

RECEIPT OF DOCUMENTS

**RECEIPT OF DOCUMENTS
PLEASANTVIEW WOODS CONDOMINIUM**

Dear Purchaser:

At this time we are furnishing you with a Purchaser Information Package which includes the following:

- A. Disclosure Statement
- B. Master Deed
- C. Condominium Bylaws (Exhibit "A")
- D. Condominium Subdivision Plan (Exhibit "B")
- E. Association Articles of Incorporation
- F. Condominium Escrow Agreement
- G. Condominium Buyers Handbook

As provided in Section 84 of the Michigan Condominium Act, your Purchase Agreement does not become binding until nine business days from today. During that time, you should be sure to carefully read the accompanying documents which control the operation of the Project and are of extreme importance to you in understanding the nature of the interest which you are purchasing and your relationship with the Project, the other Co-owners and the Developer.

Please sign and return to us the additional copy of this Receipt to acknowledge that the documents listed above have been delivered to you.

Very truly yours,

Pleasantview Woods, LLC, the Developer

Acknowledgment of Receipt of Listed Documents:
(If more than one Purchaser, all must sign)

Unit No.: _____

Dated: _____

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7. Condominium Buyers Handbook

DISCLOSURE STATEMENT

DISCLOSURE STATEMENT
for
PLEASANTVIEW WOODS

A residential site condominium project located in Pleasantview Township, Emmet County, Michigan.

Developer: The Pleasantview Woods, L.L.C.
c/o 198 East Main Street
Harbor Springs, Michigan 49740

Effective Date: January 8, 2007

THIS DISCLOSURE STATEMENT IS NOT REQUIRED TO HAVE BEEN, AND HAS NOT BEEN, FILED WITH THE CORPORATION AND SECURITIES BUREAU OF THE MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH, 6546 MERCANTILE WAY, LANSING, MICHIGAN, 48913, NOR HAS THE DEPARTMENT UNDERTAKEN TO PASS ON THE VALUE OR MERITS OF THE PROJECT OR TO MAKE ANY RECOMMENDATIONS OR COMMENTS ON THE PROJECT.

THIS DISCLOSURE STATEMENT IS NOT A SUBSTITUTE FOR THE MASTER DEED OR OTHER LEGAL DOCUMENTS. ALL BUYERS SHOULD READ ALL DOCUMENTS TO FULLY ACQUAINT THEMSELVES WITH THE PROJECT AND WITH THEIR RIGHTS AND RESPONSIBILITIES AS OWNERS.

IT IS RECOMMENDED THAT PROFESSIONAL ASSISTANCE BE SOUGHT PRIOR TO PURCHASING A CONDOMINIUM UNIT.

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INTRODUCTION and PURPOSE

Condominium development in Michigan is governed by Act 59 of the Michigan Public Acts of 1978, as amended (the "Condominium Act"). Under the Condominium Act, the developer of a condominium project must disclose to purchasers of units in the condominium project certain characteristics of that condominium project. This Disclosure Statement (and each of the other documents that are required to create and to operate this particular condominium project) has been prepared to satisfy this particular obligation. It is an attempt to summarize some of the important aspects of the Project and to provide some general information.

This Disclosure Statement is not a substitute for a thorough review of the Master Deed of Pleasantview Woods Condominium and of all of the other documents pertaining to the creation, operation or acquisition of a Unit, or of an interest in a Unit, in Pleasantview Woods. Each purchaser must carefully review all of these other documents. Any purchaser having any questions regarding this Disclosure Statement or any of these other documents or this particular condominium project should consult a lawyer.

THE CONDOMINIUM CONCEPT

The condominium is a form and method of subdividing, describing and owning real property. A condominium unit has the same legal attributes as any other form of real property under Michigan law and may be sold, mortgaged or leased subject only to such restrictions as are contained in the condominium documents and as otherwise may be applicable to the property.

Each Co-owner receives a deed to his or her individual condominium Unit. Besides owning their own individual Unit, each Co-owner will share an undivided interest in all of the Common Elements of the Condominium Project. This undivided interest in the Common Elements, and a Co-owner's voting percentage at Association meetings, is based upon the Percentage of Value set forth for each Unit in the Master Deed.

Pleasantview Woods (also referred to simply as the "Project") is different from many condominium projects in that the condominium Units in this Project consist only of the unimproved land, or building sites, indicated as a two-dimensional rectangle on the Condominium Subdivision Plan (Exhibit "B" to the Master Deed). This type of unit is called a site unit. In the more traditional form of condominium project, the units consist of air space enclosed within buildings, and the common elements include the exterior structural components of the buildings. With a site unit, however, each owner holds an absolute and undivided title to his or her Unit and to any dwelling and other improvements located thereon. A site unit is comparable to a lot in a platted subdivision.

All portions of the project not included within the Units are Common Elements. Limited Common Elements are those Common Elements that are set aside for use by less than all Co-owners. General Common Elements are for use by all Co-owners.

A condominium is administered generally by a non-profit corporation of which all the Co-owners are members (the "Owners' Association"). The nature and duties of such an Association are further described later in this Disclosure.

More information about the condominium concept in Michigan can be found in The Condominium Buyers Handbook that is included in the Purchaser Information Booklet.

DESCRIPTION OF THIS PROJECT

A. Size and Scope. Pleasantview Woods is a residential site Condominium located South off of Hathaway Road just East of Pleasantview Road in Pleasantview Township, Emmet County, Michigan. The Project consists of 55 Units upon which single family, detached residences will be built. The Condominium Documents establish Pleasantview Woods Owners' Association (the "Association") as an owners' association to administer and maintain the Project.

B. Expansion. No expansion is anticipated at this time.

C. Utilities. Electric, telephone, natural gas and cable TV/internet utility services are available in Pleasantview Woods. Electrical service is furnished by Great Lakes Energy. Telephone service is furnished by SBC. Natural gas service is furnished by Consumers Energy. Cable TV/internet service is furnished by Charter Communications. These utilities will be billed directly to each Co-owner. Each Co-owner of a Unit is responsible for the construction of the individual water well and the individual septic system that will service their Unit.

D. Access Roads. Access within the Project is provided through the private roads within the Project, which are General Common Elements of the Project and are maintained by the Association. Hathaway Road and Pleasantview Road are public roads maintained by the Emmet County Road Commission.

E. Recreational Facilities. There are no recreational facilities or amenities within the Project.

F. Warranties. Developer disclaims any and all warranties, express or implied, including implied warranties of merchantability and fitness for a particular purpose in connection with the construction of the Units and the Common Elements and with respect to personal property in the accommodations or facilities. Owner assumes all risks and liabilities in connection with the use of the aforementioned property. Developer makes no warranties, express or implied, concerning the Unit, personal property, or Common Elements, except as specifically provided by the Act.

G. Escrow Arrangement. Section 84 of the Condominium Act requires that any funds received under a reservation or purchase agreement shall be deposited into an escrow account with an escrow agent. The Developer has entered into an arrangement to have Corporate Title Agency of Harbor Springs and Petoskey act as the escrow agent.

After the nine business day withdrawal period has expired, the escrow agent shall hold the funds deposited until closing. After the conveyance of title to the purchaser, the escrow agent may have to retain the escrowed funds or other adequate security to insure the completion of those improvements and amenities labeled as "must be built." Section 103b(5) of the Condominium Act and the arrangement with the escrow agent provide that, in place of retaining funds in escrow, the Developer may furnish the escrow agent with evidence of other, adequate security, including a letter of credit or a personal guarantee.

CONDOMINIUM DOCUMENTS

A. Master Deed. Pleasantview Woods was established as a condominium project pursuant to the Master Deed recorded in the Emmet County Records and contained in the Purchaser Information Booklet. The Master Deed includes the Bylaws as Exhibit "A" and the Condominium Subdivision Plan as Exhibit "B."

The Master Deed contains the definitions of certain terms used in the condominium documents, the percentage of value assigned to each unit in the condominium project, a general description of the units and common elements included in the project and a statement regarding the relative responsibilities for maintaining the common elements. The entire Master Deed should be read carefully.

B. Bylaws. The Bylaws (Exhibit "A") contain provisions relating to the operation, management and fiscal affairs of the Condominium and, in particular, set forth the provisions relating to assessments of Association members for the costs of operating the Project. Article 6 of the By-laws set forth numerous restrictions on a Co-owner's use of his or her Unit and the Common Elements. A brief summary of these restrictions is as follows:

1. Use. The Units may only be used for lawful residential purposes.
2. Leasing. A Co-owner may lease out his or her Unit. The lessees will be subject to all of the rules and restrictions set forth in the Condominium Documents.
3. Architectural Control. In order to insure a beautiful and harmonious residential development, the plans for any dwelling or other improvements constructed on a Unit must be approved by the Developer. Various building restrictions apply.
4. Alterations. Once approved, no alterations can be made to any dwelling or other improvement on a Unit without the approval of the Developer, or, after the expiration of the Development and Sales Period, the Architectural Control Committee.
5. Activities. No unlawful or offensive activity may be carried on in any Unit or on the Common Elements.
6. Pets. Pets are allowed, subject to restrictions.
7. Aesthetics. No activity shall be carried on nor any condition maintained which is detrimental to the appearance of the Condominium Project.
8. Rules and Regulations. The Board of Directors may make reasonable rules and regulations.
9. Utilities. All utility lines must be maintained underground.
10. Co-owner Maintenance. A Co-owner must maintain his Unit and the improvements thereon in a safe, clean and sanitary condition. Also, a Co-owner

is responsible for any damage to the Common Elements resulting from negligent damage or misuse by the Co-owner, his or her family, invitees and lessees.

11. Vehicles. Except for personal automobiles, the parking or storage of trailers, boats and commercial vehicles is restricted or prohibited.

C. Condominium Subdivision Plan. The Condominium Subdivision Plan (Exhibit "B") is a survey depicting the physical location and boundaries of each of the Units and the Common Elements in the Project.

ORGANIZATION AND CONTROL

A. The Developer. The Developer of the Project is The Pleasantview Woods, L.L.C., a Michigan limited liability company. The principals of The Pleasantview Woods, L.L.C. are Kenyon, Malcolm and Winston Stebbins. Neither the Developer nor the Stebbins have any prior experience in the development of a condominium project.

The Developer has contracted with Graham Real Estate of 198 East Main Street, Harbor Springs, Michigan, to serve as the real estate broker on the sale of Units in this Project. Graham Real Estate has had substantial experience in the sale of real estate projects in Northern Michigan.

The Developer is not involved in any legal proceedings which would reasonable affect a prospective purchaser's decision to purchase a Unit in this Project.

B. The Association. Pleasantview Woods Owners' Association was established by the Developer as a Michigan non-profit corporation on July 10, 2006. The purpose of the Association is, through its Officers and Directors, to manage, maintain, operate and administer the Condominium Project. Initially, the Association's Board of Directors and the operation and maintenance of the Project are controlled by the Developer. As stated in the Condominium By-laws, as Units are sold, the control of the Board of Directors and the Association shifts to the Co-owners, as follows.

Within one year after the first Unit is conveyed, or within 120 days after 1/3 of the Units are conveyed, the Developer will establish an Advisory Committee consisting of at least three non-Developer Co-owners. The purpose of the Advisory Committee will be to facilitate communications between the Developer and the Co-owners and to aid in the transition of control of the Association.

Not later than 120 days after 25% of the Units are conveyed, one out of the three Directors shall be selected by the non-Developer Co-owners. Not later than 120 days after 75% of the Units are conveyed, at least two out of the three Directors shall be selected by the non-Developer Co-owners. As long as the Developer owns at least 10% of the Units, the Developer has a right to appoint one of the three Directors. The First Annual Meeting of members of the Association must be called within 120 days after 75% of the Units have been conveyed to non-Developer Co-owners.

PROPOSED BUDGET AND ASSESSMENTS

A. Assessments. The expenses for the operation and maintenance of the Condominium Project as a whole are called "Condominium Common Expenses" and are paid for by all the Units through assessments. There are two types of assessments for Common Expenses, Operating Assessments and Special Assessments. The Operating Assessment (or "dues") is intended to cover the on-going cost of operation and maintenance of the Project reflected in the annual budget and is due in installments (monthly, quarterly or annually at the discretion of the Board of Directors). Special Assessments are only approved by the Association and billed as they become necessary.

B. Proposed Annual Budget. The Condominium By-laws require that the Board of Directors of the Association establish an annual budget of the projected expenses of the operation and maintenance of the Project. The projected budget based on all 55 Units is as follows:

| | <u>Entire Project per year</u> | <u>Each Unit per year</u> |
|--------------------------------|------------------------------------|-------------------------------|
| Snow removal | \$ 6,000.00 | \$ 109.09 |
| Bookkeeping and administrative | \$ 1,200.00 | \$ 21.82 |
| Common area maintenance | \$ 2,400.00 | \$ 43.64 |
| Road maintenance | \$ 1,200.00 | \$ 21.82 |
| Miscellaneous | \$ 1,200.00 | \$ 21.82 |
| Insurance | \$ 2,000.00 | \$ 36.36 |
| Reserves required (10%) | <u>\$ 1,400.00</u> | <u>\$ 25.45</u> |
| Total: | \$ 15,400.00 | \$ 280.00 |

Based upon this projected budget, the initial Operating Assessment for Condominium Common Expenses will be \$280.00 per year per Unit. This amount does not include real estate taxes, utilities or homeowner's insurance coverage. This budget is merely a projection. The Developer has tried to take into account all contingencies, but the budget will have to be adjusted to reflect the Association's experience in actually maintaining the project.

The above Condominium Common Expenses are shared by all of the Co-owners based upon their relative Percentages of Value. The Percentage of Value for each of the 55 Units is 1.818%. The Developer pays its share of actual operating expenses, but does not pay into the reserve.

C. Co-owner Liability. Section 58 of the Michigan Condominium Act provides:

If the holder of a first mortgage or other purchaser of a Unit obtains title to that Unit by foreclosing that mortgage, the holder of the first mortgage or other purchaser is not liable for the unpaid assessments charged against that Unit prior to foreclosure. These unpaid assessments are common expenses which are collectable from all Unit owners, including the owner who has obtained title to the Unit through foreclosure.

END OF DISCLOSURE STATEMENT

MASTER DEED

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OFFICIAL SEAL
Michele E. Stine

Emmet Register of Deeds
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MASTER DEED
PLEASANTVIEW WOODS CONDOMINIUM
(Act 59 of 1978, as Amended)

This Master Deed is made and executed this 4th day of January, 2007, by The Pleasantview Woods, L.L.C., a Michigan limited liability company, whose address is 198 East Main Street, Harbor Springs, Michigan, 49740 in pursuance to the provisions of the Condominium Act, being Act 59 of the Public Acts of 1978, as amended ("Act").

The Developer does, upon the recording of this Master Deed, together with the Condominium Bylaws attached hereto as Exhibit "A" and together with the Condominium Subdivision Plan attached hereto as Exhibit "B," establish Pleasantview Woods (the "Condominium") as a condominium project under the Act and on the lands described in Article 2 below and does declare that the Condominium and the Units therein shall hereafter be held, conveyed, occupied, and otherwise used subject to the provisions of the Act and to the conditions, restrictions and affirmative obligations set forth in this Master Deed and its Exhibits, all of which shall be deemed to run with the land and shall be a burden and a benefit to Developer, its successors and assigns, and to any persons acquiring or owning an interest in the Condominium, their grantees, successors and assigns. In furtherance of the establishment of said Condominium, it is provided as follows:

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ARTICLE 1
TITLE AND NATURE

COPY

This Condominium Project shall be known as Pleasantview Woods Condominium, Emmet County Condominium Subdivision Plan No. 340. The Project consists of 55 detached, single-family, residential site Units.

The Units contained in the Condominium, including the number, location, boundaries, dimensions and area of each, are set forth completely in the Condominium Subdivision Plan attached hereto as Exhibit "B". The site Units are for residential purposes only. Each Unit is capable of individual utilization by reason of having its own entrance from and exit to a public roadway by virtue of a private drive within the Condominium. Each Co-owner in the Project shall have a particular and exclusive property right to his Unit and the Limited Common Elements appurtenant thereto, and shall have an undivided and inseparable right to share with other Co-owners the General Common Elements of the Project as designated by this Master Deed.



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Emmet County, Michigan C.M.D. 134.00 5039457

TAX PARCEL # 08-16-15-100-001

As of 1-8 2007

I hereby certify that I have examined the records in my office and it appears that the taxes on the within description have been paid for the five year period preceding the date of this document.

