 VI: 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 an disputes, claims or grievances arising among or between the Co-owners and the Association, upon the election and written consent of the parties to those 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 the arbitration), and upon written notice to the Association, shall be submitted to arbitration and the parties 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 then in effect shall be applicable to any arbitration.

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

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

ARTICLE VII: MORTGAGES.

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

Section 2. Insurance. The Association shall notify each mortgagee appearing in that 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 the coverage.

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

ARTICLE VIII: VOTING.

Section 1. Vote. Except as limited in these Bylaws, each Co-owner shall be entitled to one vote for each Condominium Unit owned.

Section 2. Eligibility to Vote. No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Project to the Association. The vote of each Co-owner may be cast only by the individual representative named by the Co-owner in the notice required in Section 3 of this Article VIII or by a proxy given by that representative.

Section 3. Designation of Voting Representative. Each Co-owner shall file a written notice with the Association naming an individual representative to vote at meetings of the Association and receive all notices and other communications from the Association on behalf of the Co-owner. The notice shall state the name and address of the representative, the number(s) of the Condominium Unit(s) owned by the Co-owner, and the name and address of each person or other entity who is the Co-owner. The notice shall be signed and dated by the Co-owner. The name representative may be changed by the Co-owner at any time by filing a new notice in the same manner.

Section 4. Quorum. The presence in person or by proxy of 35% of the Co-owners in number and in value 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 or electronic vote of any person furnished at or prior to any duly called meeting at which that person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

Section 5. Voting. Votes may be cast only in person, by the electronic means designated by the Board of Directors or by a writing duly signed by the named voting representative not present at a given meeting in person or by proxy. Proxies and any written or electronic 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 6. Majority. A majority, except where otherwise provided, shall consist of more than 50% in value of those qualified to vote, present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. If expressly provided in these Bylaws, a majority may be required to exceed a simple majority.

ARTICLE IX: MEETINGS.

Section 1. Place of Meeting. Meetings of the Association shall be held at the principal office of the Association or at another suitable, convenient place 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. Annual Meetings. Annual meetings of members of the Association shall be held annually after the year in which the First Annual Meeting is held, at a time and place determined by the Board of Directors. At those meetings the Co-owners shall elect by ballot a Board of Directors in accordance with Article XI of these Bylaws. The Co-owners may also transact other business of the Association that properly comes before them.

Section 3. Special Meetings. The President shall call a special meeting of the Co-owners if directed by resolution of the Board of Directors or upon a petition signed by one-third (1/3) of the Co-owners presented to the Secretary of the Association. Notice of any special meeting shall state the time, place and purposes of the meeting. Only the business stated in the notice shall be transacted at a special meeting.

Section 4. Notice of Meetings. The Secretary shall (or other Association officer in the Secretary's absence) serve a notice of each annual or special meeting, stating the purpose, time and place of the meeting upon each Co-owner of record at least 10 days but not more than 60 days prior to the meeting. The mailing of a notice to each named representative at his address shown in the notice required by Article VIII, Section 3, shall be deemed notice served. Any member may waive notice or request that the notice be made electronically in writing. The waiver, when filed in the records of the Association, shall be deemed due notice.

Section 5. Adjournment. If any meeting of Co-owners cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

Section 6. Order of Business. The order of business at all meeting of the members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) appointment of inspectors of election (at meetings held for the purpose of electing Directors or officers); (g) election of Directors (at meetings held for that purpose); (h) unfinished business; and (i) new business. Meetings of members shall be chaired by the most senior officer of the Association present at the meeting. For purposes of this Section, the order of seniority of officers shall be President, Vice President, Secretary/Treasurer.

Section 7. Action Without Meeting. Any action that 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 or electronic ballot of the members. Ballots shall be solicited in the same manner as provided in Section 5 for the giving of notice of meetings of members. Solicitations shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted.

