

MASTER DEED, ASSOCIATION BY-LAWS
AND
ARCHITECTURAL GUIDELINES

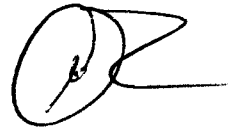
NATURE'S COVE
SITE CONDOMINIUM DEVELOPMENT

WATERVLIET, MICHIGAN
1 September 2004

AMENDMENT # 1

Correction of typographical errors
on original master deed

12/8/04



Lori D. Jarvis Register Of Deeds
Berrien County, Michigan

Rec \$265.00
Remon \$4.00
Tax Crt \$0.00

Recorded

December 08, 2004 02:04:35 PM

Liber 183 Page 0079-0164
Receipt # 3328 CONDO #2004043777



Liber 183 Page 0079

DEVELOPER

TTM DEVELOPMENT GROUP, LTD.
1804 GARNET COURT
NEW LENOX, IL. 60451
815.723.6660 815-723.6662(fax)

MASTER DEED

NATURE'S COVE SITE CONDOMINIUM DEVELOPMENT

(Act 59, Public Acts of 1978)

This Master Deed is made and executed on this **_29TH_** day of November, 2004 by **TTM DEVELOPMENT GROUP LTD.**, an Illinois Corporation, hereinafter referred to as the "Developer", whose principal office is situated at 1804 GARNET COURT, NEW LENOX, Illinois 60451, in provisions of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978), hereinafter referred to as the "Act".

Witnessed:

WHEREAS, The Developer desires by recording this Master Deed, together with the legal description of the project attached hereto as Exhibit A, the Condominium By-Laws attached hereto as Exhibit B, the Condominium Subdivision Plan attached hereto as Exhibit C, and the Architectural Guidelines attached hereto as Exhibit D, all of which are incorporated herein by reference and made a part hereof, to establish the real property described in Article 2 below, together with the improvements located and to be located thereon, and the appurtenances thereto, as a residential condominium project consisting of single-family home building site units under the provision of the Act.

NOW THEREFORE, The Developer does, upon the recording hereof, establish **Nature's Cove**, As a Site Condominium Project Under the Act and does declare that **Nature's Cove**, hereinafter referred to as the "Condominium," the "Project" or the Condominium Project", shall, after such establishment, be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any other manner utilized, subject to the provisions of the Act, and to the covenants, conditions, restriction, uses, limitations and affirmative obligations set forth in the Master Deed and Exhibits A,B, C, D and E hereto, all of which shall be deemed to run with the land and shall be burden and a benefit to the Developer, its successors and assigns, and any persons acquiring or owning an interest in the said real property, their grantees, successors, heirs, executors, administrators and assigns. In furtherance of the establishment of said Site Condominium Project, it is provided as follows:

ARTICLE 1. TITLE AND NATURE

The Condominium Project shall be known as Nature's Cove, Berrien County Site Condominium Subdivision Plan No. **183**__. The Site Condominium Project is established in accordance with the Act. Such architectural plans and specifications as may exist for the Site Condominium Project have been filed with the Township of Watervliet, Berrien County, Michigan. The improvements contained in the Site Condominium Project, including the number, boundaries, dimensions and area of each unit are as set forth in the Site Condominium Subdivision Plan attached hereto as Exhibit C. The Site Condominium contains individual units to be used as building sites for single-family homes.

Each single-family home building site unit is capable of individual utilization as evidenced by each unit having its access onto the private roads within the general common elements which have their own entrance from and exit to certain streets, known as Blatchford Road and Doty Road.

Each co-owner in the Condominium Project shall have an exclusive rights to share with other co-owners the use and enjoyment of the common elements, as designed by this Master Deed.

This development has been subject to and received approval from the Township of Watervliet for site plan and approval, from the MDEQ for the construction of various improvements such as the sanitary and storm sewer systems.

ARTICLE 2 – NOT USED

ARTICLE 3. LEGAL DESCRIPTION

Certain terms are utilized not only in this Master Deed and Exhibit A, B, C, and D hereto, but are or may be used in various other instruments affecting the establishment of, or transfer or, interests in Nature's Cove as a condominium. Wherever used in such documents or any other instruments, the terms set forth below shall be defined as follows:

- 2.1 The "Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978's as amended.
- 2.2 The "Arbitration Association" means the American Arbitration Association or its successor.
- 2.3 The "Architectural Guidelines" means those guidelines set forth on Exhibit D hereto.
- 2.4 The "Architectural Review Committee" means that committee established by the Developer or subsequently by the Association from and after the transitional control date (as defined herein) to review all plans and specifications for the construction of single family residences on building site units within the Project, landscaping plans of co-owners, and all such other tasks delegated to such committee by the Condominium documents.
- 2.5 The "Association" or the "Association of Co-Owners" means NATURE'S COVE Condominium Association, Inc., a non-profit corporation organized under Michigan law of which all co-owners shall be members which corporation shall administer, operate, manage and maintain the Condominium. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless specifically reserved to a sub-committee of the Association or its members by the Condominium documents or the laws of the State of Michigan.
- 2.6 The "Association By-Laws" means the corporate By-Laws of NATURE'S COVE Condominium Association, Inc., the Association organized to manage, maintain and administer the Condominium.
- 2.7 The "Common Elements", where used without modification, means both the general and limited common elements described in Article 4 hereof and as designated on Exhibit C hereto, that being those portions of the Condominium Project other than the condominium units.
- 2.8 The "Condominium By-Laws" means Exhibit B hereto, being the By-Laws setting forth the substantive rights and obligations of the co-owners and required by Section 3 (8) of the Act to be recorded as part of the Master Deed.

- 2.9 The "Condominium Documents" means this Master Deed and Exhibit A, B, C, and D hereto, recorded pursuant to the Act, and any other instrument referred to in this Master Deed or the Condominium By-Laws which affects the rights and obligations of a co-owner in the Condominium Project, including the Association Articles of Incorporation, the Association By-Laws and the Association Rules and Regulation.
- 2.10 The "Condominium Premises" means and includes the land, all improvements and structures thereon, and all easements, rights and appurtenances belonging to the Condominium Project, as described below.
- 2.11 The Condominium Project", the "Condominium", or the "Project" means **NATURE'S COVE**, as a site condominium project established in conformity with the provisions of the Act.
- 2.12 The "Condominium Subdivision Plan" means Exhibit C hereto.
- 2.13 The "Co-owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which owns one or more units in the Condominium Project. The term "Co-owner" shall include a land contract vendee. The term "Owner", wherever used, shall be synonymous with the term "Co-owner."
- 2.14 The "Developer" means TTM DEVELOPMENT GROUP LTD., an Illinois corporation, which has made and executed this Master Deed, and its successors, assigns and subsequent grantees.
- 2.15 The "Escrow Agent" means a bank, savings and loan association, or Title Company, licensed or authorized to do business in the State of Michigan, and required to hold funds pursuant to Section 83, 84 and 103b of the Act. An escrow agent may designate a representative to administer escrow funds in the name, and on behalf, of the escrow agent. The escrow agent for the Condominium Project is 5th/3rd Bank, Kalamazoo, Michigan (c/o Ron Foor) as an agent of TTM Development Group, LTD.. pursuant to an Escrow Agreement.
- 2.16 The "Frontage Area" means the unpaved portion of the project road right of way between the boundary lines of a unit extended and the surface area of the general common element paved roadway as shown on Exhibit C hereto.
- 2.17 The "General Common Elements" means the Project common elements other than the limited common elements as described in Article 4 hereof and as designated on Exhibit C hereto.
- 2.18 The Limited Common Elements" means the Project common elements reserved in the Master Deed for the exclusive use of less than all of the co-owners as described in Article 4 hereof and as designated on Exhibit C hereto.