Marilyn May
Emmet County Treasurer, Petoskey, MI

**ARTICLE 2
LEGAL DESCRIPTION**

The real property on which the Condominium is situated and established by this Master Deed is particularly described as follows:

PART OF THE NORTHWEST 1/4 OF SECTION 15, T35N, R5W, LITTLE TRAVERSE TOWNSHIP, EMMET COUNTY, MICHIGAN DESCRIBED AS:

COMMENCING AT THE NORTHWEST CORNER OF SECTION 15, T35N, R5W, LITTLE TRAVERSE TOWNSHIP, EMMET COUNTY, MICHIGAN; THENCE ALONG THE NORTH LINE OF SAID SECTION 15 AND THE CENTERLINE OF HATHAWAY ROAD N 88°34'30"E 1316.46 FEET; THENCE S 0°17'31"E 83.02 FEET TO THE **PLACE OF BEGINNING**; THENCE CONTINUING S 0°17'31"E 2358.92 FEET; THENCE S 89°30'24"W 380.76 FEET; THENCE N 0°29'14"W 350.61 FEET TO A CONCRETE MONUMENT REPLACING A FOUND "T" IRON ; THENCE N 86°20'38"W 141.67 FEET TO A CONCRETE MONUMENT REPLACING A FOUND "T" IRON ; THENCE N 70°54'05"W 199.91 FEET TO A CONCRETE MONUMENT REPLACING A FOUND "T" IRON ; THENCE N 0°31'43"W 12.63 FEET; THENCE 335.50 FEET ALONG THE ARC OF A CIRCULAR CURVE TO THE LEFT, RADIUS 1020.66 FEET, DELTA 18°50'02", CHORD N 39°27'08"W 333.99 FEET; THENCE 645.98 FEET ALONG THE ARC OF A CIRCULAR CURVE TO THE RIGHT, RADIUS 761.51 FEET, DELTA 48°36'13", CHORD N 24°34'01"W 626.79 FEET; THENCE N 0°25'36"W 1017.15 FEET; THENCE N 88°34'30"E 383.16 FEET; THENCE N 9°19'59"W 100.96 FEET; THENCE ALONG THE SOUTH RIGHT OF WAY OF HATHAWAY ROAD N 88°34'30"E 87.05 FEET; THENCE S 15°55'41"W 52.38 FEET; THENCE N 88°34'30"E 516.92 FEET; THENCE N 16°40'28"W 51.83 FEET; THENCE ALONG THE SOUTH RIGHT OF WAY OF HATHAWAY ROAD N 88°34'30"E 85.24 FEET; THENCE S 15°55'41"W 52.39 FEET; THENCE N 88°34'30"E 170.53 FEET TO THE PLACE OF BEGINNING; Subject to easement and restrictions of record, if any.

**ARTICLE 3
DEFINITIONS**

In addition to any definitions contained within the Act or elsewhere within the Condominium Documents, the following terms shall be defined as follows:

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

Association. "Association" means Pleasantview Woods Owners' Association, which is the non-profit Corporation organized under Michigan law of which all Co-Owners shall be members, which Corporation shall administer the Condominium.

Bylaws. "Bylaws" or "Condominium Bylaws" mean Exhibit "A" hereto, being the Bylaws setting forth the substantive rights and obligations of the Co-owners. The Condominium Bylaws shall also serve as the corporate bylaws of the Association.

Common Elements. "Common Elements", where used without modification, means both the General and Limited Common Elements described in Article 4.



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Condominium Documents. "Condominium Documents" wherever used means and includes this Master Deed and Exhibits "A" and "B" hereto and any other instrument referred to in the Master Deed or Bylaws which affects the rights and obligations of a Co-owner in the Condominium.

Condominium Premises. "Condominium Premises" means and includes the land described in Article 2 above, all improvements and structures thereon, and all easements, rights and appurtenances belonging to the Condominium.

Condominium Project. "Condominium Project", "Condominium" or "Project" means Pleasantview Woods Condominium as an approved Condominium Project established in conformity with the provisions of the Act.

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

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

Developer. "Developer" means The Pleasantview Woods, L.L.C., a Michigan limited liability company, which has made and executed this Master Deed, and its successors and assigns. Both successors and assigns shall always be deemed to be included within the term "Developer" whenever, however and wherever such term is used in the Condominium Documents.

Development and Sales Period. "Development and Sales Period", for the purposes of the Condominium Documents and the rights reserved to the Developer there under, means the period commencing with the recording of the Master Deed and continuing as long as the Developer owns any Unit in the Project or any expandable area.

Expenses of Administration. "Expenses of Administration" include all costs incurred in the operation and maintenance of the Condominium Project as further provided by the Condominium Documents.

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

Unit, Condominium Unit or Site Unit. "Unit", "Condominium Unit" or "Site Unit" each mean a single Unit in the Project, as the same may be described in Article 5 hereof and on Exhibit "B" hereto and shall have the same meaning as the term "Condominium Unit" as defined in the Act. As used in the Condominium Documents and in the Act, the term "Units that may be created" shall mean the maximum number of Units possible in the Condominium based on the maximum number of Units allowed by local zoning. All structures or improvements now or hereafter located within the boundaries of a Unit shall be owned in their entirety by the Co-owner of the Unit within which they are located and shall not, unless otherwise expressly provided in the Condominium Documents, constitute Common Elements.

**ARTICLE 4
COMMON ELEMENTS**

The Common Elements of the Project and the respective use and responsibilities for maintenance, decoration, repair or replacement thereof, are as follows:

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

(A) Land. The land described in Article 2 hereof, excepting that portion which is (i) identified below as Limited Common Element or (ii) is located within the boundaries of a Unit.

(B) Roads. The 40 foot wide private roads named Pleasantview Woods Drive and Pleasantview Woods Circle as indicated on Sheets 3 and 4 of attached Exhibit "B."

(C) Utilities. Any utilities within the Project (initially including electrical and telephone transmission or distribution lines) subject to the rights of any public utility, municipality or provider, up to the point where such utility service is diverted from a main line to service a specific Unit.

(D) Entryway Improvements. Any improvements located within the other General Common Elements, including the areas near the entrances to Hathaway Road, including any Project signage.

(E) Miscellaneous. All other Common Elements of the Project not herein designated as Limited Common Elements or not enclosed within the boundaries of a Unit which are intended for common use or are necessary to the existence, upkeep or safety of the Project, including the two General Common pathways as indicated on Sheets 5 and 6 of attached Exhibit "B."

Section 2. Limited Common Elements. The Limited Common Elements are:

(A) Utilities. Any utilities within the Project, subject to the rights of any public utility, municipality or provider, from the point where such utility service is diverted from a main line to service a specific Unit or Units, including any related meter or box.

(B) Other. Any other Limited Common Elements which may appear on Exhibit "B."

Section 3. Use. The use of the Common Elements shall be limited as follows:

(A) General Common Elements. Subject to the rights of the other Co-owners, each Co-owner may use the General Common Elements for the use intended as set forth in this Master Deed and its Exhibits. No Co-owner shall use the General Common Elements in any manner inconsistent with the purposes of the Project or in any manner which will interfere with or impair the rights of any other Co-owner.

(B) Limited Common Elements. The use of the Limited Common Elements appurtenant to a Unit shall be limited to the Co-owner of the respective Unit.

Section 4. Responsibility. The responsibility for the maintenance, decoration, repair and replacement of the Common Elements shall be as follows:

A) General Common Elements. The Association shall be responsible for the maintenance, decoration, repair and replacement of the General Common Elements.

(B) Limited Common Elements. The maintenance, decoration, repair and replacement of the Limited Common Elements appurtenant to, or assigned to, a Unit, shall be the responsibility of the respective Co-owner of that Unit.

The cost of repair of any damage caused to any of the Common Elements as a result of heavy equipment or trucks during the construction process shall be the responsibility of the Unit Co-owner doing the construction.

ARTICLE 5 UNITS

Section 1. Description of Units. Each Unit, together with and inseparable from its appurtenant share of the Common Elements, shall be a sole property subject to ownership, mortgaging, taxation, possession, sale and all types of judicial acts, independent of the other units. The size, location, area and horizontal boundaries of each Unit in the Condominium are described in the Condominium Subdivision Plan attached as Exhibit "B". Each Unit shall consist of the space contained within the Unit boundaries as shown in Exhibit "B" and delineated with heavy outlines.

An undivided interest in the General Common Elements and, except as specifically provided for herein, in the Limited Common Elements, shall be and hereby is, allocated to each Condominium Unit, which interest shall be proportionate to the Percentage of Value assigned to that Unit in Article 5, Section 2, below.

Section 2. Percentage of Value. The total value of the Project is 100 percent, and an equal Percentage of Value is allocated to each Condominium Unit. Therefore, the Percentage of Value of each Unit shall be 1.818%. This determination of Percentages of Value was made after reviewing the comparative size, market value, location and allocable expense of maintenance for each Unit in the Project and concluding that there are negligible differences among them when all such factors are taken into account.

If two Units are joined into one Unit as provided for under Section 48 of the Act and Section 6 (A) of the Amendment Article of this Master Deed, the Percentage of Value of the resulting double Unit shall be equal to 1.50 times the relative Percentage of Value of a single Unit. An amendment to this Master Deed reflecting the joining of two Units shall also set forth the revised Percentages of Value of all Units in the Condominium.

The Percentage of Value of a Unit shall not be affected by the fact that the Co-owner of that Unit has built upon the Unit. The Percentages of Value shall not be changed except in the manner provided in the Amendment Article expressed in an amendment to this Master Deed, duly approved and recorded. The Percentages of Value are determinative of each Unit's share of the Expenses of Administration as is specifically set forth in the Condominium Bylaws.

Section 3. Use of Units. Except as provided for in the Act or elsewhere in the Condominium Documents, the right to the use of a Unit shall be exclusive to the Co-owner of that Unit.



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Section 4. Responsibility for Units. The responsibility of the maintenance, decoration, repair and replacement of a Unit shall be the responsibility of the Co-owner of that Unit. The construction, maintenance and repair of the water wells and the on-site sewage disposal systems shall also be subject to the following restrictions:

Water Supplies and Wastewater Treatment/Disposal Systems:

- A. All units are restricted to single-family residential use only.
- B. The initial and replacement drainfield locations as depicted on the approved condominium subdivision plan dated August 28, 2006 (revised), Bryan R. Nolan, PE (Lic. No. 37216), Benchmark Engineering, Job no. 05442, shall be preserved for that use by the unit owner.
- C. Initial and replacement drainfield areas are to be preserved by restricting vehicular traffic, filling or cutting of grade and placement of structures in those areas unless as otherwise directed by the Northwest Michigan Community Health Agency (the local public health agency).
- D. Due to slope limitations on Units 19 & 27, engineering plans may be required to be submitted for review and approval at the time of water supply and wastewater disposal permit application submittal if the wastewater system is proposed to be installed in an area of greater than 12 percent slope. The areas of greater than 12 percent slope are depicted on the approved condominium subdivision plan referred to above. The plans, if required, shall include the location and design specifications for the proposed initial and replacement drainfields, well and house locations and any other pertinent information needed to assure proper placement of structures and facilities on the unit.
- E. All water wells shall be constructed such that the well casing extends to a depth a minimum of 50 feet below the static water level in the well. If the well is terminated at a depth less than 200 feet, the owner shall collect a water sample for partial chemical analysis and submit the results to the Northwest Michigan Community Health Agency (the local public health agency) for review and approval prior to placing the well into service. A water sample shall be collected and analyzed for coliform bacteria and a safe sample result obtained on all wells prior to placing into service.
- F. Wells must be constructed to provide water to the home at minimum sustainable capacity of 10 (ten) gallons per minute. Additional capacity may be necessary depending upon the needs of the homeowner.
- G. Permits for the installation of individual water wells and sewage disposal/treatment systems shall be obtained from the Northwest Michigan Community Health Agency (the local public health agency) prior to the commencement of any site preparation or construction on any given unit.
- H. The individual unit owner shall be responsible for the maintenance and proper operation of the water supply and wastewater treatment/disposal systems serving the individual unit.

The above restrictions must run in perpetuity and may only be waived by the Northwest Michigan Community Health Agency (the local public health agency).

**ARTICLE 6
EASEMENTS**

Section I. Easement for Maintenance of Encroachments. To the extent that a Unit or Common Element encroaches on any other Unit or Common Element, whether by reason of any deviation from the plans in the construction, repair, renovation, restoration, or replacement of any

improvement, or by reason of the settling or shifting of any land or improvement, a valid easement for the encroachment shall exist. This Section shall not be construed to allow or permit any encroachment upon, or an easement for an encroachment upon, Units described in the Master Deed as being comprised of land and/or airspace above and/or below said land, without the consent of the Co-owner of the Unit to be burdened by the encroachment or easement.

Section 2. Easements for Development, 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 develop, establish, construct, market and operate any Units, dwellings or appurtenances within the land described in Article 2 hereof, and also to fulfill any responsibilities of installation, maintenance, repair, decoration or replacement which they or any of them are required or permitted to perform under the Condominium Documents or by law.

Any costs incurred in opening and repairing any Common Elements of the Project to install, repair or maintain common services and/or utilities shall be an expense of administration assessed to all Co-owners in accordance with the Condominium Bylaws.

Section 3. Rights Retained by Developer. The following rights may be exercised by the Developer at any time within the Development and Sales Period:

(A) Utility Easements. The Developer reserves the right to grant easements, rights-of-way and licenses for utilities over, under and across the Condominium to appropriate governmental agencies, public or private utility companies and communications companies and to transfer title to the utilities to said agencies and companies.

(B) Access Easements. The Developer reserves the right to grant such easements, licenses, rights-of-entry and rights-of-way over, under and across the Condominium for access purposes or other lawful purposes as may be necessary for the benefit of the Condominium and as may be necessary to access any additional land owned by the Developer. Any additional land owned by the Developer, its successors or assigns, that is not made part of the Condominium and that requires access to a public road through the Condominium shall have a non-exclusive easement over and across the private drives within the Condominium to access a public road.

(C) Construction of Amenities. The Developer reserves the right to build, or not to build any amenities indicated on the Condominium Subdivision Plan as "need not be built".

(D) Sales Facilities. The Developer and its duly authorized agents, representatives, and employees, and residential builders who receive an assignment of rights from the Developer, may maintain offices, model units, and other facilities within the Condominium Premises. The Developer shall pay or be responsible to require a residential builder to pay all costs related to such offices, model Units and other facilities while owned by the Developer and to restore the facilities to habitable status upon termination of use.

Any right reserved by the Developer under this Section may be exercised 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 or its Exhibit "B" recorded in the County Records. All of the Co-owners and mortgagees of Units and other persons interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendments as may be required to effectuate the exercise of the rights retained herein.



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**ARTICLE 7
AMENDMENTS**

This Master Deed and its Exhibits may be amended as in the following manner:

Section 1. Non-material Amendments. The Master Deed and its Exhibits may be amended by the Developer without the consent of any Co-owners or mortgagees if the amendment does not materially alter or change the rights of a Co-owner or mortgagee and if the Condominium Documents contain a reservation of the right to amend for that purpose. Similar, non-material amendments may be made and recorded by the Association with the consent of not less than one-half (1/2) of the votes of the Co-owners. An amendment that does not materially change the rights of a Co-owner or mortgagee includes, but is not limited to, a modification of the types and sizes of unsold Units and their appurtenant Limited Common Elements. The Association may not make amendments without the written consent of the Developer during the Development and Sales Period.

Section 2. Material Amendments. Except as otherwise provided herein, the Master Deed and its Exhibits may be amended by the Developer or by the Association, even if the amendment will materially alter or change the rights of the Co-owners or mortgagees, with the consent of not less than two-thirds (2/3) of the votes of the Co-owners and/or mortgagees. A mortgagee shall have one vote for each mortgage held on any issue material to a mortgagee. The Association may make no amendment without the written consent of the Developer during the Development and Sales Period. For the purposes of this Article the term "material amendment" shall be deemed to be an amendment which, with regards to a Co-owner, substantially and negatively alters the ability of a Co-owner to use and enjoy his or her Unit, its appurtenant Limited Common Elements, or the General Common Elements or which, with regards to a mortgagee, is one of the specific issues listed in Sections 90(a)(9) of the Act.

Section 3. Amendments by Developer. Notwithstanding any contrary provision of this Master Deed or the Condominium Bylaws or Corporate Bylaws (but subject to the limitation of Section 4 of this Article 7), Developer reserves the right to amend materially this Master Deed or any of its Exhibits for any of the following purposes:

(A) To re-define common elements and/or adjust Percentages of Value in connection therewith, to re-define any converted area, to allocate the Association's expenses among the Owners and to make any other amendments specifically described and permitted to Developer in any provision of this Master Deed;

(B) To modify the location and size of unsold Condominium Units and their appurtenant Limited Common Elements;

(C) To amend the Condominium Bylaws, subject to any restrictions stated therein;

(D) To correct arithmetic errors, typographical errors, survey or plan errors, deviations in construction or any similar errors in the Master Deed, Plan or Condominium Bylaws or to correct errors in the boundaries or locations of improvements;

(E) To clarify or explain the provisions of the Master Deed or its Exhibits;

(F) To comply with the Act or rules promulgated thereunder or with any requirements of any governmental or quasi-governmental agency or any financing institution providing mortgages on Units on the Condominium premises;

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

(H) To record a consolidating Master Deed and/or to designate any improvements shown on the Plan as "must be built", subject to any limitations or obligations imposed by the Act;

(I) To modify or relocate the location of roads, drives or pedestrian walks as may be required by any difficulties encountered during construction as a result of the topography;

(J) To exercise any right which the Developer has reserved to itself herein;

(K) To terminate or eliminate reference to any right which the Developer has reserved to itself herein;

(L) To facilitate conventional mortgage loan financing for existing or prospective Co-owners and to enable the purchase of such mortgage loans by the Federal Home Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association or any other agency of the Federal Government or the State of Michigan;

(M) To relocate boundaries of a Unit as allowed by Section 6 of this Article;

(N) To delete reference to any improvements listed on Exhibit "B" as "proposed" or "need not be built;" and

(O) To withdraw undeveloped portions of the Condominium within the ten year period provided by Section 67(3) of the Act.