The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in that manner. Approval by written ballot shall be constituted by receipt, within the specified time period of (i) a number of ballots that equals or exceeds the quorum that would be required if the action were taken at a meeting; and (ii) a number of approvals that equals or exceeds that number of votes that 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 8. Consent of Absentees. The transactions at any meeting of members, either annual or special, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy; and if, either before or after the meeting, each of the members not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of that meeting, or an approval of the minutes. All waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

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 in the minutes. A recitation in the minutes of a meeting that notice of the meeting was properly given shall be prima facie evidence that proper notice was given.

ARTICLE X: ADVISORY COMMITTEE. The Board of Directors may establish a Co-owners advisory committee.

ARTICLE XI: BOARD OF DIRECTORS.

Section 1. Number and Qualification of Directors. The Board of Directors shall consist of 3 members, all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association, except for the first Board of Directors. Directors shall serve without compensation.

Section 2. Election of Board of Directors. Elections for Co-owner Directors shall be held as provided in Section 52 of the Act. At the First Annual Meeting 2 Directors shall be elected for a term of 2 year and 1 Director shall be elected for a term of 1 year. At that meeting all nominees shall stand for election as 1 slate and the 2 persons receiving the highest number of votes shall be elected for a term of 2 years and the person receiving the next highest number of votes shall be elected for a term of 1 year. At each subsequent annual meeting, either 1 or 2 Directors shall be elected depending upon the number of Directors whose terms expire. After the First Annual Meeting, the term of office (except for 2 of the Directors elected at the First Annual Meeting) of each Director shall be 2 years. The Directors shall hold office until their successors have been elected and hold their first meeting. Once the Co-owners have acquired the right to elect a majority of the Board of Directors, annual meetings of Co-owners to elect Directors and conduct other business shall be held in accordance with the provisions of Article IX, Section 3.

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

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

- A. To enforce the provision of the all Condominium Documents.
- B. To manage and administer the affairs of and to maintain the Project and the Common Elements.
- C. To levy and collect assessments from the members of the Association and to use the proceeds for the purposes of the Association.
- D. To carry insurance and collect and allocate the insurance proceeds.
- E. To rebuild Common Element improvements after casualty.
- F. To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Project.

- G. To acquire, maintain and improve, buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit in the Condominium and easements, rights-of-way and licenses) on behalf of the Association in carrying out the purposes of the Association.
- H. To borrow money and issue evidences of indebtedness in carrying out the purposes of the Association, and to secure them by mortgage, pledge, or other lien on property owned by the Association, but only if those actions are approved by affirmative vote of 75% of all of the members of the Association in number and in value.
- I. To make rules and regulations in accordance with these Bylaws.
- J. To establish and appoint members to any committees it deems necessary, convenient or desirable for the purpose of implementing the enforcement and administration of the Condominium and to delegate to those committees any functions or responsibilities that are not required by law or the Condominium Documents to be performed by the Board.

Section 5. Management Agent. The Board of Directors may employ for the Association a professional management agent at reasonable compensation established by the Board of Directors to perform the duties and services that the Board authorizes, including, but not limited to, the duties listed in Sections 3 and 4 of this Article. The Board may delegate the management agent any other duties or powers that are not required by law or by the Condominium Documents to be performed by or have the approval of the Board of Directors or the members of the Association. All service and management contracts shall comply with Section 55 of the Act.

Section 6. Vacancies. Vacancies in the Board of Directors that 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. Each Director elected shall serve until a successor is elected at the next annual meeting of the members of the Association. Vacancies among Co-owner elected Directors that occur prior to the Transitional Control Date may be filled only through election by Co-owners and shall be filled in the manner specified in Section 2(B) of this Article.

Section 7. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Directors may be removed with or without cause by the affirmative vote of more than 50% in number of all of the Co-owner and a successor may then and there be elected to fill the resulting vacancy. The quorum requirement for the purpose of filling that vacancy shall be the normal 35% requirement set forth in Article VIII, Section 4. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting.