- 2.19 The "Master Deed" means this Master Deed, including Exhibits A, B, C, D and E hereto, both of which are hereby incorporated by reference and made a part hereof.
- 2.20 The "Percentage of Value" means the percentage assigned to each condominium unit pursuant to Article 5 of this Master Deed.
- 2.21 The "Transitional Control Date" means the date on which the Board of Directors for the Association of co-owners takes office pursuant to an election in which the votes which may be cast by eligible co-owners 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.
- 2.22 The "Unit", the "Condominium Unit", or the "Building Site Unit", means that portion of the Project defined and intended for separate ownership and use as described in Article 5, Paragraph A, of this Master Deed and as designated in Exhibit C hereto. All structures and improvements, utility lines, facilities and driveways (except as otherwise provided in Article 4, Paragraphs A and D0 now or hereafter located within the boundaries of a building site unit shall be owned, in their entirety, by the co-owner of the unit within which they are located

Terms not defined herein, but defined in the Act, shall carry the meanings given them in the Act unless the context clearly indicates to the contrary. 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 shall also be included to the plural where the same would be appropriate.

ARTICLE 4. COMMON ELEMENTS

The common elements of the Project, some of which is specifically designated on Exhibit C hereto and the respective responsibilities for maintenance, decoration, repair or replacement thereof are as follow:

- 4.1 The general common elements of the Condominium Project are:
- A. The land described in article 2 hereof, except that portion included in the units of the Project, as shown on Exhibit C, hereto; but including easement interests of the condominium property within the boundaries of any unit.
 - B. The electrical distribution and wiring network and the appurtenances thereto throughout the Project, up to and

- including the pedestals from which service is provided to the improvement(s) located within the boundaries of a unit
- C. The telephone distribution and wiring network and cable TV network and the appurtenances thereto throughout the Project up to and including the "utility" or "junction" posts from which service is provided to the improvements(s) located within the boundaries of a unit.
 - D. The natural gas distribution network and the appurtenances thereto up to, but not including, the point of connection with the lines(s) serving the improvements(s) located within the boundaries of a unit, i.e. the main gas lines and appurtenances thereto of the Project, excluding lines serving the individual units.
 - E. To the extent installed, if any, the Project common entrance and walkway lighting system and the appurtenances thereto, including the electrical meter for such common lighting.
 - F. The project signage, if any.
 - G. Walkways and parking areas near the recreational features.
 - H. Lots 101 through 112 inclusive are intended to preserve existing environmental features such as woodlands, wetlands, and ravines.
 - I. Recreational facilities and structures on Lot 109.
 - J. The riparian rights illustrated in a survey prepared by Stephenson and Associates in October 2003.
 - K. The permanent piers and seasonal walkways depicted on the utility plan.
 - L. Such other common elements of the Condominium Project not herein designated as general common elements which are not enclosed within the boundaries of a unit, and which are intended for the common use or are necessary for the existence, upkeep and safety of the Project.

NOTE: Some or all of the utility lines, systems (including mains and service leads) and equipment and the cable television system described above will be owned by the local public authority or by the company that is providing the service. Accordingly, such utility lines, systems and equipment and the cable television system shall be general common elements only to the extent of the co-owner's interest therein, if any, and the Developer makes no warranty whatever with respect to the nature or extent, if any.

4.2 The limited common elements of the condominium Project are:

- a.) The surface of the frontage area of the general common element road right of way and utility easement (Right of Way) as designated on Exhibit C hereto within the area of the unit boundary lines extended to the edge of the constructed roadway. This limited common element is designated so that the unit owners shall have the use of and maintain the surface of the frontage area for items such as lawn area and landscaping approved by the Association subject to the right of the Developer or the Association to construct a sidewalk, walkway, trail or pathway within said frontage area.

4.3 The respective responsibilities for the maintenance, decoration, repair and replacement of the common elements are as follows:

- A. Except as otherwise provided herein, the costs of maintaining, repairing, and replacing the general common elements of the Project shall be borne by the Association, except to the extent of maintenance, repair, or replacement due to the act or neglect of a co-owner or his agent, guest, invitee, family member, or pet, for which such co-owner or his agent, guest, invitee, family member, or pet, for which such co-owner shall be wholly responsible, unless, and to the extent, any such loss or damages covered by insurance maintained by the Association.
- B. The costs of maintaining, repairing and replacing the limited common elements appurtenant to the condominium units (including the frontage area) shall be borne by the owner of the unit to which such limited common elements appertain subject to the rules and regulations of the local utilities providing service to the Project, except to the extent of maintenance, repair, or replacement due to the act or neglect of a co-owner or his agent, guest, invitee, family member, or pet, for which such co-owner shall be wholly responsible.
- C. Except to the extent of maintenance, repair, or replacement due to the act or neglect of another co-owner, his agent, guest, invitee, family member or pet, for which such co-owner shall be wholly responsible, the owners shall also be responsible for the maintenance, repair, or replacement of all structures and improvements erected within the boundaries

of the unit. The appearance of all structures, yard areas, patios, decks, porches, landscaping, and all other improvements within the unit or frontage area adjacent to the unit, shall, at all times, be subject at all times to the approval of the Architectural Review Committee to such reasonable aesthetic and maintenance standards as may be prescribed by the Architectural Review Committee in accordance with the³ Architectural Guidelines attached hereto as Exhibit D, except, the Architectural Review Committee may not disapprove the appearance of improvement maintained as constructed with the approval of the Developer or the Association

- D. While it is intended that each co-owner will be solely responsible for the performance and cost of the maintenance, repair and replacement of the residence and all other appurtenances and improvements constructed or otherwise located within a unit, it is nevertheless a matter of concern that a co-owner may fail to properly maintain the exterior of his residence or any limited common element appurtenant thereto in a proper manner and in accordance with the standards set forth by the Association.

In the event a co-owner fails, as required by the Master Deed, the By-Laws or any rules or regulation promulgated by the Association, to properly and adequately decorate, repair, replace or otherwise maintain his unit or any improvement or appurtenance located therein or any limited common element appurtenance thereto, the Association (and/or the Developer during the development and sale period), shall have the right, but not the obligation, to maintenance functions with respect to residences or other improvements constructed or installed within any unit boundary as it any deem appropriate (including, without limitation, painting or other decoration, without limitation, lawn mowing, snow removal and forestry preservation).