The foregoing amendments may be made without the consent of Co-owners or mortgagees. The rights reserved to the Developer herein may not be amended except by or with the consent of the Developer. If there is no Co-owner other than the Developer, the Developer may, with the consent of any interested mortgagee, unilaterally amend this Master Deed or any Exhibit thereto. An amendment under this Section shall become effective upon the recording thereof.

Section 4. Limitation on Amendments. Notwithstanding any other provision of this Article, the method or formula used to determine the percentages of value of units in the Condominium, as described in Article 5 hereof, and any provisions relating to the ability or terms under which a Co-owner may rent a Unit, may not be modified without the consent of each affected Co-owner and mortgagee. A Co-Owner's Condominium Unit dimensions or appurtenant Limited Common Elements may not be modified without the Co-owner's consent. Amendments such as those described in this Section shall be deemed material amendments.

Section 5. Procedures for Amendment.

(A) Co-owners and mortgagees of record shall be notified of proposed amendments not less than 10 days before the amendment is recorded.

(B) A person causing or requesting an amendment to the Condominium Documents shall be responsible for costs and expenses of the amendment, except for amendments based upon a vote of a prescribed majority of Co-owners and mortgagees or based upon the advisory committee's decision, the costs of which are expenses of administration.

(C) A Master Deed amendment, including the consolidating Master Deed, dealing with the addition, withdrawal or modification of Units or other physical characteristics of the project shall comply with the standards prescribed in Section 66 of the Act for preparation of an original Condominium Subdivision Plan.

Section 6. Relocation and Subdivision.

(A) The Developer or any Co-owner or Co-owners shall be permitted to relocate the boundaries between adjoining Condominium Units in accordance with Section 48 of the Act, provided that such relocation shall not violate any setback requirements of the Township Zoning Ordinance, the Act, or the Condominium Documents. The procedure for amendment to the Master Deed to provide for such relocation of boundaries between the Condominium Units shall be as set forth in Section 48 of the Act. When two Units that were separated by side yards are consolidated into a single Unit in this manner, the adjoining side yards between the front and rear lines of the Units shall become part of the resulting Unit.

(B) Neither the Developer nor any Co-owner or Co-owners shall be permitted to subdivide a Condominium Unit in accordance with Section 49 of the Act.

Section 7. Termination of Project.

(A) In accordance with Section 50 of the Act, so long as there is no Co-owner of the project other than Developer, Developer with the consent of any interested Mortgagee, may unilaterally terminate the Condominium Project.

(B) In the event there is a Co-owner of the Project other than Developer, then the Condominium Project may only be terminated in accordance with Section 51 of the Act.

**ARTICLE 8
MISCELLANEOUS**

Section 1. Word References. Whenever any reference herein is made to one gender, the same shall include a reference to any and all genders where the same would be appropriate; similarly, whenever a reference is made herein to the singular, a reference to the plural shall also be included where the same would be appropriate and vice versa.

Section 2. Detailed Plans. Detailed architectural plans and specifications for the Project, if any are required, will be filed with the building department of the City, Township or County in which the Project is located which issues building permits.

Section 3. Assignment. Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents, including the power to approve or disapprove any act, use or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by an appropriate instrument duly recorded in the office of the County Register of Deeds.

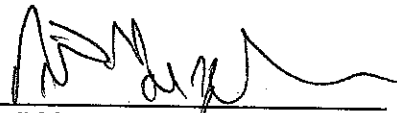
Dated: January 4, 2007.

Signed by:
The Pleasantview Woods, L.L.C.,
a Michigan limited liability company

By: Kenyon R. Stebbins, member
Kenyon R. Stebbins, Member


State of Michigan)
County of Emmet)

The foregoing instrument was acknowledged before me this 4th day of January, 2007, by Kenyon R. Stebbins, a Member of The Pleasantview Woods, L.L.C., a Michigan limited liability company, on its behalf.



Neil Marzella, Notary Public
Emmet County, Michigan
My Commission expires: 8/3/2011
Acting in Emmet County

Drafted By:
Neil Marzella, Attorney
P.O. Box 808
Harbor Springs, MI 49740

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CONDOMINIUM BYLAWS

EXHIBIT "A"
PLEASANTVIEW WOODS
CONDOMINIUM BYLAWS

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EXHIBIT "A"
PLEASANTVIEW WOODS
CONDOMINIUM BYLAWS

The administration of the Condominium shall be governed by the following Bylaws:

ARTICLE 1
ASSOCIATION OF OWNERS

The Condominium shall be administered by an Association of Co-owners which shall be a non-profit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Condominium Documents and the laws of the State of Michigan. Each Co-owner shall be entitled to membership in the Association. 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. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions of these Bylaws.

ARTICLE 2
ASSESSMENTS

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

Section 1. Expenses of Administration. Expenditures affecting the administration of the Project shall include costs incurred in the satisfaction of any liability arising within, caused by, or connected with, the Common Elements or the administration of the Condominium Project. Receipts affecting the administration of the Condominium Project shall include all sums received as the proceeds of, or pursuant to, a policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project.

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

(A) Budget and Annual Assessment. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular installment 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 non-cumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular Project, the Association of Co-owners should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. Upon adoption of an annual budget by the

Board of Directors, copies of the budget shall be delivered to each Co-owner, and the regular, annual assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-owner shall not affect or in any way diminish the liability of any Co-owner of any existing or future assessments.

Should the Board of Directors at any time decide, in the sole discretion of the Board of Directors, that (1) the annual assessment is insufficient to pay the costs of operation and management of the Condominium, (2) the replacement of existing Common Elements is necessary, (3) additions to the Common Elements are necessary (not to exceed \$5,000 per year for the entire Condominium Project), or (4) there is an emergency, the Board of Directors shall have the authority to increase the regular, annual assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Board of Directors also shall have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Article 5, Section 3, hereof. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association.

(B) Special Assessments. Special assessments, in addition to those required in Section 2 (A) above, may be proposed by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other requirements of the Association, including, but not limited to: (1) assessments for additions to the Common Elements of a cost exceeding \$5,000 per year for the entire Condominium Project, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 hereof or (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this Section 2 (B) shall not be levied without the prior approval of more than 60% of all Co-owners. 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 the Association.

Section 3. Apportionment of Assessment and Penalty for Default. Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners based upon the Percentages of Value set forth in Article 5, Section 2 of the Master Deed.

Annual assessments as determined in accordance with Article 2, Section 2(A) above shall be payable by the Co-owners in installments set at a frequency determined by the Board of Directors, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means.

The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association within 30 days of the date it is billed. A penalty equal to 1.5% of the amount in default per month shall be imposed on any amount in default and shall be added to the amount in default without further billing until paid in full. Each Co-owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment) pertinent to his Unit which may be levied while any such Co-owner is the owner thereof.

Sums assessed to a Co-owner by the Association of Co-owners which are unpaid shall constitute a lien upon the Unit or Units in the Project and shall be subject to foreclosure as



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provided by Section 108 of the Act. The lien upon each Condominium Unit owned by the Co-owner shall be in the amount assessed against Unit, plus a proportionate share of the total of all other unpaid assessments attributable to Condominium Units no longer owned by the Co-owner but which became due while the Co-owner had title to the Condominium Units. The lien may be foreclosed by an action or by advertisement by the Association in the name of the Condominium Project on behalf of the other Co-owners.

Payments on account of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorney fees; second, to any interest charges and fines; and third, to installments in default in order of their due dates. A Co-owner selling a Unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve account or other asset of the Association.

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. The Association also may discontinue the furnishing of any utilities or other services to a Co-owner in default upon 7 days written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to utilize any of the General Common Elements of the project and shall not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-owner of ingress and egress to and from his Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him. The Association may also assess fines for late payment or nonpayment of assessments in accordance with the provisions of Article 17 of these Bylaws. All of these remedies shall be cumulative and not alternative.

(B) Foreclosure Proceedings. Each Co-owner and every other person who from time to time has any interest in the 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 incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the project shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the project acknowledges that at the time of acquiring title to such Unit, they were notified of the provisions of this subparagraph and that they 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. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of 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 one 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 hereunder 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 or other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney's fees and future assessments), and (iv) the name(s) of the Co-owner(s) of record. Such affidavit shall be recorded in the office of the County Register of Deeds prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the 10 day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law.

(D) Expense 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 which accrue prior to the time such holder comes into possession of the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata re-allocation of such assessments or charges to all Units including the mortgaged Unit).

Section 7. Developer's Responsibility for Assessments. The Developer, even though a member of the Association, shall not be responsible for the payment of an assessment. The Developer, however, shall at all times pay all expenses of maintaining the Units that it owns, together with a proportionate share of all current expenses of administration actually incurred by the Association from time to time, except expenses related to maintenance and use of the Units in the Project and of the dwellings and other improvements constructed within or appurtenant to the Units that are not owned by Developer. For purposes of the foregoing sentence, the Developer's proportionate share of such expenses shall be based upon the ratio of all Units owned by Developer at the time the expense is incurred to the total number of Units then in the Condominium. In no event shall Developer be responsible for payment of any assessment for deferred maintenance, reserves for replacement, for capital improvements or other special assessments, except with respect to Site Units owned by it on which a completed residential dwelling is located. Further, the Developer shall in no event be liable for any assessment levied in whole or in part to purchase any Unit from the Developer or to finance any litigation or other claims against the Developer, any cost of investigating and preparing such litigation or claim or any similar or related costs. A "completed residential dwelling" shall mean a dwelling with respect to which a certificate of occupancy has been issued.



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Section 8. Property Taxes and Special Assessments. All property taxes and special assessments levied by a 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 personal property taxes based thereon 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.

Section 11. 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 pursuant to which the purchaser holds the right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least 5 days prior to the closing of the purchase of such Unit shall render any unpaid assessments and the liens securing the same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and shall be paid out of the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record.

ARTICLE 3 ARBITRATION

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

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

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



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ARTICLE 4 INSURANCE

Section 1. Responsibilities of Association. The Association shall carry property and casualty insurance coverage and liability insurance coverage, pertinent to the ownership, use and maintenance of the General and Limited Common Elements in an amount equal to the maximum insurable replacement value as determined annually by the Board of Directors. All such insurance shall be purchased by the Association for the benefit of the Association, the Co-owners and their mortgagees as their interest may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees.

Section 2. Responsibilities of Co-owners. It shall be each Co-owner's responsibility to obtain insurance coverage for his personal property and any and all improvements located within his Unit or within any Limited Common Area appurtenant to or assigned to his Unit and for his personal liability for occurrences within his Unit or upon Limited Common Elements appurtenant to or assigned to his Unit. The Association shall have absolutely no responsibility for obtaining such coverage. The Association and all Co-owners shall use their best efforts to see that all property and liability insurance carried by the Association or any Co-owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association. If any Co-owner is unable to obtain such waiver of subrogation provision in its insurance policy, then such Co-owner shall indemnify, defend and hold the Association harmless from any claim made by an insurer of such Co-owner against the Association. Such insurance policies shall list the Association as an insured party. The Association may, in its discretion, require that each Co-owner obtain insurance covering liability damage to persons or property of others located within such Co-owner's Unit, or in another Unit in the Condominium Project, or upon the Common Elements resulting from the negligence of the insured Co-owner in such amounts as shall from time to time be determined by the Association, and showing the Association as an insured party.

Section 3. Responsibility for Premiums. The premiums for the insurance purchased by the Association pursuant to Section 1 above shall be apportioned among the various Co-owners as an expense of administration. The premiums for each Co-owner's insurance shall be the sole responsibility of that Co-owner. Any deductible which becomes due from the Association shall be an expense of administration.

Section 4. 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 these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied to such repair or reconstruction and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Project unless all of the institutional holders of first mortgages on Units in the project have given their prior written approval.

Section 5. Authority of Association. Each Co-owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance, and worker's compensation insurance, if applicable, pertinent to the Condominium Project, his Unit and the



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Common Elements appurtenant thereto with such insurer as may, from time to time, provide such insurance for the Condominium Project. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefore, to collect proceeds and to distribute the same to the Association, to Co-owners and respective mortgagees, as their interest may appear (subject always to the Master Deed and these Bylaws), to execute releases of liability and to do all things on behalf of such Co-owner and the Condominium as shall be necessary to the accomplishment of the foregoing.

ARTICLE 5 RECONSTRUCTION OR REPAIR

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

(A) General Common Elements. If the damaged property is a Common Element, the damaged property shall be rebuilt or repaired by the Association unless all of the Co-owners and all of the institutional holders of mortgages on any Unit in the project unanimously agree to the contrary.

(B) Unit or Improvements Thereon. If the damaged property is a Unit or any improvements thereon, the Co-owner of such Unit alone shall determine whether to rebuild or repair the damaged property, subject to the rights of any mortgagee or other person or entity having an interest in such property and such Co-owners shall in any event remove all debris and restore his Unit and the improvements thereon to a clean and sightly condition satisfactory to the Association and in accordance with the provisions of Article 6 hereof as soon as reasonably possible following the occurrence of the damage.

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

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

Section 4. Timely Reconstruction and Repair. If damage to the Common Elements adversely affects the appearance of the Project, the Association shall proceed with replacement of the damaged property without delay.

Section 5. Eminent Domain. The following provisions shall control upon any taking by eminent domain:



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

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

(C) Continuation of Condominium After Taking. In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be resurveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article 5 of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the Percentages of Value of the Condominium to 100%. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by a Co-owner.

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

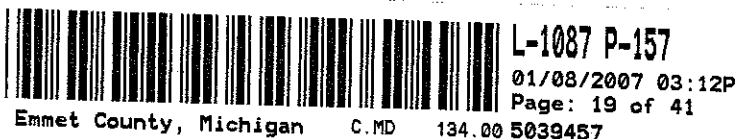
(E) Applicability of the Act. To the extent not inconsistent with the foregoing provisions, Section 133 of the Act shall upon any taking by eminent domain.

ARTICLE 6 RESTRICTIONS

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

Section 1. Use. No Unit in the Condominium shall be used for other than residential purposes. The Common Elements shall be used only for purposes consistent with these uses. Neither the Units nor the Common Elements shall be used in violation of applicable zoning and other local ordinances or in violation of other pertinent laws and/or public regulations.

Section 2. Leasing and Rental. A Co-owner may lease their Unit for the same purposes set forth in Section 1 of this Article 6. 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. All renting or leasing of Units shall also be subject to the provisions of Section 112 of the Act.



Section 3. Architectural Control.

(A) Approval of Plans. No dwelling, structure or other improvement shall be constructed on a Unit, nor shall any exterior modification be made to any existing dwelling, structure or improvement, unless plans and specifications therefore, containing such detail as required herein or as Developer may reasonably request, have first been approved in writing by the Developer. Construction of any dwelling or other improvements must also receive any necessary approvals from the necessary, local and State governmental authorities. This requirement for prior approval is intended to include the erection of antennas of any sort (including dish antennas and satellite dishes), lights, accessory buildings or any other such exterior attachments, improvements or modifications.

A Co-owner may submit his or her plans in two stages, starting with the review of the preliminary plan only prior to incurring the expense of the final, working plans and specifications. Preliminary plans must include the location of the building on the Unit. After the submission and approval of the preliminary plan, the Co-owner shall then submit the final, working plans and specifications for review.

Once the Developer has been provided with the required plans and specifications, a response to the Co-owner shall be due within 30 days. If the reviewing body does not respond to the Co-owner within the 30 day time period, the plans and specifications shall be deemed approved as submitted. Any changes to an approved plan must be approved in advance by the Developer.

(B) Minimum Size Requirement. The minimum square footage of a dwelling constructed within a Unit shall be not less than 1,400 square feet. All computations of square footage for the minimum set forth above shall only include living area and shall specifically exclude garages, porches, terraces, breezeways and basements, whether or not any of the foregoing excluded areas are enclosed or heated. Walk-out basements are allowed, but the area of a walk-out basement will not be included in the computation of minimum square footage, even if the interior of the basement is finished, if less than one-half of the exterior walls of the basement are exposed.

(C) Compatible Design, Materials and Colors. The exterior design, construction materials and colors of all dwellings and structures must be compatible with the existing dwellings and harmonious with the residential/resort character of the area. No design, material or exterior color which would not be compatible or harmonious shall be allowed.

(D) Types of Construction Allowed. Modular or unitized homes are allowed provided that they meet all existing Michigan Building Codes (formerly known as BOCA codes) as adopted by Emmet County. Single-wide mobile homes, manufactured and HUD homes of any type shall not be allowed. The Developer can, at the Developer's sole discretion, require that dormers, gables, or such other breaks in the expanse of wall or roof be added to modular, pre-fabricated or panelized homes before they can be approved. During construction the signage on a Unit shall be limited to one builder sign not greater than 2' x 3' in size. All roofs shall have a 6/12 pitch or greater slope, and any gable or dormer attached thereto shall have a slope of at least 2/12 pitch greater than the roof, except that the Developer may, in its discretion, allow lesser slopes on a case by case basis. The driveway on each Unit shall be paved with an improved surface such as asphalt, concrete or brick.

(E) Garages and Accessory Buildings. Each dwelling shall have a garage that is constructed at the same time as the dwelling, but the garage may be attached or unattached. The garage shall be large enough to contain at least two standard-sized passenger vehicles. Each Unit may have such accessory buildings as are allowed by local zoning, provided that their design and color are compatible with the principal dwelling, provided that they are located to the rear of the dwelling and provided that they have been approved in advance pursuant to the review and approval requirements of this Section, except that pole buildings are expressly prohibited.