Section 8. First Meeting. The first meeting of a newly elected Board of Directors shall be held within 10 days of election at the place designated by the Directors at the meeting at which they were elected; no notice to those Directors shall be necessary in order to hold that meeting if a majority of the whole Board shall be present.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at the times and places determined by a majority of the Directors. At least two regular 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 email, at least 10 days prior to the date named for the meeting.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on 3 days' notice to each Director given personally, by mail, telephone or email, of the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in the same manner on the written request of a Director.

Section 11. Action Without Meeting. Any action that may be taken at a meeting of the Board of Directors (except for the election or removal of Directors) may be taken without a meeting by written or electronic ballot of the members. Ballots shall be solicited in the same manner as provided in Section 9 for the giving of notice of meetings of the Board of Directors. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in that manner. Approval by written ballot shall be constituted by receipt, within the specified time period of (i) a number of ballots that equals or exceeds the quorum that would be required if the action were taken at meeting; and (ii) a number

of approvals that equals or exceeds that number of votes that 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 12. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of the meeting. That waiver shall be equivalent to the giving of notice. Attendance by a Director at any meetings of the Board shall be deemed a waiver of notice by him. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at the meeting.

Section 13. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business. 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, a quorum is not present, then the majority of those present may adjourn the meeting to a subsequent time upon 24 hours' prior written notice delivered to all Directors not present. At any adjourned meeting, any business that 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, shall constitute the presence of that Director for purposes of determining a quorum.

Section 14. First Board of Directors. The actions of the first Board of Directors of the Association or its successors selected or elected before the Transitional Control Date shall be binding upon the Association as long as its actions are within the scope of the powers and duties that may be exercised generally by the Board of Directors as provided in the Condominium Documents.

Section 15. 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 the 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-Treasurer.

- A. President.** The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Board of Directors. He or she shall have all of the general powers and duties which are usually vested in the office of the President of an association.
- B. Vice President.** The Vice President shall take the place of the President and perform his or her duties whenever the President is 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 act on an interim basis.
- 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; he or she shall have charge of the corporate seal, if any, and of those books and papers as the Board of Directors may direct; and he or she shall, in general, perform all duties incident to the office of 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. He or she 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 the depositories 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. His or her successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for that purpose. No removal action may be taken unless the matter is included in the notice of the 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 those other duties, powers and responsibilities authorized by the Board of Directors.

ARTICLE XIII: SEAL. The Association may (but need not) have a seal. If the Board determines that the Association shall have a seal, then it shall have inscribed on it 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, a specification of the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. All Association records shall be open for inspection by the Co-owners and their mortgagees during ordinary working hours. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors. The auditors need not be certified public accountants and the audit need not be a certified audit. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of the annual audited financial statement within 90 days following the end of the Association’s fiscal year upon request. Audit and accounting expenses shall be expenses of administration.

Section 2. Fiscal Year. The fiscal year of the Association shall be the calendar year. The commencement date of the fiscal year shall be subject to change by the Directors for accounting reasons or other good cause.

Section 3. Bank. Funds of the Association shall be initially deposited in a bank or savings association designated by the Board of Directors and shall be withdrawn only upon the check or order of the officers, employees or agents designated by resolution of the Board of Directors. The funds may be invested in accounts or deposit certificates of a bank or savings association insured by the Federal Deposit Insurance Corporation or 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 actual and reasonable counsel fees and amounts paid in settlement, incurred by or imposed upon him or her in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal, to which he or she may be a party or in which he or she may become involved by reason of his or her being or having been a director or officer of the Association, whether or not he or she is a director or officer at the time the expenses are incurred, except as otherwise prohibited by law. In the event of any claim for reimbursement or indemnification based upon a settlement by the director or officer seeking the reimbursement or indemnification, the indemnification shall apply only if the Association (with the director seeking reimbursement abstaining) approves the 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 a director or officer might be entitled. At least ten (10) days prior to payment of any indemnification that it has approved, the Association shall notify all Co-owners of the payment. Further, the Association is authorized to carry officers’ and directors’ liability insurance covering acts of the officers and directors of the Association in amounts it deems appropriate.