Failure of the Association (or the Developer) to take any such action shall not be deemed a waiver of the Association's (or the Developer's) right to take any such action at a future time. All costs incurred by the Association or the Developer in performing any responsibilities which are required in the first instance to be a borne by a co-owner shall be charged to the affected co-owner or co-owners on a reasonably uniform

basis and collected in accordance with the assessment procedures established by the Condominium By-Laws. The lien for non-payment shall attach to any such charges as in all cases of regular assessments and may be enforced by the use of all means available to the Association under the Condominium documents and by law for the collection of regular assessments, including without limitation, legal action, foreclosure of the lien securing payment the imposition of fines.

- E. Each co-owner shall be responsible for the payments of utilities attributable to his unit. Further, unpaid utilities may constitute a lien under applicable state or local law or may inhibit transferability of utility service to a co-owner successor.
 - F. Any maintenance, repair and replacement, the cost of which is to be borne by the co-owner, may, if not performed by the co-owner, be performed by or under the direction of the Association and the cost may be assessed against the responsible co-owner.
 - G. Unless provided otherwise in this master Deed or the Condominium By-Laws, damage to a unit, or any improvement or property located within the boundaries of a unit, caused by the repair, replacement or maintenance activities of the Association of the common elements, which must be maintained by the Association, shall be repaired at the expense of the Association.
- 4.4 No co-owner shall use his unit or the common elements in any manner inconsistent with the purposes of the Project or in any manner, which will interfere with or impair the rights of any other co-owner in the use and enjoyment of his unit or the common elements.
- 4.5 As provided in Article 8, Section 1 c, of the condominium By-Laws, the decoration and maintenance of all common elements is subject to review by the Developer or the Architectural Review Committee.
- 4.6 No co-owner shall be exempt in contributing toward expenses and administration (as defined in the Condominium By-Laws) or from the payment of assessments against his unit by reason of non-use or waiver of use of the common elements or by the abandonment of his unit.

ARTICLE 5. UNIT DESCRIPTION AND PERCENTAGE OF VALUE

- 5.1 Each unit in the Condominium Project is described in the Paragraph with reference to the Condominium Subdivision Plan of NATURE'S COVE, as prepared by MICHAEL J.CAP Ltd., 18154 Harwood Avenue, Suite 204, HOMEWOOD, ILLINOIS 60430. Each building site unit shall include the land area located within the unit boundaries, as shown on Exhibit C hereto and delineated with heavy outlines. Detailed architectural plans and specifications (except for the residential structures and other improvements located within a unit) as may exist for the Condominium Project will be filed with the WATERVLIET TOWNSHIP, Berrien County, Michigan.
- 5.2 The "Percentage of Value" means the percentage of value assigned to each Condominium unit in this Master Deed. The percentage in the Project shall total one hundred (100%) percent in the Project. The percentage of value shall be determinative of each co-owners undivided interest in the common elements, the proportionate share of each respective co-owner in the proceeds and expenses of the administration and the value of such co-owner's vote at meetings of the Association of co-owners.
- 5.2 The percentages of value allocated to the units, except as otherwise provided in this Master Deed, may be changed only with the prior written approval of each holder of a first mortgage lien of any unit in the Project and with the unanimous consent of all co-owners expressed in a duly recorded amendment to this Master Deed.

THE PERCENTAGE OF VALUE ASSIGNED TO EACH UNIT IN THE PROJECT GENERAL COMMON ELEMENTS SHALL BE EQUAL AMOUNST THE 35 LOTS/UNITS.

Therefore, the percentage of value shall be as follows:

UNIT NUMBER	PERCENTAGE	UNIT NUMBER	PERCENTAGE
1	2.86%	19	2.86%
2	2.86%	20	2.86%
3	2.86%	21	2.86%
4	2.86%	22	2.86%
5	2.86%	23	2.86%
6	2.86%	24	2.86%
7	2.86%	25	2.86%
8	2.86%	26	2.86%

9	2.86%	27	2.86%
10	2.86%	28	2.86%
11	2.86%	29	2.86%
12	2.86%	30	2.86%
13	2.86%	31	2.86%
14	2.86%	32	2.86%
15	2.86%	33	2.86%
16	2.86%	34	2.86%
17	2.86%	35	2.86%
18	2.86%	TOTAL	100.00%

ARTICLE 6. ALTERATION OF UNIT BOUNDARIES

- 6.1 **Developers Right to Modify Unit Boundaries.** As long as the Developer holds any unit available for sale in the Condominium Project, it may, in its discretion, modify the dimensions of any such unit, units and the general common elements by enlargement, combination, division or reduction in size or relocation of boundaries between units, even if such action will result in the elimination of a unit from the Condominium Project.

No such modification shall unreasonably impair or diminish the appearance of the Project of the view, privacy, or other significant attribute or amenity of any unit, which adjoins or is proximate to the modified unit or general or limited common element.

No unit, which has been sold or is subject to a binding purchase agreement, shall be modified without the consent of the consent of the co-owner or purchaser and mortgagee thereof.

- 6.2 **Convertible Area.** All space in the Project, since it is or could be affected by such a modification, is hereby designated as "convertible area" whether or not so designated on the Condominium Subdivision Plan. Such space may be converted, in the Developer's elements, or any combination thereof, and the responsibility for the maintenance, repair and replacement therefore may be assigned by an amendment to this Master Deed affected solely by the Developer without the consent of any other person.

- 6.3 **Amendment of Master Deed.** No unit modified in accordance with the provisions of this Paragraph shall be conveyed until an

amendment to this Master Deed effectuating such modification is recorded.

The Developer or Association may also, in connection with any such amendment, readjust percentages of value for all units in a manner, which gives reasonable recognition to such modifications based upon the method of original determination of percentages of value for the Project. All co-owners, mortgagees of units and other persons interested or to become interested or to become interested in the Project from time to time shall be deemed to have unanimously consented to any amendment or amendments necessary to reallocation of percentages of value of existing units which the Developer or its persons irrevocably appoint Developer and its successors as agent and attorney for the purpose of executing such amendments to the master Deed and all other condominium documents as may be necessary to effectuate the foregoing.

ARTICLE 7. EASMENTS

- 7.1 **Easements for Maintenance and Related Matters.** If all or any portion of a unit or common element encroaches upon another unit or common element due to shifting, settling, or moving of a foundation due to surveyors, construction deviations, reconstruction, replacement, renovation, or repair, reciprocal easements respectively benefiting and burdening each such unit or common element shall exist for the maintenance of such encroachment so long as such encroachment exists, and for the maintenance thereof after rebuilding in the event of any destruction.

There shall also be permanent easements to, through, over, under, and across the Condominium premises, including all units for the following:

- A. For the maintenance and repair (including replacement) of common elements, which easement shall be administered by the Association.
- B. As may be reasonable for the installation and continuing maintenance and repair (including replacement) of all utilities in the Condominium Project, including, but not necessarily limited to, light, power, cable television, water, sanitary sewer and communications.

The Association may grant such easements and right of way over, under and across the Condominium Project for utility purposes, including access to utilities and such other lawful purposes as may be necessary for connecting a unit to utility; subject, however, to the approval of the Developer so long as the Developer holds any unit within the Project for sale or so long as any additional unit(s) may be created in the Project.