(F) Lighting, Antennas, Etc.. Satellite dishes are allowed provided that they do not exceed 18" diameter in size and provided that they are screened from view from the street or from any other Unit as best as possible under the circumstances. Outdoor mercury vapor lights and such other, similar types of lights are prohibited. All exterior lighting must be directed in a downward direction so as to limit negative impact on the night-sky. Ham radio and similar type antennas are prohibited. Solar panels are allowed provided they are obscured from view from other Units and from the street.

(G) Fencing. All or part of rear and side yards may be fenced provided that the type and appearance of the fencing material is approved by the Developer. Chain-link fences shall only be allowed if coated in a dark, earth tone color. Front yards may not be fenced.

(H) Construction Schedule and Occupancy. All exterior construction must be completed within 12 months of commencement, except that certain finish items that require warmer weather for completion may be completed within a reasonable time. For the purposes of this paragraph, "completion" shall be defined as the issuance of a certificate of occupancy. A Co-owner may not take occupancy of a house until a certificate of occupancy has been issued and a copy delivered to the Developer.

(I) Trees and Vegetation. A Co-owner may, in their discretion, clear the trees and vegetation within their Unit, including the entire front yard set-back area, except that a Co-owner may not clear any trees within the rear and side yard setbacks of their Unit that are greater than six inches DBH (diameter at breast height) without the prior, written consent of the Developer. A Co-owner may remove dead, diseased or unsafe trees at any time without prior approval. A Co-owner may plant and maintain grass and other types of ground cover in their yard areas.

(J) Purpose of Section. The purpose of this Section is to assure the continued maintenance of the Condominium as a beautiful and harmonious residential development. Developer shall have the right to refuse to approve any such plans or specifications or grading plans which are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing upon such plans and specifications it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to be constructed and the degree of harmony thereof with the Condominium as a whole.

(K) Assignment of Developer Rights. Developer's rights under this Article 6, Section 3 may, in Developer's discretion, be assigned to the Association or other successor to the Developer. Developer's rights under this Article 6, Section 3 shall automatically be assigned to the Association upon the expiration of the Development and Sales Period. Developer may construct any improvements upon the Condominium premises that it may, in its sole discretion,

elect to make without the necessity of prior consent from the Association or any other person or entity, subject only to the express limitations contained in the Condominium Documents.

Section 4. Alterations. No Co-owner shall make alterations, modifications or changes on his or her Unit without the express written approval of the Developer or, after the Development and Sales Period, the Architectural Control Committee.

Section 5. Activities. No unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium. No unreasonably noisy activity shall occur in or on the Common Elements or in any Unit at any time, and the disputes among Co-owners, arising as a result of this provision which cannot be amicably resolved, shall be arbitrated by the Association. No Co-owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved.

Section 6. Pets. A Co-owner may maintain household pets, provided that the Co-owner abides by the following restrictions. No animal may be kept or bred for any commercial purpose, and each animal shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. Because of potential danger to humans and damage to personal property, no animal shall be permitted to run loose at any time. All animals shall at all times be leashed and attended by some responsible person while on the General Common Elements. A Co-owner shall be responsible for any damage caused by their pet. A Co-owner shall be responsible for immediate collection and disposal of all fecal matter deposited by their pet. A Co-owner shall keep its pets off all other Co-owners' Units; if asked by the Association, a Co-owner shall keep its pets off any General Common Area.

Section 7. Aesthetics. The Common Elements shall not be used for storage of supplies, materials, personal property, trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. No unsightly condition shall be maintained on any Unit or Common Area, and no furniture or equipment shall be stored thereon during seasons when such areas are not reasonably in use. Trash receptacles shall be maintained in areas designated therefore. "For Sale" signs shall be limited to one sign not exceeding 2' x 3' in size per Unit. In general, no activity shall be carried on nor condition maintained by a Co-owner, either in his Unit or upon any Common Element, which is detrimental to the appearance of the Condominium.

Section 8. Rules and Regulations. It is intended that 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 time by any Board of Directors of the Association, including the first Board of Directors (or its successors) prior to the Transitional Control Date. Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-owners.

Section 9. Utilities. All utility lines, including water, gas, electric, telephone and cable TV, must be placed and maintained underground.



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Section 10. Co-owner Maintenance. Each Co-owner shall maintain his Unit and the improvements thereon in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other Common Elements in any Unit which are appurtenant to or which may affect any other Unit. 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, unless such damages or costs are covered by insurance carried by the Association (in which case there shall be no such responsibility, unless reimbursement to the Association is limited by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article 2 hereof.

Section 11. Vehicles. Boats, snowmobiles, and other similar-type recreational vehicles (and their related trailer) may be parked on an improved surface on a Unit during the season in which the vehicle is intended for use, but such vehicles may not be parked or stored anywhere on a Unit (other than inside of a garage with the door closed) during the off-season. Recreational vehicles may not be lived in while parked or stored on a Unit. Commercial vehicles (except a pick-up truck or van that an occupant of the Unit uses for personal use) may not be parked or stored upon the Condominium Premises unless while making deliveries or pickups in the normal course of business. Inoperable vehicles of any type may not be stored upon the Condominium Premises unless inside of a garage. The operation of off-road vehicles, snowmobiles and four wheelers is prohibited within the Condominium, except for ingress and egress in and out of the Project.

ARTICLE 7 MORTGAGES

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

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

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

Section 4. Attendance at Meetings. Mortgagees are not required to appear at any meeting of Co-owners, except that their approval shall be solicited through written ballots when

mortgagees are entitled to vote on an issue as provided for in the Master Deed. Any mortgagee ballots not returned within 90 days of mailing shall be counted as approval for the change.

ARTICLE 8 VOTING

Section 1. Vote. Except as limited in these Bylaws, each Co-owner shall be entitled to one equal vote for each existing Unit owned. For the purposes of this Article the percentages required shall be based upon the number of Units that may be created.

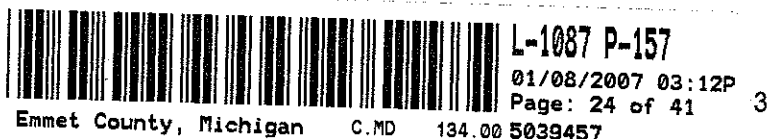
Section 2. Eligibility to Vote. No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until they have presented evidence of ownership of a Unit in the Condominium Project to the Association. Except as provided in Article 11, Section 2 of these Bylaws, no Co-owner, other than the Developer, shall be entitled to vote prior to the date of the First Annual Meeting of members held in accordance with Section 2 of Article 9. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article 8 below or by a proxy given by such individual representative. The Developer shall be the only person entitled to vote at a meeting of the Association until the First Annual Meeting of members. The Developer shall be entitled to a vote for each Unit it owns.

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

Section 4. Quorum. The presence in person or by proxy of 40% of the total value of the project shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

Section 5. Voting. Votes may be cast only in person or in a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

Section 6. Majority. A majority, except where otherwise provided herein, shall consist of more than 50% of Co-owners entitled to vote whether present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association.



ARTICLE 9 MEETINGS

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

Section 2. First Annual Meeting. The First Annual Meeting of members of the Association may be convened only by Developer and may be called at any time after more than one-third of the Units in the Project have been sold and the purchasers thereof qualified as members of the Association. In no event, however, shall such meeting be called later than 120 days after the conveyance of legal or equitable title to non-Developer Co-owners of three-quarters of all Units or 54 months after the first conveyance of legal or equitable title to a non-Developer Co-owner of a Unit in the Project, whichever first occurs. Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting of members and no such meeting shall be construed as the First Annual Meeting of members. The date, time and place of such meeting shall be set by the Board of Directors, and at least 10 days written notice thereof shall be given to each Co-owner.

Section 3. Annual Meeting. Annual meetings of members of the Association shall be held at such time and place as shall be determined by the Board of Directors; provided, however, that the second annual meeting shall not be held sooner than eight months after the date of the First Annual Meeting. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article 11 of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

Section 4. Special Meeting. It shall be the duty of the President to call a special meeting of the Co-owners as directed by resolution of the Board of Directors or upon a petition signed by 1/4 of the Co-owners presented to the Secretary of the Association. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Co-owner of record, at least 10 days but not more than 60 days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Article 8, Section 3 of these Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice and such waiver, when filed in the records of the Association, shall be deemed due notice.

Section 6. Adjournment. If any meeting of Co-owners cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.



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

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

Section 9. Consent of Absentees. The transaction of any Association business 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 such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

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

ARTICLE 10 ADVISORY COMMITTEE

An advisory committee of non-Developer Co-owners shall be established either 120 days after conveyance of legal or equitable title to non-Developer Co-owners of 1/3 of the Units that may be created, or 1 year after the initial conveyance of legal or equitable title to a non-Developer Co-owner of a Unit in the Project, whichever occurs first. The advisory committee shall meet with the Board of Directors for the purpose of facilitating communication and aiding the transition of control to the Association. The advisory committee shall cease to exist when a majority of the Board of Directors is elected by the non-Developer Co-owners. The Developer may, at its discretion, remove at any time any member of the Advisory Committee who has not been elected thereto by the Co-owners.



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ARTICLE 11
BOARD OF DIRECTORS

Section 1. Number and Qualification of Directors. The Board of Directors shall be comprised of three members all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association, except for the first Board of Directors. Directors shall serve without compensation. For the purposes of this Article the percentages required shall be based upon the number of Units that may be created.

Section 2. Election of Directors.

(A) First Board of Directors. The first Board of Directors, or its successors as selected by the Developer, shall manage the affairs of the Association until the appointment of the first non-Developer Co-owners to the Board. Elections for non-Developer Co-owners Directors shall be held as provided below.

(B) Appointment of Non-Developer Co-owners to Board Prior to First Annual Meeting. Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners of 25% of the Units, at least one of the three Directors, shall be elected by non-Developer Co-owners. When the required percentage of conveyances has been reached, the Developer shall notify the non-Developer Co-owners and request that they hold a meeting and elect the required Directors. Upon certification by the Co-owners to the Developer of the Directors so elected, the Developer shall then immediately appoint such Director to the Board to serve until the First Annual Meeting unless they are removed pursuant to Section 7 of this Article or they resign or become incapacitated.

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

(1) Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners of 75% of the Units, and before conveyance of 90% of the Units, the non-Developer Co-owners shall elect all Directors on the Board, except that the Developer shall have the right to designate at least 1 Director as long as the Developer owns and offers for sale at least 10% of the Units in the Project or as long as 10% of the Units remain that may be created.

(2) Notwithstanding the formula provided in subsection (1) above, 54 months after the first conveyance of legal or equitable title to a non-Developer Co-owner of a Unit in the Project, if title to not less than 75% of the Units that may be created has not been conveyed, the non-Developer Co-owners have the right to elect a number of members of the Board of Directors equal to the percentage of Units they hold, and the Developer has the right to elect a number of members of the Board equal to the percentage of Units which are owned by the Developer and for which all assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection (1) above. Application of this subsection does not require a change in the size of the Board of Directors.

(3) At the First Annual Meeting two Directors shall be elected for a term of two years and one Director shall be elected for a term of one year. If the Developer is retaining two directorships, one shall have a two year term, and one shall have a one year term. If the Developer is retaining only one directorship, it shall be a two year term. At such meeting all nominees shall stand for election as a group, and each Unit shall have the right to vote for up to



the number of directorships up for election. Voting rights are not cumulative, meaning a Co-owner may not place all of his votes for one nominee. The two persons receiving the highest number of votes shall be elected for a term of two years and the person receiving the next highest number of votes shall be elected for a term of one year. At each annual meeting held thereafter, Directors shall be elected depending upon the number of Directors whose terms expire after the First Annual Meeting, the term of office (except for one of the Directors elected at the First Annual Meeting) of each Director shall be two years. The Directors shall hold office until their successors have been elected and hold their first meeting.

(4) Once the Co-owners have acquired the right hereunder to elect a majority of the Board of Directors, annual meetings of Co-owners to elect Directors and conduct other business shall be held in accordance with the provisions of Article 9 Section 3 hereof.

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

Section 4. Other Duties. The Board of Directors shall also have any other powers or duties specifically imposed by these Bylaws or any further duties which may be imposed by resolution of the members of the Association.

Section 5. Management Agent. The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto) at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 3 and 4 of this Article, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. Service or management contracts between the Association and the Developer or an affiliate of the Developer shall be subject to the termination provisions of Section 55 of the Act.

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

Section 7. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Directors may be removed with or without cause by the affirmative vote of more than 50% of all of the Co-owners and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal 40% requirement set forth in Article 8, Section 4. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting. The Developer may



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remove and replace any Director selected by it at any time or from time to time in its sole discretion. Likewise, any Director selected by the non-Developer Co-owners to serve before the First Annual Meeting may be removed before the First Annual Meeting in the same manner set forth in this paragraph for removal of Directors generally.

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

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

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on three days notice to each Director given personally, by mail, telephone or e-mail, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two Directors.

Section 11. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meetings of the Board shall be deemed a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum present shall control, and 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 such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring with the minutes thereof, shall constitute the presence of such Director for purposes of determining a quorum.

Section 13. Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premium on such bonds shall be expenses of administration.

ARTICLE 12 OFFICERS

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



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Vice President may be held by one person.

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

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

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

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

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

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

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

ARTICLE 13 FINANCE

Section 1. Records. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed and other Condominium Documents for the Condominium project available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium Project.



The Association shall keep detailed books of account showing all expenditures and receipts of administration and which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. The books, records, and contracts concerning the administration and operation of the Condominium shall be available for examination by any of the Co-owners and their mortgagees at convenient times, and all books and records shall be audited or reviewed by independent accountants annually. Such audits need not be certified.

Section 2. Fiscal Year. The Fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the Directors. 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 such bank or savings association as may be designated by the Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time. The funds may be invested from time to time in such insured bank accounts, certificates of deposit or interest-bearing obligations of the United States Government as the Board deems appropriate.

ARTICLE 14 INDEMNIFICATION OF OFFICERS AND DIRECTORS

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

ARTICLE 15 AMENDMENT

These Bylaws may be amended in the manner set forth in the Amendment Article of the Master Deed.

ARTICLE 16 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 provisions of the Condominium Documents shall be grounds for relief, which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.

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

Section 3. Removal and Abatement. The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements or into any Unit, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.

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 such violations in accordance with Article 17 of these Bylaws.

Section 5. Non-waiver of Right. The failure of the Association or of any Co-owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-owner to enforce such 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 aforesaid Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

Section 7. Enforcement of Provisions of Condominium Documents. A Co-owner may maintain an action against the Association and its officers and Directors to compel such persons to enforce the terms and provisions of the Condominium Documents. A Co-owner may maintain an action against any other Co-owner for injunctive relief or for damages or any combination thereof for noncompliance with the provisions of the Condominium Documents or the Act.

ARTICLE 17 ASSESSMENT OF FINES

Section 1. General. The violation by any Co-owner, occupant or guest of any of the provisions of the Condominium Documents including any duly adopted rules and regulations shall be grounds for assessment by the Association, acting through its duly constituted Board of



Directors, of monetary fines against the involved Co-owner. Such Co-owner shall be deemed responsible for such violations whether they occur as a result of his personal actions or the actions of his family, guests, tenants or any other person admitted through such Co-owner to the Condominium Premises.

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

(A) Notice. Notice of the violation, including the Condominium Document provision violated, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will place the Co-owner on notice as to the violation, shall be sent by first class mail, postage prepaid, or personally delivered to the representative of said Co-owner at the address shown in the notice required to be filed with the Association pursuant to Article 8, Section 3 of these Bylaws.

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

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

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

Section 3. Amounts. Upon violation of any of the provisions of the Condominium Documents and after default of the offending Co-owner or upon the decision of the Board as recited above, the following fines, plus any repair or out-of-pocket expenses or fees incurred, may be levied:

(A) First Violation. Up to \$100.00.

(B) Second Violation. Up to \$400.00 fine.

(C) Third and Subsequent Violations. Up to \$1,000.00 fine.

Section 4. Continuing Violations. In the event that a violation continues beyond 10 days from the date of the offending Co-owner's hearing at which the Board determines that a violation has occurred, the continuing violation will be treated as a separate and subsequent violation and the new and increased fines may be levied on each occasion of any subsequent violation determination without the necessity of a further hearing or hearings thereon.

Section 5. Collection. The fines levied pursuant to Section 3 above shall be assessed against the Co-owner and shall be due and payable either by separate invoice or together with the next periodic assessment. Failure to pay the fine will subject the Co-owner to all liabilities set forth in the Condominium Documents, including, without limitation, those described in Article 2 and Article 16 of these Bylaws.



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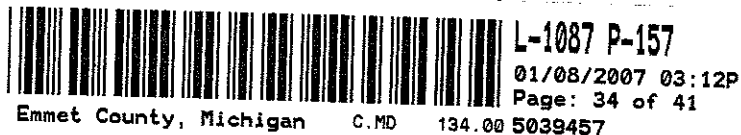
Failure or delay on the part of the Association in the assessment of any fine does not waive any right the Association has hereunder. Failure to impose a monetary fine for a violation does not limit the Association's right to impose a subsequent, higher fine.