ARTICLE XVI: AMENDMENTS.

Section 1. Proposal. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or may be proposed by 1/3 or more in number of the Co-owners by instrument in writing signed by them.

Section 2. Meeting. A meeting for consideration of a proposed amendment shall be duly called in accordance with the provisions of these Bylaws.

Section 3. Voting. These Bylaws may be amended by the Co-owners at any regular annual meeting or a special meeting called for that purpose by an affirmative vote of not less than two-thirds of all Co-owners in number and in value. No consent of mortgagees shall be required to amend these Bylaws unless the amendment would materially alter or change the rights of mortgagees, in which event the approval of two-thirds of the mortgagees shall be required, with each mortgagee to have one vote for each first mortgage held.

Section 4. By Developer. Prior to the end of the Development Period, these Bylaws may be amended by the Developer without approval from any other person as long as the amendment does not materially diminish the right of a Co-owner or mortgagee.

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

Section 6. Binding. A copy of each amendment to the Bylaws shall be furnished to every member of the Association after adoption. Amendments to these Bylaws adopted in accordance with this Article shall be binding upon all persons who have an interest in the Project regardless of whether they actually receive a copy of the amendment.

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

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

ARTICLE XIX: REMEDIES FOR DEFAULT. Any default by a Co-owner shall entitle the Association or another Co-owner or Co-owners to the following relief:

Section 1. Legal Action. Failure to comply with any of the terms or provision of the Condominium Documents shall be grounds for relief, including an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination. Relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.

Section 2. Recovery of Costs. In any proceeding arising because of an alleged default by any Co-owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and reasonable attorney's fees (not limited to statutory fees) as determined by the court. No Co-owner committing the default shall be entitled to recover attorney's fees.

Section 3. Removal and Abatement. The violation of any of the provision of the Condominium Documents shall also give the Association or its duly authorized agents the right to enter upon the Common Elements or upon any Unit (but not inside any residence), where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provision of the Condominium Documents. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power.

Section 4. Assessment of Fines. The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for violations. No fine may be assessed unless in accordance with the provisions of Article XX.

Section 5. Non-waiver of Right. The failure of the Association or of any Co-owner to enforce any right, provision, covenant or condition that may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or any Co-owner to enforce that right, provision, covenant or condition in the future.

Section 6. Cumulative Rights, Remedies and Privileges. All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to any terms, provisions, covenants or conditions of the Condominium Documents shall be deemed to be cumulative. The exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the exercise of other and additional rights, remedies or privileges available to a party at law or in equity.

Section 7. Enforcement of Provisions of Condominium Documents. A Co-owner may maintain an action against the Association and its officers and Directors to compel them to enforce the terms and provisions of the Condominium Documents. A Co-owner may maintain an action against any other Co-owner for injunctive relief and/or damages for non-compliance with the terms and provision of the Condominium Documents or the Act.

ARTICLE XX: ASSESSMENT OF FINES.

Section 1. General. The violation by any Co-owner, occupant or guest of any provisions of the Condominium Documents including any duly adopted Rules and Regulations shall be grounds for assessment by the Association of monetary fines against the involved Co-owner. That Co-owner shall be deemed responsible for the 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 him to the Condominium Premises.