7.2 Easements Retained by the Developer.

- A. Roadway and Walkway Easements.** Until the final completion of the Project or the final completion of any adjacent development pursuant to Subparagraph D below, the Developer reserves, for the benefit or itself, its agents, employees, invitees, guests, independent contractors, successors and assigns, an easement for the unrestricted use of all roadways and walkways in the Condominium Project for the purpose of ingress and egress to and from all or any portion of the Condominium premises.
- B. Use of Facilities.** The Developer and its duly authorized agents, representatives and employees, may maintain offices, model units and other facilities on the Condominium premises and engage in any acts reasonably necessary to facilitate the sales of units in the Condominium Project. In connection therewith, the Developer shall have full and free access to all common elements and unsold units including the clubhouse
- C. Repair and Replacement of Utilities.** The Developer also hereby reserves, for the benefit of itself, its successor and assigns, with respect to the land described in Article 2 hereof, and any other land contiguous to the Condominium Project which may be owned or hereafter acquired by the Developer, or its successors or assigns, a perpetual easement to construct, modify, repair, maintain, utilize, tap, tie into, extend and enlarge all utility mains located within the Condominium Project, including, but not limited to, water, and sanitary and storm (if were constructed) sewer, electric, light and communication. In the event the Developer, its successors or assigns, utilizes, taps ties into, extends, or enlarges any utilities located on the Condominium premises, the Developer, its successors or assigns, shall be obligated to pay all the expenses reasonably necessary to restore the Condominium premises to its state immediately prior to such

utilization, tapping, trying in, extension, or enlargement; and such restoration shall be made promptly.

In addition, the Developer retains for the benefit of itself, its successors and assigns, and representatives of the Watervliet Township and any utility company, including any cable television company, and to the burden of the Condominium premises, the right to enter the Condominium Project and do all the things necessary to install, maintain, repair, replace, or inspect utility facilities within the purview of their responsibilities.

- D. **Easement for Expansion.** The Developer reserves for itself, its successors and assigns, the right to extend the existing roads in the condominium Project and install and pave connecting roadways thereto in order to serve any adjoining condominium projects hereafter constructed and perpetual easements for the continuing use of such additional roadways shall exist for the benefit of such other condominium projects constructed for the same purposes and upon the same conditions as the condominium projects as are applicable to the existing Project roadways.

In the event that the Developer shall construct additional condominium projects for which it is necessary to use the existing roadways within the Condominium Project, the co-owners of the Condominium Project shall be responsible from time to time for the payment of a proportionate share of the expenses for maintenance, repair, and replacement of any contiguous roadway common to both projects. Such share shall be determined by such expenses times a fraction, the numerator of which shall be the number of units within the Condominium Project plus all other units or such contiguous condominium project or projects which utilize such common roadway as a means of access to a public road.

- 7.3 **Other Project Easements or Decrees.** This master deed does not affect or abrogate existing easements that are apparent from the title report.
- 7.4 **Termination of Easement** The Developer reserves the right to terminate and revoke any utility or other easement granted in this Master Deed at such time as a particular easement has become unnecessary. No easement for a utility may be terminated or revoked unless and until all units served by it are adequately served

by appropriate substitute utility on a shared maintenance basis. The termination or revocation of any such easement shall be affected by the recording of an appropriate amendment to the master Deed in accordance with the requirements of the Act.

- 7.5 **The Financial Support of Easements.** The Association shall financially support all easement described in this Article 7 or otherwise pertaining the Condominium Project, regardless of the rights of others to utilize such easements.

ARTICLE 8. AMENDMENT

- 8.1 **Amendments Which Do Not Materially Affect or Change Rights.** The Developer retains, for itself, its successors or assigns, or the Condominium Association, the right of a co-owners or a mortgagee, include, but are not limited to, amendment modifying the types and sizes of unsold units and their appurtenant common elements, correcting survey or other errors made in the Condominium documents, or for the purpose of correcting survey or other errors made in the Condominium documents, or for the purpose of facilitating loan financing for existing or prospective co-owners, and to enable the purchase of insurance of such mortgage loans by an institutional participant in the secondary mortgage market which purchases of insures mortgages.
- 8.2 **Amendments Which Materially Alter or Change Rights.** Except as provided elsewhere in this Article 8, the Master Deed, By Laws and Condominium Subdivision Plan May be amended with the consent of not less than sixty-six and two-thirds (66 $\frac{2}{3}$ % percent of the votes of co-owners and mortgagees. A mortgagee shall have one vote for each first mortgage held. The required votes may be achieved by written consents or votes at any regular annual meeting or a special meeting called for such purpose, or a combination of vote and consents.
- 8.2 **Developer's reserved Right to Materially Amend Condominium Documents.** Notwithstanding any contrary provision of the condominium Documents, Developer reserves the right to amend materially this Master Deed or any of its exhibits for any of the following purposes:
- A. To amend the condominium Bylaws, subject to any restrictions on amendments stated therein;

- B. To correct arithmetic errors, typographical errors, survey or plan errors, deviations in construction or any similar errors in the Master Deed, condominium Subdivision Plan or Condominium Bylaws, or to correct errors in the boundaries or locations of improvements;
- C. To clarify or explain the provisions of this Master Deed or its Exhibits;
- D. To comply with the Act or rules promulgated hereunder or with any requirements of any governmental or quasi-governmental agency or any financing institution providing mortgages on units in the Condominium Premises;
- E. To create, grant, make, define or limit easements affecting the Condominium Premises;
- F. To record an "as built" Condominium subdivision Plan and/or 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;
- G. To terminate or eliminate reference to any right which Developer has reserved to itself herein; and
- H. To make alterations described in Article 6 above, even if the number of units in the Condominium Project would thereby be reduced.

The Developer without the consent of the co-owners may make amendments of the type described in this Article 8 or mortgagee having an interest in a unit affected by such an amendment shall join with the Developer in amending this Master Deed.

8.4 Amendments Changing Percentage of Value. The method or Formula used to determine the percentage or value of units within the Project as provided

8.5 Termination. Except as provided in section 50 of the Act, the Condominium Project may not be terminated, vacated, revoked, or abandoned without the written consent of eighty (80%) percent of all co-owners.

- 8.6 **The Developer's Exemption.** The restrictions contained in this Article 8. Amendment, shall not in any way affect the rights of the Developer as set forth elsewhere in this Master Deed.
- 8.7 **Articles not subject to Amendment.** Article 2. Legal Description (except to correct surveying or scrivener's errors); Article 4, Common Elements; Article 5, unit Description and Percentage of Value; Article 6, Alteration of Unit boundaries; Article 8. Easements; and Article 8, Amendments; shall not be amended, nor shall the provisions thereof be modified by any other amendment to this Master Deed without the written consent of the Developer, its successors or assigns, and subsequent grantees so long as the Developer, its successors, assigns, and subsequent grantees, continues to offer any unit of the Condominium for sale for so long as the Developer, its successors, assigns and subsequent grantees, continues to offer any unit of the Condominium for sale for so long as there remains, under such provisions, any further possibility of expansion of the condominium Project by utilization of the convertible areas.
- 8.8 **Notice of Amendment.** Co-owners and mortgagees shall be notified of proposed amendments under this Article not less than ten (10) days before the amendment is recorded.
- 8.9 **Effective Date of Amendment.** Amendment to the Condominium documents shall not be effective until such amendment is recorded. A copy of such recorded amendment shall be delivered to each co-owner of a unit within the Project.
- 8.10 **Cost of Amendment.** A person causing or requesting an amendment to the Condominium documents shall be responsible for the cost and expenses of such 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 cost of which shall be considered expenses of the administration.