**ARTICLE 18
RIGHTS RESERVED TO DEVELOPER**

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the right and power to approve or disapprove any act, use, or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its acceptance of such powers and rights and such assignee or transferee shall thereupon have the same rights and powers as herein given and reserved to the Developer. Any rights and powers reserved or granted to the Developer or its successors shall terminate, if not sooner assigned to the Association, at the conclusion of the Development and Sales Period as defined in Article 3 of the Master Deed. The immediately preceding sentence dealing with the termination of certain rights and powers granted or reserved to the Developer is intended to apply, insofar as the Developer is concerned, only to the Developer's rights to approve and control the administration of the Condominium and shall not, under any circumstances, be construed to apply to or cause the termination of any real property rights granted or reserved to the Developer or its successors and assigns in the Master Deed or elsewhere (including, but not limited to, access easements, utility easements and all other easements created and reserved in such documents which shall not be terminable in any manner hereunder and which shall be governed only in accordance with the terms of their creation or reservation and not hereby). The Developer shall have the right to enforce these Bylaws throughout the Development and Sales Period, which right of enforcement shall include (without limitation) an action to restrain the Association or any Co-owner from any activity prohibited by these Bylaws.

**ARTICLE 19
SEVERABILITY**

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



CONDOMINIUM SUBDIVISION PLAN

PLEASANTVIEW WOODS

EMMET COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 340
EXHIBIT B
TO THE MASTER DEED OF

DEVELOPER

THE PLEASANTVIEW WOODS, L.L.C.
A MICHIGAN LIMITED LIABILITY COMPANY
1173 MAPLE WAY
HARBOR SPRINGS, MICHIGAN 49740

SURVEYOR

BENCHMARK ENGINEERING INC.
607 E. LAKE STREET
HARBOR SPRINGS, MICHIGAN 49740

PART OF THE NORTHWEST 1/4 OF SECTION 15, T35N, R5W, LITTLE TRVERSE TOWNSHIP, EMMET COUNTY, MICHIGAN DESCRIBED AS:

COMMENCING AT THE NORTHWEST CORNER OF SECTION 15, T35N, R5W, LITTLE TRVERSE TOWNSHIP, EMMET COUNTY, MICHIGAN; THENCE ALONG THE NORTH LINE OF SAID SECTION 15 AND THE CENTERLINE OF HATHAWAY ROAD N 80°34'30"E 1315.46 FEET; THENCE S 0°17'31"E 83.02 FEET TO THE PLACE OF BEGINNING; THENCE CONTINUING S 0°17'31"E 2359.92 FEET; THENCE S 89°30'24"W 380.75 FEET; THENCE N 0°25'14"W 350.51 FEET TO A CONCRETE MONUMENT REPLACING A FOUND "T" IRON; THENCE N 86°20'38"W 141.67 FEET TO A CONCRETE MONUMENT REPLACING A FOUND "T" IRON; THENCE N 70°54'05"W 199.91 FEET TO A CONCRETE MONUMENT REPLACING A FOUND "T" IRON; THENCE N 0°31'43"W 12.63 FEET; THENCE 335.50 FEET ALONG THE ARC OF A CIRCULAR CURVE TO THE LEFT, RADIUS 1020.66 FEET, DELTA 18°50'02", CHORD N 35°27'08"W 333.59 FEET; THENCE 645.98 FEET ALONG THE ARC OF A CIRCULAR CURVE TO THE RIGHT, RADIUS 761.51 FEET, DELTA 48°36'13", CHORD N 24°34'01"W 626.73 FEET; THENCE N 0°25'35"W 1017.15 FEET; THENCE N 88°34'30"E 393.16 FEET; THENCE N 8°19'59"W 100.95 FEET; THENCE ALONG THE SOUTH RIGHT OF WAY OF HATHAWAY ROAD N 88°34'30"E 87.05 FEET; THENCE S 15°55'41"W 52.39 FEET; THENCE N 88°34'30"E 51.03 FEET; THENCE ALONG THE SOUTH RIGHT OF WAY OF HATHAWAY ROAD N 16°40'28"W 51.03 FEET; THENCE S 15°55'41"W 52.39 FEET; THENCE N 88°34'30"E 170.53 FEET TO THE PLACE OF BEGINNING.

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

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- SHEET INDEX
- 1 COVER
 - 2 OVERALL SURVEY PLAN
 - 3 SURVEY PLAN NORTH
 - 4 SURVEY PLAN SOUTH
 - 5 SITE PLAN NORTH
 - 6 SITE PLAN SOUTH
 - 7 UTILITY PLAN / BUILDING ENVELOPE PLAN NORTH
 - 8 UTILITY PLAN / BUILDING ENVELOPE PLAN SOUTH



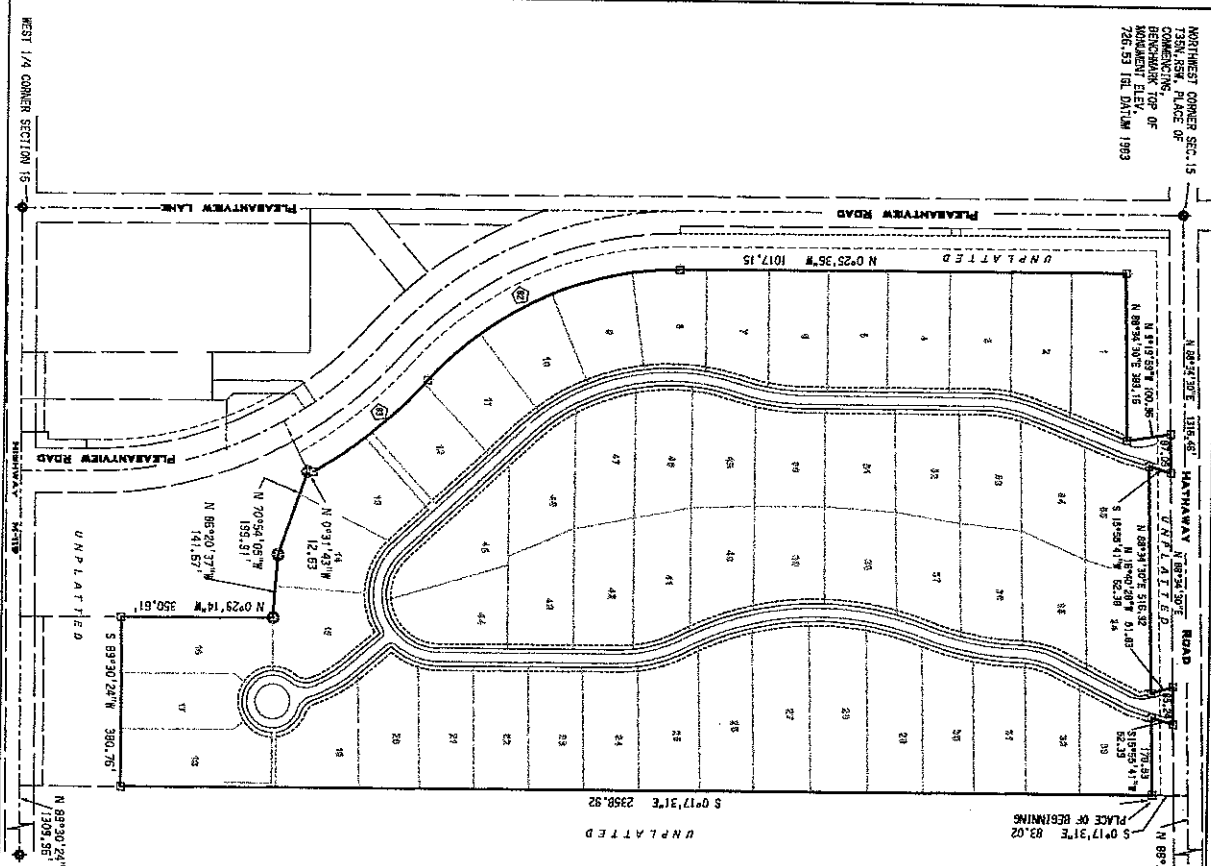
Y03442, EXHIBIT B, SHEET 1
COPY FILED IN 1

PLEASANTVIEW WOODS

COVER

1

THIS PROPOSED SHEET PREPARED BY:
BENCHMARK ENGINEERING, INC.
607 E. LAKE STREET
HARBOR SPRINGS, MICHIGAN 49740
James E. Young
JAMES E. YOUNG, P.S., NO. 24625
DATE: JANUARY 5, 2007



NORTHWEST CORNER SEC. 15
 BEING THE PLACE OF
 MONUMENT TOP OF
 MONUMENT BELY,
 726.53 1st. DATUM 1988

NORTH 1/4 CORNER
 N 89°34'30"E 1316.46'
 UNPLATTED
 S 0°17'31"E 2389.92'
 UNPLATTED
 PLACE OF BEARINGS
 S 0°17'31"E 83.02'

SURVEYOR'S CERTIFICATE
 I, JAMES E. YOUNG, PROFESSIONAL SURVEYOR OF THE STATE OF MICHIGAN, HEREBY CERTIFY:
 THAT THE SUBDIVISION PLAN KNOWN AS EMMET COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 240 AS SHOWN ON THE ACCOMPANYING DRAWINGS, REPRESENTS A SURVEY OF THE GROUND MADE UNDER MY DIRECTION, THAT THERE ARE NO EXISTING ENCROACHMENTS UPON THE LANDS AND PROPERTY HEREIN DESCRIBED.
 THAT THE REQUIRED MONUMENTS AND IRON MARKERS WILL BE LOCATED IN THE PERIOD AS REQUIRED BY RULES PROMULGATED UNDER SECTION 142 OF ACT NUMBER 89 OF THE PUBLIC ACTS OF 1978.
 THAT THE ACCURACY OF THIS SURVEY IS WITHIN THE LIMITS REQUIRED BY RULES PROMULGATED UNDER SECTION 142 OF ACT NUMBER 89 OF THE PUBLIC ACTS OF 1978.
 THAT THE BEARINGS AS SHOWN, ARE NOTED ON SURVEY PLAN AS REQUIRED BY RULES PROMULGATED UNDER SECTION 142 OF ACT NUMBER 89 OF THE PUBLIC ACTS OF 1978.

JAMES E. YOUNG, P.S. # 24526
 BENCHMARK ENGINEERING
 607 E. LAKE STREET
 HARBOR SPRINGS, MICHIGAN 49740
 DATE: JANUARY 5, 2007

BEARINGS ARE TRUE NORTH BASED ON GPS OBSERVATIONS OF THE NORTH SECTION LINE MONUMENTATION.
 BENCHMARK - TOP OF MONUMENT AT THE NORTHWEST SECTION CORNER.
 ELEVATION 726.53 1st. DATUM 1988 ADJ. 0.03 FOR IRKAD 1988

| CHORD | RADIUS | ARC |
|-------|---------|--------|
| 82 | 761.51 | 615.58 |
| 83 | 1020.55 | 335.50 |

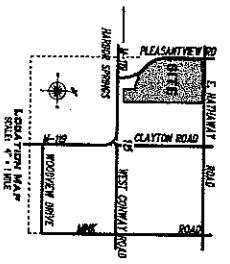
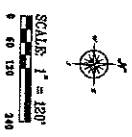
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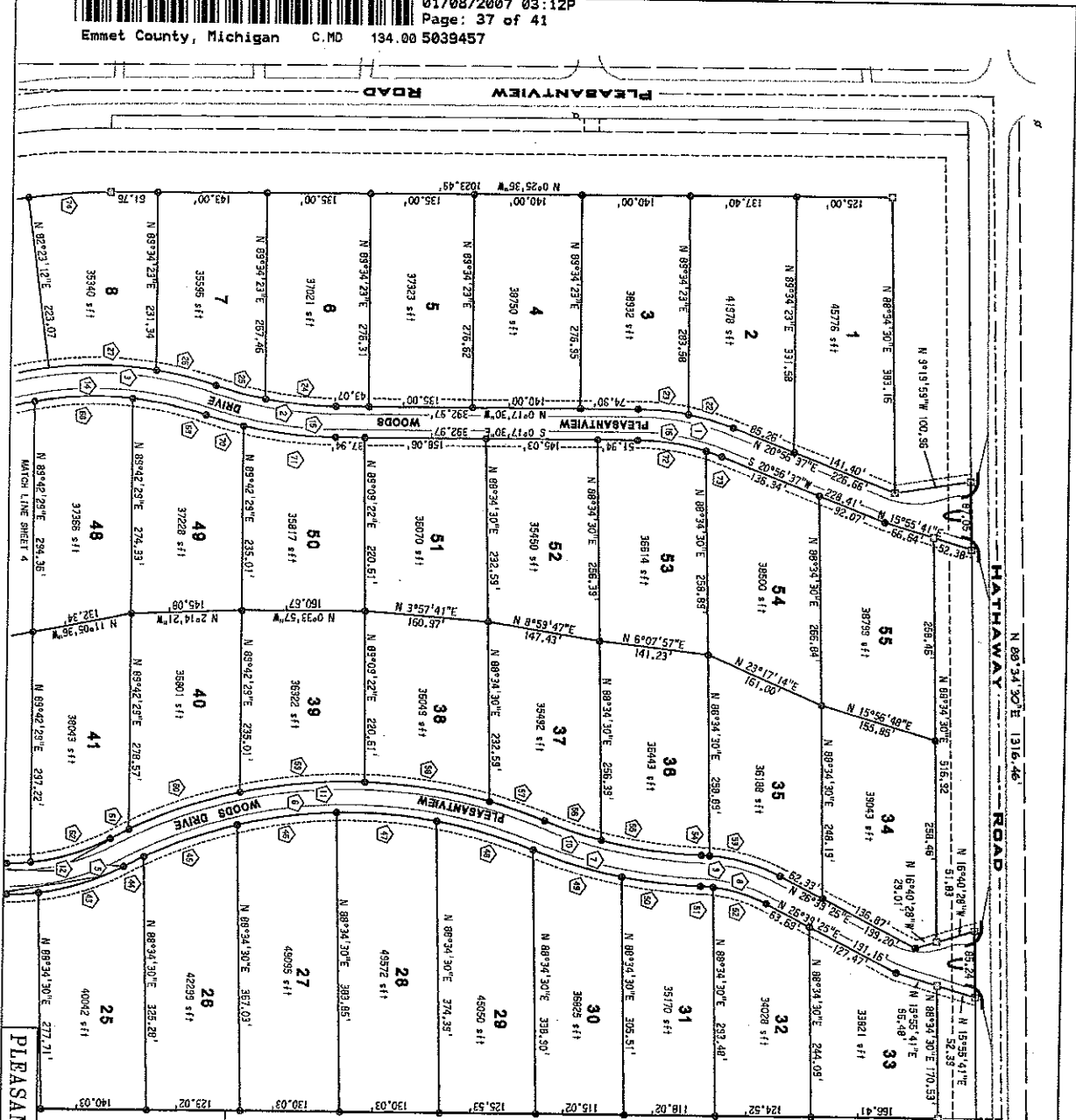
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 COORD. FITSHEET 1

PLEASANTVIEW WOODS

THIS PROPOSED SHEET PREPARED BY:
BENCHMARK ENGINEERING, INC.
 607 E. LAKE STREET
 HARBOR SPRINGS, MICHIGAN 49740
 DATE: JANUARY 5, 2007
 JAMES E. YOUNG, P.S. NO. 24526
OVERALL SURVEY PLAN 2

- LEGEND**
- ◆ SECTION CORNER
 - ◻ PROPOSED CONCRETE MONUMENT
 - ◻ REPLACED ROUND SURVEY IRON WITH PROPOSED CONCRETE MONUMENT BY WIDE UTILITY EASEMENT
 - CHORD NUMBER
 - PROJECT BOUNDARY LINE





PLEASANTVIEW WOODS SURVEY PLAN NORTH 3

Y05442, exhibit 11b, sheet 13
 0109 P11000011

SEE SHEET 2 FOR BEARING AND BENCHMARK INFORMATION

DATE: JANUARY 5, 2007

JAMES F. YOUNG, P.S., NO. 24526

LEGEND

- PROPOSED 5/8" IRON ROD
- PROPOSED MONUMENT
- 10' WIDE UTILITY EASEMENT LINE

UNIT BOUNDARY

THIS PROPOSED SHEET PREPARED BY:
BENCHMARK ENGINEERING, INC.
 607 E. LAKE STREET
 HARBOR SPRINGS, MICHIGAN 49740

SCALE 1" = 60'