Section 2. Procedures. Upon any violations 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 enough specificity to place the Co-owner on notice of the violation, shall be sent by first class mail, postage prepaid, or personally delivered to the representative of the Co-owner at the address shown in the notice required to be filed with the Association pursuant to Article VIII, Section 3 of the Bylaws.
- B. Opportunity to Defend.** The offending Co-owner shall have an opportunity to appear before the Board and offer evidence in defense of the alleged violation. The appearance before the Board shall be at a regular or special meeting, as determined by the Board, but the Co-owner shall not be required to appear less than 7 days from the date of the Notice.
- C. Default.** Failure to respond to the Notice of Violation constitutes a default.
- D. Hearing and Decision.** Upon appearance by the Co-owner before the Board and presentation of evidence of defense, or, upon the Co-owner's default, the Board shall, by majority vote of a quorum of the Board, decide whether a violation has occurred. The Board's decision is final.

Section 3. Amounts. Upon violation of any of the provision of the Condominium Documents and after default of the offending Co-owner or upon the decision of the Board as recited above, the following fines shall be levied. Each day a violation occurs shall be considered to be a separate violation for which a separate fine may be levied by the Board, provided, however, that the maximum cumulative fine for any violation shall not exceed \$10,000.00:

- A. First Violation.** Twenty-Five Dollars (\$25.00) fine, which may be waived by the Board for good cause, in its discretion.
- B. Second Violation.** Fifty Dollars (\$50.00) fine.
- C. Third Violation.** Seventy-Five Dollars (\$75.00) fine.
- D. Fourth Violation and Subsequent Violations.** One Hundred Dollars (\$100.00) fine.

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

ARTICLE XXII: SEVERABILITY. If any of the terms, provisions or covenants of the Condominium Documents are held to be partially or wholly invalid or unenforceable for any reason, then that holding shall not affect, alter, modify or impair in manner any of the other terms, provisions or covenants of those documents or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

**EXHIBIT A-1 TO MASTER DEED
RULES AND REGULATIONS OF PEBBLE CREEK**

1. **Exterior Architecture.** The exterior of all homes shall be traditional in design to be harmonious with the architectural concept of the community. The full range of traditional styles is permitted, including Georgian, English, French and American Country, English and French Tudor, the various Cottage styles, the various Southern styles, American colonial (but not “modern” Colonial), Federal or other traditional style acceptable to the Association and compatible with the design goals for the community.
2. **Rear Facade.** The rear exteriors of the residences in Pebble Creek are to be architecturally consistent in style and quality with other facades of the residence.
3. **Exterior Building Materials.** The exterior walls of all residences shall be of brick, stone or individual board natural wood siding. Texture 1-11, aluminum and vinyl siding is prohibited. All windows must be of high quality wood frame or wood clad construction; metal windows are prohibited. Natural cement stucco or similar materials such as “Dryvit” may be approved, but must be used in an architecturally traditional manner. Exterior colors are to be compatible with traditional architecture and must be approved by the Association.
 - A. Notwithstanding the above, the Association will consider the use of alternate materials, (anything other than wood, brick, and stone) such as fiber board and vinyl siding on an individual, case by case basis. Approval of one proposal should not, in any way, necessarily imply that approval will be granted for a different proposal on a different property.
 - B. Plans and materials must be submitted to the Board for review, using the approved Association application form.
 - (1) The application should include detailed specifications on the material being proposed.
 - (2) Sample materials should be provided.
 - (3) If possible, addresses of residences should be provided in developments comparable to Pebble Creek, which have installed the proposed materials, and installed by the selected contractor.
 - (4) All warranty information must be provided, both as to the materials and to the installation.
 - C. The Board will evaluate each proposal using the following criteria:
 - (1) Visibility of the exterior of the house from the street and from surrounding properties on all sides;
 - (2) In the case of siding, larger siding sizes will be preferred. Horizontal siding sizes smaller than seven inches in width shall generally not be deemed acceptable. Wider trim sizes should be provided at the windows and corners.
 - (3) Existence of quality construction elements and materials, comparable to those found elsewhere in Pebble Creek and that meet any applicable construction standards.
 - (4) Warranties must be provided, guaranteeing materials for at least twenty years and installation for at least ten years. In addition, warranties must be transferable to future property owners. Failure to provide the required warranties within ninety (90) days of approval may result in the Board taking enforcement action, including fines and/or modifying or revoking approval.
 - (5) The color and appearance of the product must be compatible with the surrounding residential properties, and Pebble Creek as a whole.