ARTICLE 9. MUST BE BUILTS

- 9.1 The improvements as shown on Exhibit C hereto constitute "must be built" requiring the retention of funds in escrow pursuant to Section 103b of the Act upon the closing of unit sales.

- 10.1 The provisions of the Act and the other laws of the State of Michigan shall be applicable to this master Deeds and its attachments and all activities related thereto.

"Developers"

TTM DEVELOPMENT GROUP LTD.

Tim Mahler
Mr. Tim Mahler, President

Anthony C. Floramo
Mr. Anthony C. Floramo, V.P.

STATE OF MICHIGAN}

COUNTY OF BERRIEN}

}

On this 29th day of November 2004, before me, a Notary Public, in and for said County, appeared Tim Mahler & Anthony Floramo, to me personally known, who being by me duly sworn, did say that he is the Managing Partner of TTM Development Group, Inc., who is named in and which executed the within instrument, and that said instrument was signed on behalf of said corporation by authority of its managing partner; and acknowledged said instrument to be the free act and deed of said partnership.

Jennifer J. McComb
Notary Public
Berrien County, Michigan
Commission expires: 9/23/2005

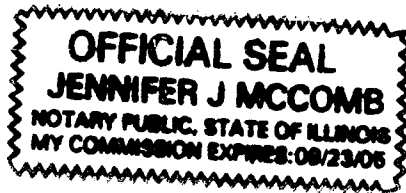


EXHIBIT A

**LEGAL DESCRIPTION OF PROPERTY
NATURE'S COVE CONDOMINIUM DEVELOPMENT**

**(Legal description is provided on sheet one and two of the site
condominium documents in Exhibit C).**

EXHIBIT B

CONDOMINIUM BY-LAWS NATURE'S COVE CONDOMINIUM DEVELOPMENT

ARTICLE 1. ASSOCIATION OF CO-OWNERS

- 1.1 **Establishment of Association.** NATURE'S COVE, a residential site condominium project located in the Watervliet Township, Berrien County, Michigan, shall be administered by an association of co-owners which shall be a non-profit corporation, hereinafter referred to as the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the common elements, easements and affairs of the condominium project in accordance with the Master Deed; these Condominium By-Laws; the Articles of Incorporation, By-Laws, and duly adopted rules and Regulations of project and all persons using or entering upon or acquiring any interest in any unit therein or common elements thereof shall be subject to the provision and terms set forth in the aforesaid condominium documents.
- 1.2 **Compliance.** All present and future co-owners, mortgagees, lessees, and all other persons who may in any manner use, enter upon or acquired any interest in the condominium premises or any unit in the condominium project, shall be subject to and comply with the provisions of the Michigan Condominium Act (Act 59 of the Public Acts of 1978, as amended); the Master Deed; the condominium Buy-Laws; and the Articles of Incorporation, By-Laws, and rules and regulations of the Association, including, but not necessarily limited to, any provision thereof, pertaining to the use and operation of the condominium premises and property of the condominium project. The acceptance of a deed or conveyance, the taking of a mortgage, the execution of a lease, or the act of occupancy of a unit, or presence in the condominium shall constitute an acceptance of the provision of these instruments and an agreement to comply therewith.
- 1.3 **Purpose.** These Condominium By-Laws govern the general operation, maintenance, administration, use and occupancy of the condominium, and all such activities shall be performed in accordance with the provision hereof.

1.4 **Membership and Voting.** Membership in the Association and voting by members of the Association shall be in accordance with the following provision.

- A. Each co-owner of a unit in the condominium project, present and future, shall be a member of the Association during term of such ownership; and no other persons or entities shall be entitled to membership.
- B. Neither membership in the Association, nor the share of a co-owner in the funds and assets of the Association can be assigned, pledged or transferred in any manner except as an appurtenance to his unit in the condominium.
- C. Except as otherwise provided in the Master Deed and in these Condominium By-Laws, the co-owners (s) of each unit shall collectively be entitled to one vote when voting by number and one vote, the value of which shall be equal to the total percentage assigned to the units(s) owned by them in Paragraph 4, 3 of the Master Deed when voting by value. Voting when required or permitted herein or elsewhere in the condominium documents shall be by value, except in those instances where voting is specifically required to be both in value and in number and no accumulation of votes shall be permitted.
- D. No co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented, evidence of ownership of a unit in the condominium project to the Association. No co-owner, other than the Developer, shall be entitled to vote prior to the first annual meeting of members held in accordance with Article 1, Sec. 9. The vote of each co-owner may only be cast by the individual representative designated by such co-owner in the notice required in Subsection (e) below or by a proxy given by such individual representative. The Developer shall be entitled to vote for each unit which it owns and with respect to which it is paying assessments as provided in Article 11, Sec. 9.
- E. If a unit is owned by more than one person, or is under lease, the person entitled to cast the vote for the unit and to receive all notices and a notice signed by all the recorded owners of the unit and filed with the Secretary of the Association shall

designate other communications from the Association. Such notice shall state the name and address of the individual representative designated, the number or \numbers of the condominium unit or units owned by the co0owner. All notices shall be valid until revoked, until superseded by subsequent notices, or until a change occurs in the record ownership of the unit concerned. The Developer shall, at any meeting, be entitled to cast a vote on behalf of each unit it owns without submitting any proof of ownership.

- F. There shall be an annual meeting of the members of the Association commencing with the First Annual Meeting held as provided in Paragraph 1.9. Other meetings may be provided for in the By-Laws of the Association. Notice of time, place and subject matter of all meetings as provided in the By-Laws of the Association, shall be given to each co-owner pursuant to Subsection (e) above.
- G. The presence in person or by proxy of sixty-six and two thirds (66²/₃%) percent in number of the co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on question specifically required herein to require a greater quorum. The written vote or 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.
- H. Votes may be cast in person or by proxy or by writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. In addition, any person entitled to vote in any meeting may also appear and vote via telecommunications equipment, as provided in Article II. Sec. 6 of the Association By-Laws. 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.
- I. At any meeting of the members at which a quorum is present, a majority, except where otherwise provided herein, shall consist of more than fifty (50%) percent in value of those qualified to vote and present in person or by proxy (or written

vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth.

- J. Other provisions as to voting by members, not inconsistent with the provisions herein contained, may be set forth in the Association By-Laws including, but not limited to, those provisions as shall be necessary to administer those issues relating to single family building sites and units contained within mult-family dwellings, if the Developer shall exercise its conversion rights as set forth in Article VII of the Master Deed.