0 30 60 120

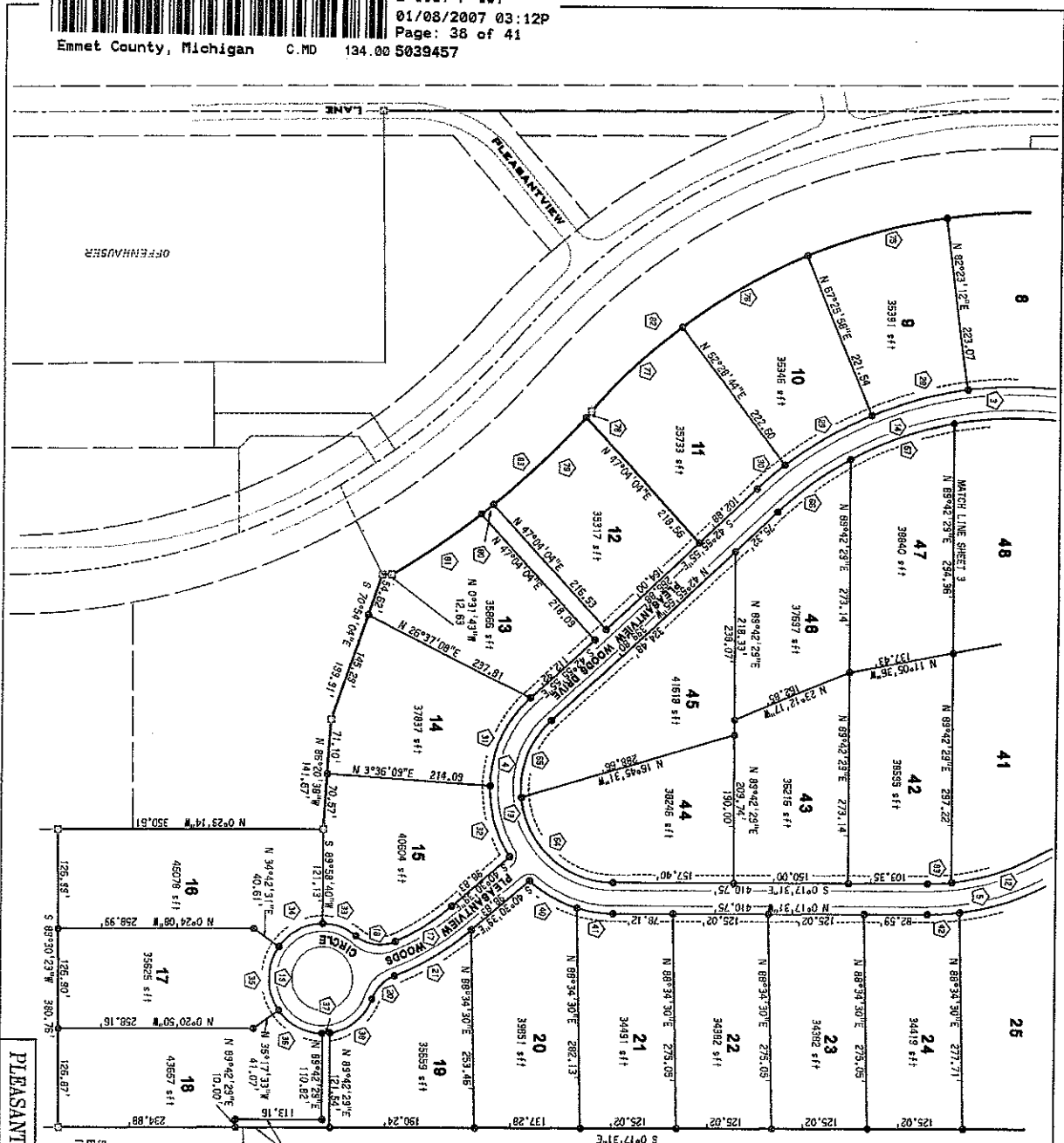
NORTH 1/4 CORNER

CONIC RADIIUS

DELTA

CIRCULE

ARC LENGTH



SEE SHEET 2
 BEARING AND BENCHMARK
 INFORMATION
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 CAD FILENAME 1

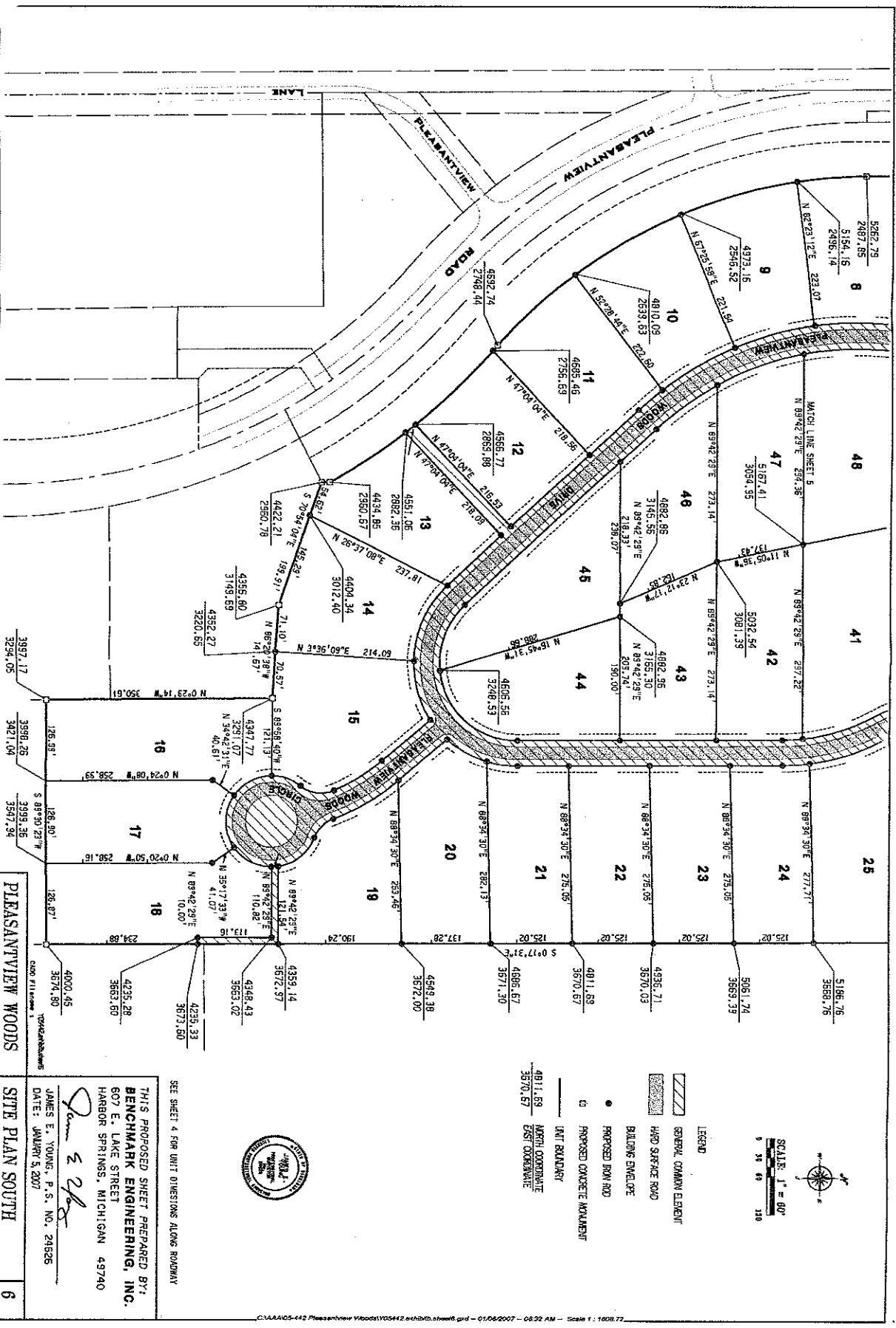


LEGEND
 • PROPOSED 5/8" IRON ROD
 □ PROPOSED MONUMENT
 --- UNIT BOUNDARY
 ○ CURVE NUMBER
 --- 10' WIDE UTILITY EASEMENT LINE

THIS PROPOSED SHEET PREPARED BY:
BENCHMARK ENGINEERING, INC.
 607 E. LAKE STREET
 HARBOR SPRINGS, MICHIGAN 49740
 JAMES E. YOUNG, P.S. NO. 24626
 DATE: JANUARY 5, 2007

| STATION | CHORD | DELTA | ARC |
|---------|--------|--------|--------|
| 1+00.00 | 100.00 | 180.00 | 100.00 |
| 1+05.00 | 100.00 | 180.00 | 100.00 |
| 1+10.00 | 100.00 | 180.00 | 100.00 |
| 1+15.00 | 100.00 | 180.00 | 100.00 |
| 1+20.00 | 100.00 | 180.00 | 100.00 |
| 1+25.00 | 100.00 | 180.00 | 100.00 |
| 1+30.00 | 100.00 | 180.00 | 100.00 |
| 1+35.00 | 100.00 | 180.00 | 100.00 |
| 1+40.00 | 100.00 | 180.00 | 100.00 |
| 1+45.00 | 100.00 | 180.00 | 100.00 |
| 1+50.00 | 100.00 | 180.00 | 100.00 |
| 1+55.00 | 100.00 | 180.00 | 100.00 |
| 1+60.00 | 100.00 | 180.00 | 100.00 |
| 1+65.00 | 100.00 | 180.00 | 100.00 |
| 1+70.00 | 100.00 | 180.00 | 100.00 |
| 1+75.00 | 100.00 | 180.00 | 100.00 |
| 1+80.00 | 100.00 | 180.00 | 100.00 |
| 1+85.00 | 100.00 | 180.00 | 100.00 |
| 1+90.00 | 100.00 | 180.00 | 100.00 |
| 1+95.00 | 100.00 | 180.00 | 100.00 |
| 2+00.00 | 100.00 | 180.00 | 100.00 |
| 2+05.00 | 100.00 | 180.00 | 100.00 |
| 2+10.00 | 100.00 | 180.00 | 100.00 |
| 2+15.00 | 100.00 | 180.00 | 100.00 |
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| 2+75.00 | 100.00 | 180.00 | 100.00 |
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PLEASANTVIEW WOODS
 SURVEY PLAN SOUTH
 4



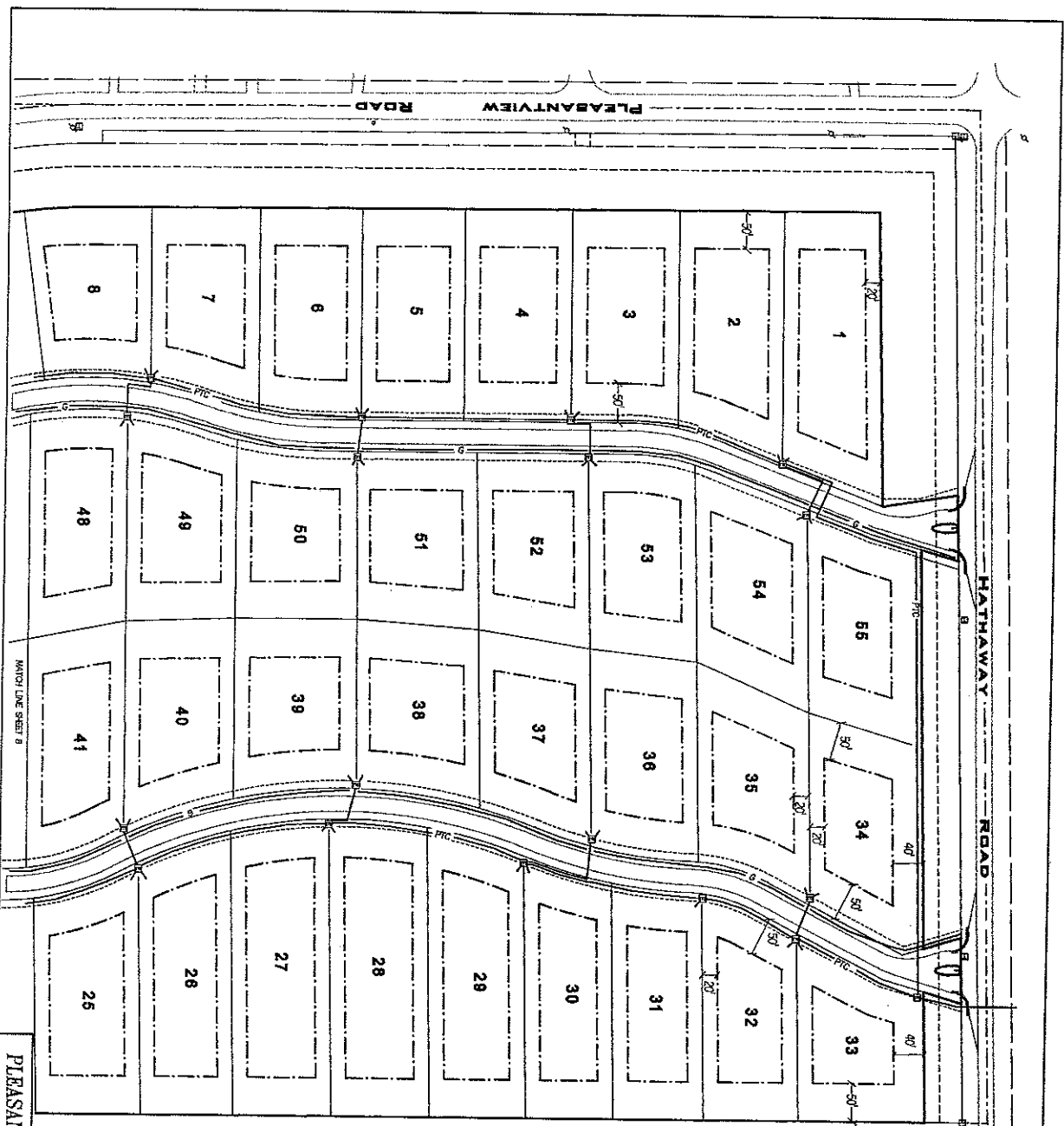
SEE SHEET 4 FOR UNIT DIMENSIONS ALONG ROADWAY

THIS PROPOSED SHEET PREPARED BY:
BENCHMARK ENGINEERING, INC.
 607 E. LAKE STREET
 HARBOR SPRINGS, MICHIGAN 49740

James E. Young
 JAMES E. YOUNG, P. S. NO. 24826
 DATE: JANUARY 5, 2007

PLEASANTVIEW WOODS
 SITE PLAN SOUTH





PLEASANTVIEW WOODS

UTILITY PLAN / BUILDING ENVELOPE PLAN NORTH

7

DATE: JANUARY 5, 2007

THIS PROPOSED SHEET PREPARED BY:
BENCHMARK ENGINEERING, INC.
 507 E. LAKE STREET
 HARBOR SPRINGS, MICHIGAN 49740

James E. Young

JAMES E. YOUNG, P.S., NO. 246226



SCALE: 1" = 80'
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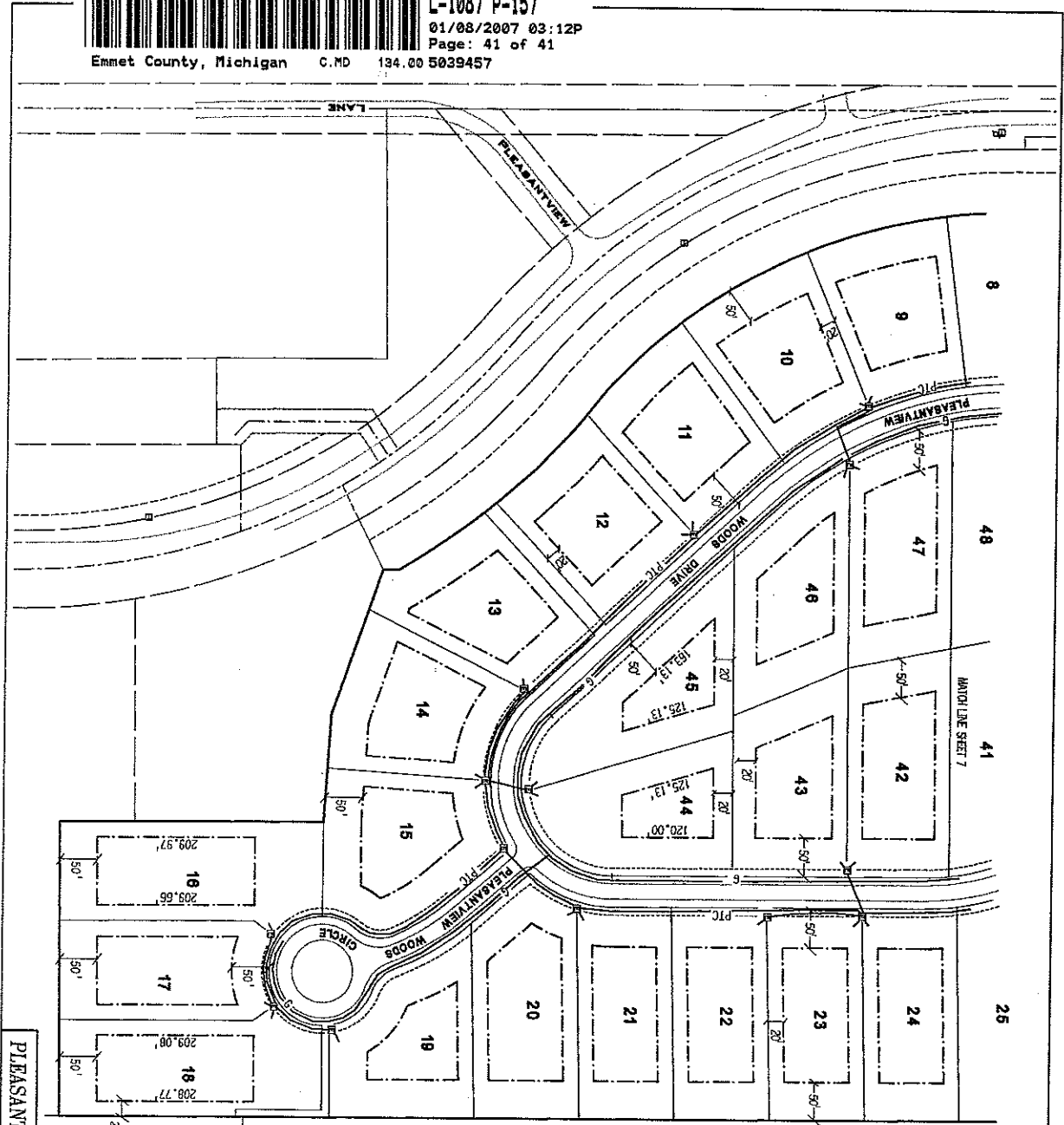


NOTES:
 WELLS AND SEPTIC SYSTEMS WILL BE INDIVIDUAL, ON-SITE SYSTEMS CONSTRUCTED, OPERATED, AND MAINTAINED BY THE INDIVIDUAL UNIT OWNERS.
 ALL UTILITIES SHOWN "MUST BE BUILT"
 UTILITY BOX CLUSTER CONSISTS OF ELECTRICAL BOX, TELEPHONE BOX AND CABLE TV BOX OF A PARTIAL COMBINATION THEREOF.