4. **Roofing Materials and Pitch.** Roofs shall be constructed of cedar shakes, cedar shingles, cementitious tile, slate, metal, or good quality asphalt shingle with design, color and material approved by the Association and compatible with the village architecture design concept for the community. Notwithstanding the preceding sentence, the Association will consider the use of alternate materials on an individual case by case basis, pursuant to the provisions of paragraph 3 above, to the extent applicable to roofing materials. No single-level flat roofs shall be permitted on the entire main body of any dwelling, building or other structure, including outbuildings. Flat roofs may be installed over Florida rooms, porches or patios if they are architecturally compatible with the residence, but only if they are approved by the Association. The pitch of any proposed roof shall be depicted on plans submitted to the Association and the degree of pitch acceptable shall be at the Association's discretion.
5. **Minimum Size.** Each residence must contain a minimum livable floor area of 2350 sq ft. All garages shall accommodate at least two (2) cars.
6. **Setbacks.** All residences shall be located within the setback and sidelot requirements of the local zoning ordinance requirements applicable to Pebble Creek.
7. **Garage Location.** Garages' side entries shall be located on the side designated by the Developer. Front entry garages are not permitted without the permission of the Developer.
8. **Chimneys.** All chimneys shall have flues lining their entire height which are enclosed by brick or stone or approved material. Prefabricated metal chimneys are not permitted. Uniqueness in chimney design is strongly encouraged.
9. **Foundations.** Exterior brick, stone or treated wood siding must extend to within eight inches of ground level to cover all block or concrete foundation walls, which must not be exposed at any area of a residence. Foundation vents, if used, shall be unobtrusive and painted or stained to blend into the exterior building materials.
10. **Air Conditioning Units.** No window or wall mounted air conditioners are permitted. All exterior air conditioning equipment shall be located so as to minimize noise to adjacent homes and shall be screened by landscaping so as to not be visible from the road or adjacent residences.
11. **Driveways.** Driveways shall be constructed of asphalt paving, brick pavers or other approved paving materials. Common concrete paving is permitted. Driveways shall generally be located at least eight (8) feet from the side lot line from the road to a point fifteen (15) feet into the site so as to permit landscaping along both sides of the base of the driveway. Asphalt driveways are to be sealcoated at least once every three years, unless waived by the Board of Directors.
12. **Basketball Hoops.** The type, style and location of basketball hoops shall be approved by the Developer. Hoops shall be located so as to be as unobtrusive as possible. Hoops and poles shall not be located forward of the front of a residence.
13. **Lighting.** Lighting fixtures attached to residences or courtyard walls are to be complementary to the architecture of the residence. Homeowners may install a lamppost of a traditional design, with the lamp controlled by an automatic photocell switch, in the front yard area of their homesite. Lighting fixtures and lamppost designs are to be submitted to and approved by the Developer prior to installation.
14. **Fences.** Fences are not permitted, except as required by federal, state or local laws, ordinances or regulations around swimming pools.
15. **Swimming pools.** Only in-ground, aesthetically pleasing pools are permitted subject to the Developer's written approval. All pool areas shall be visually screened with landscaping and all mechanical equipment shall be concealed from view. Fencing around pools may consist of wrought iron/aluminum type or wood fencing architecturally compatible with the design concept of Pebble Creek and is to be approved by the Board of Directors.