1.5 **Association Books and Records.** The Association shall keep detailed books of account showing all expenditures and receipts of administration that shall specify the maintenance and repair expenses of the common elements and any other expenses incurred by or on behalf of the association and the co-owners. Such accounts and all other Association records shall be open for inspection by the co-owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each co-owner at least annually a financial statement, the contents of which shall be defined by the Association. The books of account shall be examined at least annually by qualified independent accountants; provided, however, that such accountants need not be certified public accountants nor does such examination need to be a certified audit. Any institutional holder of a first mortgage lien on any unit in the condominium shall be entitled to receive a copy of the examination report within ninety (90) days following the end of the Association's fiscal year upon request therefore. The costs of any such examination and May accounting expenses shall be Expenses of Administration. The Association also shall maintain on file current copies of the Master Deed for the project, any amendments thereto and all other condominium documents and shall permit all co-owners, prospective purchasers and prospective mortgagees interested in the project to inspect the same during reasonable hours.

1.6 **Board of Directors.** The business, property and affairs of the Association shall be governed by a Board of Director, all of whom shall serve without compensation and who must be members of the Association except for the first board of Directors designated in the Articles of Incorporation of the Association and any successors thereto

elected by the Developer pursuant to Article 1, Sec. 9. The number, terms of office, manner of election, removal and replacement, meetings, quorum and voting requirements, and other duties or provisions of or relating to direction, not inconsistent with the following, shall be provided by the Association By-Laws.

- A.** The Board of Directors shall have all 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. In addition to the foregoing general duties imposed by these Condominium By-Laws, or any further duties which may be imposed by resolution of the members of the Association or which may be set forth in the Association By-laws, the Board of Directors shall be responsible specifically for the following.
1. Management and administration of the affairs of and to maintain the condominium project, and all the general and limited common elements, property and easements thereof.
 2. To levy and collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.
 3. To carry insurance and collect and allocate the proceeds thereof.
 4. To restore, repair or rebuild the common elements of the condominium, or any portion thereof, and any improvements located thereon, after the occurrence of a casualty, and to negotiate on behalf of the co-owners in connection with the taking of the condominium, or any portion thereof, by eminent domain.
 5. To contact for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the condominium project.
 6. To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage, grant easements, or lease any real or personal property (including any unit in the condominium and easements, rights-of-way and licenses) on

behalf of the Association in furtherance or any of the purposes of the Association, including (but without limitation) the purchase of a unit of the condominium for use by a resident manager.

7. To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of business of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of more than seventy-five (75%) percent or more of all of the members of the Association in number.
8. To make rules and regulations in accordance with Paragraph 8.5.
9. To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the condominium and to delegate to such committees any functions or responsibilities, which are not by law or the condominium documents, required to be performed by the Board.
10. To make rules and regulation and /or to enter into agreements with institutional lenders the purposes of which are to obtain mortgage financing for unit co-owners which is acceptable for purchase by the Federal Home loan Mortgage Corporation the Federal national Mortgage Association, the government National Mortgage Association and/or any other agency of the federal government or the State of Michigan.
11. To enforce the provisions of the master Deed and Condominium By-laws of the condominium, and the Articles of incorporation and such By-Laws, rules and regulation of the association as may hereafter be adopted, and to sue on behalf of the condominium or the members and to assert, defend or settle claims on behalf of the members with respect to the condominium.
12. To do anything required of or permitted by it as administrator of said condominium by the condominium master Deed, the

condominium By-Laws or the Michigan Condominium Act, as amended.

13. To provide services to co-owners.
14. In general, to enter into any kind of activity; to make and perform any contract and to exercise all powers necessary, incidental, or convenient to the administration, management, maintenance, repair, replacement and operation of the condominium and to the accomplishment of any of the purposes thereof not forbidden, and with all powers conferred upon non-profit corporation by the laws of the State of Michigan.

Provided, however, that, except as in the cases of licenses, leases or rental arrangements having a duration of one (1) year or less, neither the board of Director nor the Association shall, by act or omission, abandon, partition, subdivide, encumber, sell or transfer the common elements, or any of them, unless at least sixty-six and two-thirds (66-2/3%) percent of the first mortgagees [based upon one (1) vote for each mortgage owned] and sixty-six and two thirds (66 2/3%) percent of the members in number in number and value have consented thereto. The Board of Directors may, however, grant easements for public utilities or other public purposes consistent with the intended use of the common elements by the condominium, and no such grant shall be deemed a transfer for the purposes hereof.

B. 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 Article 1, Sec. 6, Subsection (a) and the board may delegate to such management agent any other duties or powers which are not by law or by the condominium documents required to be performed by or have the approval of the Board of Directors or the members of the Association. In no event shall the board be authorized to enter into any contract with a professional management agent

Or any other contract providing for services by the Developer, sponsor or builder, in which the maximum term is greater than three (3) years or which is not terminable by the Association upon ninety (90) days' written owners and the Developer or affiliates of the

Developer or a management contract with the Developer or affiliates of the Developer is avoidable by the Board of Directors of the Association of co-owners on the transitional control dated or within ninety (90) days thereafter, with or without cause and on thirty (30) days notice at any time thereafter for cause. To the extent the any management contract extends beyond one (1) year after the transitional control date, the excess period under the contract may be voided by the Board of Directors of the Association of co-owners by notice to the management agency at least thirty (30) days before the expiration or the one year (1) year.

B. All of the actions (including, without limitation, the adoption of these Condominium By-Laws and any rules and regulations for the corporation, and any undertakings or contracts entered into with others on behalf of the corporation) of the first Board of Directors of the Association names in its Articles of Incorporation or any successors thereto elected by the Developer before the First annual Meeting of Members shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the members of the Association at the first or any subsequent annual meeting of members so long as such actions are within the scope of the powers and duties which may be exercised by any Board of Directors as provided in the condominium documents.

1.7 Associations Officers. The Association By-Laws shall provide the designation, number, terms of office, qualifications, and manner of election, duties, removal and replacement of the officers of the Association and may contain any other provisions pertinent to officers of the Association in furtherance of the provisions and purposes of the condominium documents and not inconsistent therewith. Officers may be compensated but only upon the affirmative vote of more than Eighty (80%) percent or more of all co-owners in number and in value.

1.8 Indemnification. Every director and every officer shall be indemnified by the Association against all expenses, including counsel fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him as a consequence of his being made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigated, by reason of his being or having been a director or officer of the Association, except in such cases wherein he is

adjudged guilty of willful and wanton misconduct or gross negligence in the performance of his duties or adjudged to have not acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association; provided that, if a director or officer claims reimbursement or indemnification hereunder based upon his settlement of matter, he shall be indemnified only if the Board of Directors (with any director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association and, if a majority of the members request it, such approval is based upon an opinion of independent counsel supporting the propriety of such indemnification and reimbursement. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights of such director or officer may have. The Board of Directors shall notify all members that it is approved in indemnification payment at least ten (10) days prior to making such payment.