LEGEND

- = GAS MAIN
- P-C— = ELECTRIC, TELEPHONE & CABLE TV LINES
- P-T— = OTHER UTILITY EMBELEM LINE
- = BUILDING ENVELOPE
- = UTILITY BOX CLUSTER

| UTILITY | SOURCE OF LOCATION |
|---------------|--|
| GAS | CONCEPTUAL LAYOUT |
| ELECTRIC | FIELD OBSERVATION & PLANS BY UTILITY CO. |
| TELEPHONE | COMMON TRENCH WITH ELECTRIC |
| CABLE TV | COMMON TRENCH WITH ELECTRIC |
| WELL | SEE PLAN ON FILE WITH LOCAL HEALTH DEPT |
| SEPTIC SYSTEM | SEE PLAN ON FILE WITH LOCAL HEALTH DEPT |



PLEASANTVIEW WOODS

UTILITY PLAN / BUILDING ENVELOPE PLAN SOUTH

8

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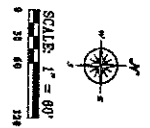
THIS PROPOSED SHEET PREPARED BY:
BENCHMARK ENGINEERING, INC.
 607 E. LAKE STREET
 HARBOR SPRINGS, MICHIGAN 49740
 JAMES E. YOUNG, P. S. NO. 24626
 DATE: JANUARY 8, 2007



NOTES:
 WELLS AND SEPTIC SYSTEMS WILL BE INDIVIDUAL ON-SITE SYSTEMS CONSTRUCTED, OPERATED, AND MAINTAINED BY THE INDIVIDUAL UNIT OWNERS.
 ALL UTILITIES SHOWN "MUST BE BUILT"
 UTILITY BOX CLUSTER CONSISTS OF ELECTRICAL BOX, TELEPHONE BOX AND CABLE TV BOX OF A PARTIAL COMBINATION THEREOF.

- LEGEND**
- GAS MAIN
 - ELECTRIC, TELEPHONE & CABLE TV LINES
 - WIDE UTILITY EMBELEMMENT LINE
 - BUILDING ENVELOPE
 - UTILITY BOX CLUSTER

| | |
|---------------|--|
| UTILITY | SOURCE OF LOCATION |
| GAS | CONCEPTUAL LAYOUT |
| ELECTRIC | FIELD OBSERVATION & PLANS BY UTILITY CO. |
| TELEPHONE | COMMON TRENCH WITH ELECTRIC |
| CABLE TV | COMMON TRENCH WITH ELECTRIC |
| WELL | SEE PLAN ON FILE WITH LOCAL HEALTH DEPT |
| SEPTIC SYSTEM | SEE PLAN ON FILE WITH LOCAL HEALTH DEPT |



**ASSOCIATION ARTICLES OF
INCORPORATION**

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

w)

| | |
|--|--|
| Date Received | (FOR BUREAU USE ONLY) |
| | FILED |
| | JUL 10 2006 |
| This document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document. | |
| Name Neil Marzella, Attorney | BUREAU OF COMMERCIAL SERVICES |
| Address P.O. Box 808 | Tran Info: 1 11966380-1 07/06/06 Administrator Chk#: 004468 Amt: \$20.00 OFFICE OF NEIL MARZELLA |
| City Harbor Springs, MI 49740-0808 | EFFECTIVE DATE: |

Document will be returned to the name and address you enter above.
If left blank document will be mailed to the registered office.

798812

ARTICLES OF INCORPORATION

For use by Domestic Nonprofit Corporations
(Please read information and instructions on the last page)

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

ARTICLE I:

The name of the corporation is: **PLEASANTVIEW WOODS OWNERS' ASSOCIATION**

ARTICLE II:

The purposes for which the corporation is organized are as follows:

- A. To manage and administer the affairs of a condominium (hereinafter the "Condominium");
- B. To levy and collect assessments against and from the members of the corporation (the Co-owners) and to use the proceeds thereof for the purposes of the corporation; to enforce assessments through liens, fines and foreclosure proceedings where appropriate;
- C. To carry insurance and to collect and allocate the proceeds thereof;
- D. To restore, repair or rebuild the property after occurrence of an event causing casualty to the common elements of the Condominium; to negotiate on behalf of the Co-owners for any taking of common elements by eminent domain;
- E. To contract for and employ persons or business entities to assist in management, operation, maintenance, and administration of the Condominium;
- F. To make reasonable regulations affecting Co-owners and their tenants concerning the use and enjoyment of the Condominium; to enforce the regulations by all legal methods, including, but not limited to, imposition of fines and late payment charges, eviction proceedings or legal proceedings;

ARTICLE II Continued:

G. To own, maintain and improve, and to buy, sell, convey, assign, mortgage, or lease any real or personal property, including, but not limited to, any unit in the Condominium, easements, right-of-ways or licenses, or any other real property, whether or not contiguous to the Condominium, for the purposes of providing benefit to the members of the corporation and in furtherance of any of the purposes of the Condominium.

H. To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business to secure the same by mortgage, pledge or other lien, the foregoing subject to limitation in amount and voter approval as provided in the Condominium By-laws;

I. To enforce the provisions of the Master Deed and Condominium By-laws, of these Articles of Incorporation, and of such rules and regulations of the Condominium as may hereafter be adopted; to sue on behalf of the Condominium or the Co-owners thereof; to assert, defend, or settle claims on behalf of Co-owners with respect to the common elements;

J. To do anything required of or permitted to it as administrator of the Condominium by the Master Deed or Condominium By-laws or by Public Act No. 59 of 1978;

K. In general, to enter into any kind of activity, to make and perform any contract and to exercise all powers necessary to the administration, management and operation of the Condominium with all powers conferred upon non-profit corporations by the laws of the State of Michigan.

ARTICLE III:

The corporation is organized upon a non-stock basis.

The description and value of its real property assets are: none.

The description and value of its personal property assets are: none.

The corporation is to be financed under the following general plan: assessment of its members.

The corporation is organized on a membership basis.

ARTICLE IV:

1. The address of the registered office is: 198 East Main Street, Harbor Springs, MI 49740

2. Mailing address:

3. The name of the resident agent at the registered office is: Thomas Graham

ARTICLE V:

The name and address of the incorporator is as follows: Kenyon R. Stebbins
1173 Maple Way
Harbor Springs, MI 49740

ARTICLE VI:

The names and addresses of the first Board of Directors are as follows:

| Name: | Address: |
|---------------------|---|
| Kenyon R. Stebbins | 1173 Maple Way Harbor Springs, MI 49740 |
| Winston L. Stebbins | 3875 Roxbury Okemos, MI 48864 |
| Malcolm W. Stebbins | 15 Sherbrook Drive Halifax, Nova Scotia, Canada B3M 1P5 |

The incorporator signs his name on: July 3, 2006



Kenyon R. Stebbins

CONDOMINIUM ESCROW AGREEMENT

PLEASANTVIEW WOODS CONDOMINIUM ESCROW AGREEMENT

Agreement made this 3rd day of July, 2006, by and between The Pleasantview Woods, L.L.C. (the "Developer"), and Corporate Title Agency (the "Escrow Agent").

Whereas the Developer is developing a condominium project known as Pleasantview Woods Condominium, under and in accordance with the Michigan Condominium Act (Act No. 59, Public Acts of 1978, as amended (the "Act"));

Whereas the Developer plans to sell units in the project to such persons ("Purchasers") who shall execute and enter into a Reservation and Purchase Agreement in the form attached hereto (the "Purchase Agreement");

Whereas all deposits received from Purchasers executing Reservation and Purchase Agreement are required to be deposited in escrow with a bank, savings and loan association or title company, licensed or authorized to do business in Michigan under and pursuant to the terms and conditions specified by Section 103b of the Act; and

Whereas the parties desire to enter into this Agreement for the purpose of satisfying this escrow requirement of the Act;

Now, Therefore, the parties hereby agree as follows:

1. Deposit of Funds and Documents. The Developer shall promptly deposit with Escrow Agent all funds received as deposits from Purchasers executing a Reservation and/or Purchase Agreement, together with a fully executed copy of each Agreement and, if then available, a signed copy of the receipt of each Purchaser required by Section 84a(3) of the Act acknowledging receipt of the documents required to be delivered by Section 84a(l) of the Act. If not delivered with the initial deposit of funds, the receipt required by Section 84a(3) shall be promptly delivered by Developer upon receipt of the same. Upon receipt of such funds, Escrow Agent shall place the same in a bank account, insured against loss and readily liquid so that they may be disbursed as provided by this Agreement.

2. Interest Earned Upon Escrowed Funds. Escrow Agent shall be under no obligation to earn interest upon the funds held in escrow hereunder. If interest is earned, upon the termination of the Purchase Agreement due to the default of the Developer, interest shall be paid to the Purchaser. If interest is earned, upon the termination of the Purchase Agreement for any reason other than the default of the Developer, interest shall be paid to the Developer. Upon closing of a transaction, interest shall be credited to Purchaser on the closing statement and paid to Developer as part of the purchase price.

3. Release of Funds. Escrow Agent shall hold all funds deposited with it in escrow until the occurrence of one of the conditions set forth below, at which time Escrow Agent shall deliver the funds to the party indicated.

(a) Voluntary Withdrawal by Purchaser. If the Purchaser shall withdraw from the Purchase Agreement prior to the time that the Purchase Agreement becomes binding, then within three (3) business days from the date of receipt of notice of such withdrawal from Purchaser or Developer, Escrow Agent shall deliver the escrowed funds to the Purchaser.

(b) Default Prior to Purchase Agreement Becoming Binding. If the Purchaser shall default in performing any obligation of the Purchase Agreement requiring Purchaser's performance prior to the time that the Purchase Agreement becomes binding, and Developer elects to terminate the Purchase Agreement and so notifies Escrow Agent, then Escrow Agent shall promptly deliver the escrowed funds to the Purchaser.

(c) Voluntary Withdrawal by Developer. If Developer decides not to establish the Project as a condominium project or not to establish the Purchaser's unit and so notifies Escrow Agent, the Escrow Agent shall deliver all escrowed funds to the Purchaser.

(d) Inability to Obtain Financing. If the Purchase Agreement is contingent upon any event (i.e.- Purchaser obtaining a mortgage or other financing) and permits the Purchaser to voluntarily withdraw in the event such contingency is not met, and Purchaser duly withdraws as a result and gives notice thereof to Escrow Agent, Escrow Agent shall deliver the escrowed funds to the Purchaser.

(e) Default After Purchase Agreement Becomes Binding. If, after the Purchase Agreement becomes binding, either the Purchaser or the Developer shall default in performing their respective obligations therein set forth, and the non-defaulting party provides notice of such default as required by the Purchase Agreement and provides a copy of such notice to Escrow Agent, then following the passage of such grace period, if any, as may be

provided by the Purchase Agreement, Escrow Agent shall deliver all escrowed funds to the non-defaulting party promptly following receipt of a written demand for the same, provided, however, that if prior to the release of such funds Escrow Agent receives a written objection to the notice of default or a written claim of interest in the funds from the alleged defaulting party, then Escrow Agent shall hold or dispose of the funds as provided in Paragraph 7 hereof.

(f) Upon Conveyance of Title to Purchaser. Upon conveyance of title to a unit covered by a Purchase Agreement from the Developer to a Purchaser (or upon execution of a Land Contract between the Developer and a Purchaser in fulfillment of a Purchase Agreement), Escrow Agent shall release to Developer all escrowed funds provided Escrow Agent has confirmed:

(i) That all "must be built" items located within the phase of the Project in which the unit is located are substantially complete, and that all recreational or other facilities intended for common use wherever located within the Project are substantially complete; or

(ii) That, if the structures or improvements described in Subparagraph 3(f)(i) above are not complete, sufficient funds to finance substantial completion are being retained in escrow.

For purpose of structures or improvements of the type described in Subparagraph 3(f)(i) above, the same shall be considered substantially complete when certificates of substantial completion have been furnished therefor by the Developer and by a licensed professional architect or engineer, as described in Paragraph 6.

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

4. Substitute Security. Notwithstanding anything in this Agreement to the contrary, Developer may withdraw all or any part of the escrowed funds prior to the occurrence of any of the events set forth in Paragraph 3 above, provided that Developer shall deliver to Escrow Agent an irrevocable letter of credit in the amount of the funds being withdrawn issued by a Michigan bank or savings and loan and payable only to Escrow Agent or such alternate security which, in the discretion of the Escrow Agent, offers satisfactory substitute security.

5. Ultimate Disposition of Funds. After the Transitional Control Date, as defined in the Condominium Documents, upon the request of the Condominium Owners' Association or any interested Co-owner(s), the Escrow Agent shall notify the Developer and the Association or Co-owner(s) of the balance of the funds remaining in escrow for the completion of "must be built" items. After said Transitional Control Date, the funds which have not yet been released to Developer may continue to be held or may be disposed of by Escrow Agent as follows:

(a) Escrow Agent may release such funds or security in accordance with the terms of such written agreement, if any, as may be entered into by and between the Developer and the Condominium Owners' Association, provided that such agreement is entered into subsequent to said Transitional Control Date;

(b) With the consent of the Developer and all other interested parties, Escrow Agent may initiate an arbitration proceeding under the Commercial Arbitration Rules of the American Arbitration Association pursuant to which proceeding both the Developer, the Condominium Owners' Association and all other interested parties shall be named as parties. Escrow Agent shall continue to hold all sums in escrow pending the outcome of the arbitration, but Escrow Agent shall not be a party to such arbitration. All issues relative to disposition of such escrow deposits or other security shall be decided by the arbitrator or arbitration panel and such decision shall be final and binding upon all parties concerned and judgment thereon may be rendered upon such award by any Circuit Court of the State of Michigan. Escrow Agent may in any event release all such escrow deposits in accordance with the arbitration decision or may commence an interpleader action with respect thereto as provided below; or

(c) Escrow Agent may initiate an interpleader action in any Circuit Court in the State of Michigan naming the Developer, the Condominium Owners' Association and all other interested parties and deposit all funds or other security in escrow with the Clerk of such Court in full satisfaction of its responsibilities under this Agreement.

6. Proof of Occurrences; Confirmation of Substantial Completion; Determination of Cost to Complete. Escrow Agent may require reasonable proof of any event, action or condition stated herein before releasing any funds held by it pursuant to any Purchase Agreement either to a Purchaser thereunder or to the Developer. Whenever Escrow Agent is required hereto to confirm that a facility, element, structure, improvement or identifiable portion of any of the same is substantially complete in accordance with the pertinent plans and specifications therefor, it may base such confirmation entirely upon the certificate of a licensed professional architect or engineer to such effect. Likewise, all estimates and determinations of the cost to substantially complete any incomplete elements, facilities, structures and improvements for which escrowed funds are being specifically maintained under

subparagraph 2(g) above shall be made entirely by a licensed professional architect or engineer, and the determination of all amounts to be retained or maintained in the escrow account for the completion of any such elements, facilities, improvements or structures shall be based entirely upon such determinations and estimates as are furnished by such architect or engineer. No inspections of the Condominium Project or any portion thereof by any representative of Escrow Agent shall be deemed necessary hereunder, nor must any cost estimates or determinations be made by Escrow Agent, and Escrow Agent may rely entirely upon certificates, determinations and estimates as described above in retaining and releasing all escrowed funds hereunder.

7. Conflicting Claims. If Escrow Agent receives conflicting instructions or claims to the funds or documents held in escrow, then it may take any one or more of the following actions:

(a) It may hold all or any portion of the funds and documents affected by the conflicting instructions or claims in escrow and take no further action until otherwise directed, either by mutual written instructions from all interested parties or final order of a Court of competent jurisdiction; or

(b) It may initiate an interpleader action in any Circuit Court in the State of Michigan naming all interested parties as parties and depositing all or any portion of the funds, securities and documents affected by the adverse claims with the Clerk of such Court in full satisfaction of its responsibilities under this Agreement.

8. Status and Liability of Escrow Agent. Upon delivering or applying all funds deposited with it hereunder in accordance with this Agreement, and after performing the obligations and services required by law and in all Purchase Agreements, Escrow Agent shall be released from any further liability under this Agreement and the Purchase Agreements, it being expressly understood that Escrow Agent's liability is limited by the terms and the provisions set forth in this Agreement and the Purchase Agreements. By acceptance of this Agreement, both Developer and Escrow Agent acknowledge that Escrow Agent is acting in the capacity of a depository and that Escrow Agent is not responsible or liable for the sufficiency, correctness, genuineness or validity of the instruments submitted to it by Developer or the nature, extent or quality of construction of any unit, facility or improvement. Escrow Agent shall not be responsible for the failure of any bank used as a depository for funds received pursuant to this Agreement.