16. **Spas.** Free standing, above ground spas not integrated into in-ground swimming pools shall be unobtrusively located close to the rear of the residence within a deck or patio area. Spas shall be visually screened from adjacent homesites by landscaping or other manner approved by the Board of Directors, and all mechanical equipment shall be full concealed.
17. **Dog Kennels and Runs.** Dog kennels or runs are not permitted.
18. **Lawn Sculptures.** No lawn ornaments, fountains, sculpture or statues shall be placed on any homesite without the prior written approval of the Board of Directors.
19. **Outdoor Playsets.** Outdoor playground equipment, including, without limitation, swing sets, trampolines, basketball hoops, and soccer and lacrosse nets, shall be located in the rear yards of residences so as not be visible from the road, and shall not be obtrusive to adjacent homesites. Location and size of Playsets are to be approved by the Board of Directors.
20. **Utility Meters; wells.** All gas, electric and other utility meters shall be hidden from view so as not to be visible from the road or adjacent sites. Water wells serving individual Homesites shall be drilled to a depth of at least 100 feet.
21. **Preservation of Trees.** Every effort must be made to preserve existing trees on a residential homesite, and to design the location of walks, drives, residences and other improvements in a manner which limits the number of trees to be removed. No trees measuring three (3) inches or more in diameter at eye level may be removed without the Board of Director's written approval. Remaining trees shall be carefully protected during the construction process by erection of protective barriers to avoid physical damage and, in particular, compaction of the soil over the root systems. Excavation and fill near existing trees shall only be done after appropriate measures are undertaken to ensure that the trees are preserved.
22. **Lawn Areas.** All areas of a residential homesite not landscaped with plant material or hard surfaces shall be established as lawn areas by sodding or hydroseeding.
23. **Approval and Completion of Landscaping.** All landscaping plans must be submitted to the Developer for approval prior to installation. Landscape installation must be completed within ninety (90) days after initial occupancy of a residence or, in the case of model homes, within ninety (90) days after the exterior of the residence has been substantially completed, weather permitting.
24. **Landscaping Revisions.** Any significant additions, deletions or revisions to landscaping after the initial installation shall be submitted to the Board of Directors for review and approval.
25. **Cleanliness.** Throughout the course of construction, the job site shall be maintained in a clean and orderly manner. All trash and debris shall be promptly deposited in a dumpster located as unobtrusively on the site as possible. Burning of trash and debris is prohibited without a Twp permit. The road surface in the vicinity of the job site shall be kept clean of mud, trash and debris at all times. Violation of Cleanliness regulations will result in forfeiture of the Builder/Landscaper Deposit, and other remedies will be promptly taken.
26. **Lot Clearing.** Absolutely no clearing of trees or brush shall be done until construction and landscaping plans have been formally approved in writing by the Developer, the Builder/Landscaper Deposit has been posted and a building permit has been issued by the Township. All trees marked for preservation on the site plan and landscaping plan must be protected with barriers to avoid compaction over the roots and physical damage. Trees to be removed shall be marked for field inspection and approval obtained from the Developer prior to removal. Logs, stumps and brush shall be immediately removed from the job site.
27. **Construction Area.** All construction, including access by construction vehicles and equipment, shall be confined to the boundaries of the homesite under construction. Adjacent homesites may not be used for parking, storage or access.

28. **Construction Parking.** All construction personnel shall park their vehicles either on the residential site under construction or on the roadway in the immediate vicinity. Vehicles may not be parked outside of the traveled portion of the road or on adjacent lots to prevent damage to grassed areas along the road.
29. **Excavation.** Dirt excavated for basements that is temporarily stored on the homesite during foundation construction shall not be placed over the roots of trees intended to be preserved in order to avoid soil compaction and root damage.
30. **Construction Materials.** Store of construction materials on the building site shall be done in a neat and orderly manner. Materials shall not be stored on the road or on adjacent sites (even if vacant).
31. **Signs.** The builder may erect one (1) sign identifying the unit number and builder's name during the construction of a residence as specified by the Board of Directors in terms of size, location, color and content, which will contain the logo for the project. Signs may not be used for advertising purposes.
32. **Schedule.** Once started, construction shall be prosecuted on a continual basis with completion as soon as practical but, in any event, within twelve (12) months of the time it is commenced. Completion consists of the issuance of a certificate of occupancy from the township.
33. **Soil Erosion Prevention.** Prior to the start of construction, a construction drive shall be installed at the approved driveway location for the Unit consisting of a 6-inch deep stone layer at least 12 feet wide and 20 feet long, in order to reduce the amount of dirt carried onto the roads by construction vehicles. The builder shall also be responsible for taking all necessary measures to ensure that soil erosion does not occur during construction.
34. **Standard for Association's Approvals; Exculpation from Liability.** In reviewing and passing upon the plans, drawings, specifications, submission and other matters to be approved or waived by the Developer, the Developer intends to ensure that the dwellings and other features embodied or reflected therein meet the requirements set forth in the Condominium Documents; however, the Developer reserves the right to waive or modify those restriction or requirements. In addition to ensuring that all dwellings comply with the requirements and restrictions of the Condominium Documents, the Developer (or the Association, to the extent approval powers are assigned to it by the Developer) shall have the right to base its approval or disapproval of any plans, design, specifications, submission or other matters on such other factors, including completely aesthetic considerations, as the Developer (or the Association) in its sole discretion may determine appropriate or pertinent. The Developer currently intends to take into account the design goals for the Condominium in passing upon plans, design, drawings, specifications and other submissions. In no event shall either the Developer (or the agents, officers, employees or consultants thereof), or the Association have any liability whatsoever to anyone for any act or omission contemplated by these Rules and Regulations, including without limitation the approval or disapproval of plans, drawings, specification, elevations of the dwellings, fences, walls, hedges or other structures, whether the alleged liability is based on negligence, tort, express or implied contract, fiduciary duty or otherwise. In no event shall any party have the right to impose liability on, or otherwise contest judicially, the Developer or any other person for any decision of the Developer (or alleged failure of the Developer to make a decision) relative to the approval or disapproval of a structure or any aspect or other matter as to which the Developer reserves the right to approve or waive. The approval of the Developer (or the Association, as the case may be) of a building, structure, improvement or other matter shall not be construed as a representation or warranty that the structure or matter is properly designed or that it is in conformity with the ordinances or other requirements of Springfield Township or any other governmental authority. Any obligation or duty to ascertain any such non-conformities, or to advise the Owner or any other person of the same (even if known), is hereby disclaimed.
35. **Association's Right to Waive or Amend Restrictions.** Notwithstanding anything in these Rules and Regulations to the contrary, the Developer reserves the right to waive any restriction or requirement, if in the Developer's sole discretion it is appropriate in order to maintain the atmosphere, architectural harmony, appearance and value or the Condominium and the Units, or to relieve the Owner of a Unit or a contractor from undue hardship or expense.

- 36. Builder/Landscaper Deposit.** Prior to clearing any brush or trees on a Unit and prior to commencement of construction of any improvements on a Unit, the Co-owner shall post with the Board of Directors a deposit in the amount of \$1000.00 as security for damages to the Common Elements in Pebble Creek or the Common Elements of Pine Lake Forest (an adjacent project) caused by the Co-owner's builder, landscaper or their respective employees, suppliers, subcontractors or laborers ("the Co-owner's Agents") during construction and landscaping. The deposit will be returned to the Co-owner upon completion of construction of improvements and installation of landscaping on the Unit, minus the cost of repairing any damage caused by the Co-owner's Agents. The amount of the deposit shall not be construed as a limitation upon the liability of the Co-owner for damages to the Common Elements caused by the Co-owner or the Co-owner's Agents.
- 37. Preconstruction Assessments.** Any provision of the Master Deed or Bylaws to the contrary notwithstanding, no assessments shall be levied against a Unit owned by a Non-Developer Co-owner until the earlier of: (a) six (6) months after the date of conveyance of legal or equitable title to the Unit from the Developer to a Co-owner by deed or land contract, or (b) the commencement of construction of improvements on the Unit.