9. Notices. All notices required or permitted to be given pursuant to this Agreement and all notices of change of address shall be sufficient if personally delivered or sent by certified mail, postage prepaid and return receipt requested, addressed to the recipient at the address shown below each party's signature on this Agreement or the pertinent Purchase Agreement. For purposes of calculating time periods under the provisions of this Agreement, all notices shall be deemed effective upon mailing or personal delivery, whichever is applicable.

10. Attorney Fees and Costs. The Developer (or the Purchaser, Condominium Owners' Association or Co-owner(s), should the arbitrator(s) or Court determine that the Purchaser, Condominium Owners' Association or Co-owner(s) are at fault and should bear all or part of the responsibility therefore) shall reimburse the Escrow Agent for its reasonable attorney fees and costs resulting from the Escrow Agent having to initiate an arbitration or interpleader action pursuant to Paragraphs 5 or 7 above.

11. Construction. This Agreement shall be subject to, and construed in all respects in accordance with, the laws of the State of Michigan.

Executed effective the date first set forth above.

Developer:
The Pleasantview Woods, L.L.C.,
A Michigan limited liability company

By: Kenyon Stebbins
Kenyon Stebbins, Member

c/o 198 East Main Street
Harbor Springs, Michigan, 49740

Escrow Agent:
Corporate Title of Northern Michigan, L.L.C.,
a Michigan limited liability company
d/b/a Corporate Title Agency

By: Dennis W. Bila II
Dennis W. Bila II, Its President

321 Spring Street
Harbor Springs, MI 49740
(231) 526-2685

CONDOMINIUM BUYERS HANDBOOK



THE CONDOMINIUM BUYER'S HANDBOOK

The Michigan Department of Labor & Economic Growth created the Condominium Buyer's Handbook as required by the Condominium Act (PA 59 of 1978, as amended). This edition includes Public Act 385 of 2002 amendments.

PREFACE

The Condominium Buyer's Handbook is a guide for people who are interested in buying a condominium. For your protection, you should read this booklet before you sign a purchase agreement. This handbook contains a summary of portions of the Condominium Act. Although the information is directed primarily toward residential condominium buyers, the Act also covers business, manufactured housing, campground and marina condominium developments. The last section of the handbook describes the legal remedies that are available to you based on the Condominium Act.

The Condominium Act does not give the Department of Labor & Economic Growth authority to enforce or regulate any provisions in the bylaws for condominium developments or the Condominium Act. Although the Department of Labor & Economic Growth is the designated administrator in the Act, the Legislature repealed the Department's regulatory and enforcement responsibilities in 1983.

The Department of Labor & Economic Growth will forward a copy of a complaint received regarding a developer of a condominium project to the developer, along with a notice of available remedies in the Act. Contact:

**Michigan Department of Labor & Economic Growth
Office of Policy & Legislative Affairs
P.O. Box 30004
Lansing, MI 48909
(517) 241-4580
www.michigan.gov/dleg**

You can use the above website to access the Act, Administrative Rules (R 559.202 et seq.), Frequently Asked Questions, Available Remedies, as well as, the Condominium Buyers' Handbook.

The Condominium Act (PA 59 of 1978, as amended; MCL 559.101 et seq.) is also available at www.legislature.mi.gov.

CONDOMINIUM OWNERSHIP

Condominium unit co-owners have exclusive ownership rights to their unit and the right to share the common elements of the condominium development with other co-owners. The condominium subdivision plan, which is part of the master deed, identifies which areas are units and which areas are common elements.

The co-owners own and maintain the development once the developer has sold all the units, unless the local government agrees to take responsibility for maintaining a portion of the development. Roads are an example of a portion of a condominium development that may become public.

The master deed provides the percentage of ownership for each condominium unit in the development. This percentage is the basis for determining your obligation for payment of monthly maintenance fees, assessments for major repairs, and may determine your voting percentage at association meetings. The association of co-owners determines how much the monthly maintenance fee will be and assesses each owner for repairs to the common elements.

READ THE BYLAWS

Read the bylaws for the association and condominium development as they contain provisions outlining your rights and obligations as a co-owner.

You are obligated to pay the monthly maintenance fee and any assessments. If there are no restrictions in the bylaws that place limits on increasing the monthly fee, the association has the right to determine the amount. If the roads, or any other portion of the common elements in the development need repair, the association will determine the amount each owner is responsible for paying. If there are no restrictions in the bylaws regarding assessments, the association has the right to determine the amount. If you fail to pay an assessment or monthly fee, the association may place a lien on your unit.

Modifications or repairs to your unit may require approval of the co-owners association. If you do not obtain approval, the association may take legal action against you.

Before signing a purchase agreement, you should be aware of any restrictions on pets, renting, displaying items outdoors, and other prohibitions in the bylaws. Even if a restriction is not in the bylaws when you purchase, the association may amend the bylaws. Only changes that materially affect the co-owners require a vote of all co-owners.

You may not have the right to attend association meetings unless the bylaws specify that you may attend. The bylaws may not require associations to provide minutes of their meetings to co-owners.

PRELIMINARY RESERVATION AGREEMENTS

A preliminary reservation agreement gives you the opportunity, for a specified time, to purchase a particular condominium unit upon sale terms to be determined later.

The developer must place the payment you make in an escrow account with an escrow agent. If you make a payment under a preliminary reservation agreement and cancel the agreement, the developer must fully refund the money. If you enter into a purchase agreement, the developer must credit the payment toward any payment due in the purchase agreement.

PURCHASE AGREEMENTS

A purchaser may withdraw from a signed purchase agreement without cause or penalty within nine business days as long as the property has not been conveyed to the purchaser. The nine-business day window starts the day the purchaser receives all the documents that the developer is required to provide. The developer must deposit payments made under a purchase agreement in an escrow account with an escrow agent.

Before signing an agreement, it is advisable to seek professional assistance to review all condominium documents.

Some issues to consider before buying include the following:

- **Do not rely on verbal promises** - insist that everything be in writing and signed by the appropriate parties involved in the transaction.
- The bylaws may contain a variety of restrictions. You may be required to receive association approval for certain actions. If you do not obtain prior approval, the association has authority to enforce the legal restrictions in the bylaws.
- You may be subject to a binding purchase agreement before construction is complete. Determine whether the agreement will provide you with adequate rights if the developer does not finish the unit in time to meet the occupancy date.
- You may wish to contact the local government to determine if the developer is contractually obligated to finish the development.
- Review all restrictions, covenants, and easements that might affect the condominium project or your unit.
- Determine if the developer has reserved any rights to alter the project.
- Before signing a purchase agreement, make sure you have financing, or that the agreement specifies it is dependent on your ability to obtain a mortgage commitment for the unit.
- When buying a condominium unit in a structure, you may also be a joint owner of the furnace, roof, pipes, wires and other common elements. Ask for an architect's or engineer's report on the condition of all building components, their expected useful life and building maintenance records.

There is no governmental agency that regulates condominium associations and management companies. Only a judge has authority to order an association to comply with the Condominium Act and bylaws.

DOCUMENTS THE DEVELOPER MUST PROVIDE

The developer must provide copies of the following documents to a prospective purchaser:

1. The recorded master deed.
2. A copy of the purchase agreement and the escrow agreement.
3. The condominium buyer's handbook.
4. A disclosure statement that includes:
 - The developer's previous experience with condominium projects.
 - Any warranties undertaken by the developer.
 - The extent to which financial arrangements have been provided for completion of all structures and improvements labeled "must be built" on the subdivision plan.
 - An itemization of the association's budget.

ASSOCIATION OF CO-OWNERS (CONDOMINIUM BOARD)

Initially, the developer appoints the board of directors, who govern the development until the first annual meeting. The provisions for holding the annual meeting and designating the voting procedures should be included in the condominium development bylaws. The Condominium Act, (Section 52), describes the procedure for transitioning from the developer to the association of co-owners for the governing of the development. (Also see "Election of Association of Co-owners Board of Directors" later in this handbook.)

The co-owners elect the association, which is responsible for governing the development and maintaining the general common elements. The general common elements may consist of hallways, lobbies, building exteriors, lawns, streets (if the roads are private), recreation facilities, heating, water and electric systems. The association may hire a management company to provide services for the development. They also have the right to assess co-owners for repairs. After the creation of the association, the association may adopt bylaws for the operation of the association. Rules governing the condominium development are in the bylaws that the developer created for the condominium development.

A condominium association is a private, not public entity. Meetings of the association are not subject to the Open Meetings Act, which requires public agencies to make attendance at meetings open to the public and requires the provision of minutes that describe actions taken at the meeting.

Associations are required by law to keep books and records with a detailed account of the expenditures and receipts affecting the project and its administration, and which specify the operating expenses. The developer must provide a disclosure statement itemizing the association's budget at the time you receive the master deed.

Associations are required to maintain a reserve fund for major repairs and replacement of common elements. The minimum amount is 10% of the annual budget on a non-cumulative basis. If the association needs additional funds for major repairs, they may have the right to assess each owner. Monthly fees and

assessments are a lien on the condominium unit. You may not be exempt from monthly fees and assessments by nonuse of the common elements or by abandonment of the condominium unit.

If you have a complaint with the association or other co-owners, review the condominium bylaws to determine what recourse you have. Generally, only professional arbitrators or the courts have jurisdiction over complaints between these parties.

DOCUMENTS THE ASSOCIATION MUST PROVIDE

The association must provide a financial statement annually to each co-owner. The books, records, and contracts concerning the administration and operation of the condominium project must be available for examination by any of the co-owners at convenient times. All books and records must be audited or reviewed by an independent accountant annually, but the audit does not have to be certified. The association must keep current copies of the master deed, all amendments to the master deed, and other condominium documents available at reasonable hours to co-owners, prospective purchasers and prospective mortgagees.

SITE CONDOMINIUMS

The term "site condominium" is not legally defined in the Condominium Act. It is used to describe a condominium development with single-family detached housing instead of two or more housing units in one structure.

Site condominium developments must comply with the Act. The Act requires developers to notify the appropriate local government of their intent to develop a condominium project. The type of review the development is subject to depends on the local government's ordinances. Site condominium documents are not reviewed by the State for conformance with the Condominium Act.

Another type of single-family-residential housing development in Michigan is a subdivision which is regulated according to the Land Division Act. Although a site condominium development may look like a subdivision developed in accordance with the Land Division Act, they are not the same. Subdivisions developed pursuant to the Land Division Act are subject to state review for conformance with the Land Division Act. Subdivisions developed pursuant to the Land Division Act must be approved for compliance with the Land Division Act before the developer may sell any real estate.

LIMITED OR GENERAL COMMON ELEMENTS

Common elements mean the portions of the condominium project other than the condominium unit. Limited common elements are areas with usage restrictions. A carport space assigned to a unit is a limited common element. The yard of a single family detached unit, for use by the owner of that unit, may be a limited common element. General common elements such as roads, open space areas and recreation facilities are available for use by everyone in the development. The master deed specifies which areas of your condominium development are

designated as limited or general common elements. Use of the common elements is governed by the bylaws for the condominium development.

ADVISORY COMMITTEE

The advisory committee is established when one of the following occurs, whichever happens first: 120 days after 1/3 of the units are sold or one year after a unit is sold to a non-developer co-owner.

The purpose of the advisory committee is to meet with the development's board of directors to facilitate communication and aid in the transition of control from the developer to the association of co-owners. The advisory committee ceases when a majority of the association of co-owners is elected by the (non-developer) co-owners.

ELECTION OF ASSOCIATION OF CO-OWNERS BOARD OF DIRECTORS

No later than 120 days after 25% of (non-developer) co-owners have title to the units; that may be created, at least one director, and not less than 25% of the board of directors shall be elected by the co-owners.

No later than 120 days after 50% of (non-developer) co-owners have title to the units that may be created, at least one third of the board of directors shall be elected by the co-owners.

No later than 120 days after 75% of (non-developer) co-owners have title to units, and before 90% are sold, the co-owners shall elect all but one director on the board. The developer shall have the right to designate one director only if the developer owns and offers for sale at least 10% of the units, or as long as 10% of the units remain to be created.

If titles to 75% to 100% of the units that may be created have not been sold 54 months after the first conveyance, the (non-developer) co-owners shall elect the number of board members equal to the percentage of units they hold. If the developer has paid all assessments, the developer has the right to elect the number of board members equal to the percentage of units that are owned by the developer.

CONDOMINIUM DOCUMENTS

The condominium documents include the master deed, condominium subdivision plan, bylaws for the condominium project, and any other documents referred to in the master deed or bylaws. In addition, the developer is required to provide a disclosure statement.

Once the association is established, it may adopt another set of bylaws pertaining to the association's operation. The association or management company must keep books and records with a detailed account of the expenditures and receipts

affecting the project and its administration, and which specify the operating expenses.

AMENDMENTS TO CONDOMINIUM DOCUMENTS

If the condominium documents contain a statement that the developer or association of co-owners has reserved the right to amend the documents for that purpose, then the documents may be amended without the consent of the co-owners, as long as the change does not materially alter or change the rights of a co-owner.

The master deed, bylaws and condominium subdivision plan may be amended, even if the amendment will materially alter or change the rights of a co-owner with the consent of at least 2/3 of the votes of the co-owners and mortgagees.

The method or formula used to determine the percentage of value of each unit for other than voting purposes cannot be modified without the consent of each affected co-owner.

A co-owner's condominium unit dimensions or limited common elements may not be modified without the co-owner's consent.

The association of co-owners may amend the condominium documents as to the rental of units or terms of occupancy. The amendment does not affect the rights of any lessors or lessees under a written lease executed before the effective date of the amendment, or condominium units that are owned or leased by the developer.

REMEDIES AVAILABLE PURSUANT TO THE CONDOMINIUM ACT

A developer who offers or sells a condominium unit in violation of the Act is liable to the purchaser for damages.

A person or association of co-owners adversely affected by a violation of, or failure to comply with, the Act, the administrative rules issued under the authority of the Act, or any provision of an agreement or a master deed may take action in a court with jurisdiction. The court may award costs to the prevailing party.

A co-owner may take action against the association of co-owners to compel the association to enforce the condominium documents. To the extent that the condominium documents expressly provide, the court shall determine costs of the proceeding and the successful party shall recover those costs.

A co-owner may take action against another co-owner for injunctive relief or for damages for noncompliance with the terms of the condominium documents or the Act.

For condominium projects established on or after May 9, 2002, the bylaws must contain a provision that disputes relating to the interpretation of the condominium documents or arising out of disputes among co-owners may be resolved through arbitration. Both parties must consent to arbitration and give written notice to the

association. The decision of the arbitrator is final and the parties are prohibited from petitioning the courts regarding that dispute.

A co-owner, or association of co-owners, may execute a contract to settle by arbitration for any claim against the developer that might be the subject of a civil action. A purchaser or co-owner has the exclusive option to execute a contract to settle by arbitration for any claim against the developer that might be the subject of a civil action and involves less than \$2,500. All costs will be allocated in the manner provided by the arbitration association. A contract to settle by arbitration must specify that the arbitration association will conduct the arbitration. The method of appointment of the arbitrator will be pursuant to rules of the arbitration association. Arbitration will be in accordance with Public Act No. 236 of 1961, (MCL 600.5001 to 5065), which may be supplemented by rules of the arbitration association. An arbitration award is binding on the parties to the arbitration.

The Condominium Act provides the right to notify the governmental agency that is responsible for the administration and enforcement of construction regulations of an alleged violation of the state construction code, other applicable building code, or construction regulation.

A person who willfully and knowingly aids in misrepresentation of the facts concerning a condominium project, as described in the recorded master deed, is guilty of a misdemeanor and shall be punished by a fine, imprisonment, or both. Actions under MCC 559.258 shall be brought by the prosecuting attorney of the county in which the property is located, or by the department of attorney general.

A person can not take action arising out of the development or construction of the common elements, or the management, operation, or control of a condominium project, more than three years from the transitional control date or two years from the date of the cause of the action, whichever occurs later. The transitional control date is the date the board of directors takes office by an election where the co-owners' votes exceed the developer's votes for the board members.

A condominium developer may be required to be a licensed residential builder under the Occupational Code (PA 299 of 1980, Article 24, as amended). A complaint for a violation of the **Michigan Occupational Code** or administrative rules, must be made within 18 months after completion, occupancy, or purchase of a residential structure. Conduct subject to penalty is described in the Occupational Code (MCL 339.2411). Complaints concerning construction may be filed with:

Michigan Department of Labor & Economic Growth
Bureau of Commercial Services
Enforcement Division
P. O. Box 30018
Lansing, MI 48909
Phone: (517) 241-9202
www.michigan.gov/dleg

The **Michigan Consumer Protection Act** prohibits certain methods, acts, practices, and provides for certain investigations and prescribes penalties. Complaints regarding an alleged violation of the Consumer Protection Act may be filed with:

Michigan Department of Attorney General
Consumer Protection Division
P. O. Box 30213-7713
Lansing, MI 48909
Phone: (517) 373-1140
www.michigan.gov/ag

LEGAL REFERENCES

Condominium Act, P.A. 59 of 1978, as amended, MCL 559.101 et seq.
Condominium Rules, R559.101 et seq, 1985 Michigan Admin Code.
Occupational Code, P.A. 299 of 1980, as amended, MCL 339.101 et seq.
Consumer Protection Act, P.A. 331 of 1976, as amended, MCL 445.901 et seq.
Stille-DeRossett-Hale Single State Construction Code Act, P.A. 230 of 1972, as amended, MCL 125.1501 et seq.

Approval: DLEG Director
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