1.9 Advisory Committee, Addition Co-Owners Directors, and First Annual Meeting.

- A. An advisory committee or non-developer co-owners shall be established either one hundred Twenty (120) days after conveyance of legal or equitable title to non-developer co-owner of a unit in the project, whichever, occurs first. The Advisory committee shall meet with the Condominium Project Board of Directors for the purpose of facilitating communication and aiding the transition of control to the Association of co-owners. The advisory committee shall cease to exist when non-developer co-owners elect a majority of the Board of Directors of the Association of co-owners.
- B. Not later than one hundred twenty (120) days after the conveyance of legal or equitable title to non-developer co-owners of twenty-five (25%) percent of the units that may be created, at least one (1) director and not less than twenty-five (25%) percent of the Board of Directors of the Association shall be elected by non-developer co-owners. Not later than one hundred twenty (120) days after the conveyance of legal or equitable title to non-developer co-owners of seventy-five (75%) percent of the units that may be created, AND before conveyance of ninety (90%) percent of such 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 one (1) director as long as the Developer owns and offers for sale at least ten (10%) percent of the units in the project or as long as ten (10%) percent of the units remain that may be created in the project.

Notwithstanding the formula provided above for the election of non-developer co-owners to the Board of Directors to the Association, fifty-five (75%) percent of the units that may be created has not been conveyed, the non-developer co-owners have the right to elect as provided in the condominium documents a number of members of the Board of Directors of the Association equal to the percentage of units they hold, and the Developer has the right to elect as provided in the condominium documents, a number of members of the Board 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 decrease, the minimum number of non-developer co-owners on the Board of Directors of the Association elected pursuant to the formula provided above.

In the event that the application of either of the above formulas shall result in the right of non-developer co-owners to elect a fractional number of members to the Board of Directors, ten a fractional election right of 0.5 or greater shall be rounded to the nearest whole number, which number shall be the number of members of the Board that the non-developer co-owners have the right to elect. The application of this right to round fractional membership 0.5 or greater upward to the nearest whole number, shall not be applied in such a way as to eliminate the right of the Developer to designate at least one member to the Board of Directors in the event the Developer owns and is offering for sale at least ten (10%) percent of the units in the project or as long as the (10%) percent of the units remain that may be created in the project.

The election of the first non-developer co-owner to the Board of Directors to the Association pursuant to the formulas provided above shall constitute for the purposes of the condominium documents the first annual meeting of the Association.

Whenever the non-developer co-owners become entitled to elect one (1) or more additional directors pursuant to the above formula, the Board of Directors shall provide due notice of a meeting at which an election of all directors shall take place.

The Board of Directors elected pursuant to the provision shall serve until the earliest of the next annual meeting of the Association or such time as it has been replaced in accordance with the provision of this Condominium By-Laws and the Association By- Laws.

ARTICLE 2. ASSESSMENTS

- 2.1 **Personal 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.
- 2.2 **Cost and Receipts in Common.** All cost incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the common elements or the administration of the condominium project shall constitute Expenditures of Administration. All sums received as the proceeds of or pursuant to, a policy of insurance securing the interest of the co-owners against liabilities or losses arising within, caused by, or connected with the common elements or the administration of the condominium project shall constitute receipts affecting the administration of the condominium project, within the meaning of Section 54 (4) or the Act.
- 2.3 **Expenses of Administration.** For the purpose of these Condominium By-laws and as direction to the board of Directors in determining assessments as provided herein, the term "Expenses of Administration" shall mean all items specifically defined as such in these condominium By-Laws and all other common expenses. The common expenses shall consist, among other things, of such amounts as the board of directors may deem proper for the operation, management and maintenance of the condominium project to the extent of the powers and duties delegated to it hereunder, and in the Master Deed, and shall include, without limitation, amounts to be set aside for working capital reserve of the condominium, the cost of performing the Association's

maintenance, repair and replacement responsibilities, management wages, fees, and salaries, common area utilities, common area landscaping, maintenance and replacement, common area cleaning, supplies, snow removal, licenses and permits, banking, legal accounting fees, insurance as required herein, and the creation and maintenance of an appropriate reserve fund.

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

A. 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 of Administration 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 must be established in the budget and must be funded by regular payments at such intervals as decided by the Association rather than by special assessments. At a minimum, the reserve fund shall be equal to ten (10%) percent of the Association's current annual budget on a non-cumulative basis. **THE MINIMUM STANDARD REQUIRED BY THIS SECTION MAY PROVE TO BE INADEQUATE FOR THIS PARTICULAR PROJECT.** The association 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. Upon adoption of an annual budget by the Board of Directors, copies of said budget shall be delivered to each co-owner and the assessment for said year shall be established based upon said budget, although the delivery of a copy of the budget to each co-owner shall not affect the liability of any co-owner for any existing or future assessments. Should the Board of Directors, at any time determine, in the sole discretion of the Board of Directors,

1. That the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the condominium,
2. To provide replacements of existing common elements,

3. To provide additions to the common elements not exceeding TWO THOUSAND FIVE HUNDRED AND NO/100 (2,500.00) DOLLARS annually for the entire project, or
 4. In the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments, as it shall deem to be necessary. The discretionary authority of the Board of Directors to levy assessments pursuant to this subsection shall rest solely with the Board of Directors for the benefit of the Association and the members thereof and will not be enforceable by any creditors of the Association or its members.
- B. Special assessments, in addition, to those required in article II Sec. 3, subsection (a) may be made by the Board of Directors from time to time and approved by the co-owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to:
1. Assessments for additions to the common elements of a cost exceeding TWO THOUSAND FIVE HUNDRED AND NO/100 (\$2,500.00) DOLLARS per year for the entire project;
 2. Assessments to purchase a unit upon foreclosure of the lien for assessments described in Paragraph 2.7.
 3. Assessments to purchase a unit for use as a resident manager's unit; or
 4. Assessments for any other appropriate purpose not elsewhere herein described.
- C. Special assessments referred to in this subsection, [but not including those assessments referred to in Subsection (A), which shall be levied in the sole discretion of the Board of Directors] shall not be levied without the prior approval of sixty-six and two-thirds (66-2/3%) percent or more of all co-owners in value and in number. The discretionary authority of the board of Directors to levy assessments pursuant to this subsection shall rest solely with the board of Directors for the benefit of the Association and the

members thereof and will not be enforceable by any creditors of the Association or its members.

- 2.5 **Level of Assessment and Method of Payment.** All assessments levied against the co-owners to cover Expenses of Administration shall be apportioned among and paid by the co-owners. In accordance with the percentage or value allocated to each unit in article V of the master Deed without increase or decrease for the existence of any rights to the use of limited common elements appurtenant to a unit. Annual assessments as determined in accordance with Article II. Sec. 3, subsection (a), shall be payable by co-owners in equal installments on such basis (monthly, quarterly, semi-annually or annually) as decided by the Association, commencing with acceptance of a deed to a unit or with 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 in full on or before the due date for such payment. Assessments in default shall bear interest at the maximum legal rate until paid in full. Each co-owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments pertinent to his unit, which may be levied, which such co-owner is the owner thereof. Any sums owed the Association by any co-owner might be assessed to and collected from the responsible co-owner as an addition to the regular assessment installment next coming due.
- 2.6 **No Exemption from Assessment.** No co-owner may exempt himself from liability for his contribution toward the Expenses of Administration by waiver of the use or enjoyment of any of the common elements or by the abandonment of his unit.
- 2.7 **Collection of Assessment.** Sums assessed to a co-owner by the Association pursuant to Paragraph 2.4, which are unpaid, constitute a lien upon the unit or units in the project owned by the co-owner at the time of the assessment. The priority of such liens on a co-owners unit or units shall be determined pursuant to Section 108 of the Act. 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. Each co-owner, and every other person who from time to time has any interest in the project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial

action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each co-owner and every other person who from time to time has any interest in the project, shall be deemed to have authorized and empowered the Association to pursue such legal or equitable remedies as may be authorized by statute, master Deed, or the Condominium bylaws to enforce and collect Association assessments. Each co-owner of a unit in the project acknowledges that at the time of acquiring title to such unit, he was notified of the provisions of this section and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for non-payment of assessments and a hearing on the same prior to the sale of the subject unit. 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 the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject unit. 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 ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent co-owners (s) at his or their last known address of 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 ten (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 set forth:

- A. The affiant's capacity to make the affidavit;
- B. The statutory and other authority for the lien.
- C. The amount outstanding (exclusive of interest, costs, attorney fees and future assessments);
- D. The legal description of the subject units (s); and
- E. The name (s) of the co-owner(s) or record

Such affidavit shall be recorded in the office of the register of Deeds in the county in which the project is located prior to the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the ten (100 day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the representative designated above and shall inform such representative that he may request a judicial hearing by bringing suit against the Association. 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. 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 seven (7) days written notice to such co-owner of its intention to do so. A co-owner in default shall not be entitled to 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. 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.

2.8 Liability of Mortgage for Delinquent Assessments in the Event of Foreclosure. Pursuant to Section 58 of the Act and notwithstanding any other provisions of the condominium documents, if the mortgage of a first mortgage of record or other purchaser of a condominium unit obtains title to the condominium unit as a result of foreclosure or by deed (or assignment) in lieu of foreclosure, such first mortgage, such person, its successors and assigns. Is not liable for the assessments by the Association chargeable to the unit, which became due prior to the acquisition of title to the unit by such person. The unpaid assessments are deemed to be common expenses collectible from all of the condominium unit owners, including such person (s), their successors and assigns.

2.9 Developers Liability for Assessments. The developer of the condominium, even though a member of the association shall not be responsible for payment or the monthly Association assessment. Developer, however, shall pay a proportionate share of the

Association's current Expenses of Administration as defined in Paragraph 2.3, which benefit the total condominium project actually incurred based upon the ratio of units owned by Developer as shown on the Condominium subdivision Plan, Exhibit C to the Master Deed, at the time the expense is incurred to the total number of units in the condominium. A sum equivalent to ten (10%) percent of the amount owned by the Developer pursuant to the preceding sentence will be added to such amount in order that the minimum ten (10%) percent reserve requirement is met.

In no event shall the Developer be responsible for payment of any assessments for deferred maintenance, reserves for replacement, capital improvements or other special assessments; except as to those units owned by the Developer on which a completed residence is located. For the purpose of this Paragraph, a "completed residence shall mean a residence shall mean a residence with respect to which a Certificate of occupancy or its equivalent has been issued by the Watervliet Township. If the Watervliet Township does not, as a manner of course, under its ordinances issue certificates of occupancy, the term "completed residence" shall mean a residence which is substantially completed such that it any be used and occupied as a residence as determined by the project engineer.

In such case, the Developer shall be liable from the date of issuance of the Certificate of Occupancy or its equivalent for the above-referenced deferred maintenance reserves for replacement, capital improvements or other special assessments.

In no event shall the Developer be liable for any assessment levied in whole or in part to purchase a unit from the developer or to finance litigation or other claims against the Developer, any cost of investigating and preparing such litigation or claim or any similar related costs.

- 2.10 **Real Estate Taxes.** Special assessments and property taxes shall be assessed against the individual condominium units identified as units in the condominium Subdivision Plan and not on the total property of the project or any other art of the project, except for the year in which the condominium project was established subsequent to tax day, i.e. December 31 of the prior calendar year Special assessments and property taxes which become a lien against the property in the year subsequent to the establishment of the condominium project shall be Expenses of administration of the

project paid by the co-owners as assessments. In such case, each unit shall be assessed a percentage of the total bill for such taxes upon the percentage of value allocated to such unit in the Master Deed; and the owners thereof shall reimburse the Association for such unit share of the tax bill within ten (10) days after they have been tendered a statement therefore.

Special assessments and property taxes in any year in which the project was an established condominium project on tax day shall be assessed against the individual condominium units, notwithstanding any subsequent vacation of the condominium project.

- 2.11 **Construction Liens.** The following provision shall control the circumstances under which construction liens (mechanics liens) may be applied against the condominium or any unit thereof:
- A. Except as provided below a construction lien for work performed on or beneath a condominium unit or upon a limited common element appurtenant to that unit, namely the frontage area, including that portion of a driveway constructed thereon may attach only to such unit. A construction lien for work performed in constructing a residence or other structure within a unit may attach only to the residence or structure constructed.
 - B. A construction lien for work authorized by the Developer or principal contractor and performed upon the common elements may attach only to units owned by the Developer at the time of recording of the statement of account and lien.
 - C. A construction lien for work authorized by the Association may attach to each unit only to the proportionate extent that the co-owner of the unit is required to contribute to the Expenses of Administration as provided by the condominium documents.
 - D. A construction lien may not arise or attach to a unit for work performed on the common elements not contracted by the Developer or the Association.

If a co-owner is advised or otherwise learns of a purported construction lien contrary to the forgoing he shall immediately notify the Board of

Directors. Upon learning of the purported mechanics lien, the Board shall take appropriate measures to remove any cloud on the title of units improperly affected thereby.

2.12 Statement of Unpaid Assessments.

- A. Pursuant to Section 111 of the Act, the purchaser or grantee of any condominium unit is entitled to a written statement from the Association setting forth the amount or unpaid assessments, whether regular or special, against the seller or grantor. A written statement shall be furnished by the Association upon written request accompanied by a copy of the executed purchase agreement pursuant to which the purchaser or grantee holds right to acquire the unit.

In the event the purchaser or grantee shall request such written statement, the purchaser or grantee shall not be liable for, nor is the condominium unit conveyed or granted subject to a lien for any unpaid assessments against the seller or grantor in excess of the amount set forth in the written statement.

Unless the purchaser or grantee requests such a written statement from the Association at least five (5) days before closing of the sale, the purchaser or grantee shall be liable for any unpaid assessments against the condominium unit together with interest, cost, and attorney fees incurred in the collection thereof.

- B. Upon the sale or conveyance of a condominium unit, all unpaid assessments against a condominium unit shall be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature, except the following:
1. Amounts due the State, or any subdivision thereof, or any municipality for taxes and special assessments paid on the condominium unit; and
 2. Payment due on their first mortgage having priority thereto.

ARTICLE 3. ARBITRATION

- 3.1 **Subdivision to Arbitration.** Disputes, claims, or grievances arising out of or relating to the interpretation or the application of the condominium documents or the management agreement, if any' or any disputes, claims or grievances arising among or between co-owners, or between co-owners and the Association. Or between the Association and the management company, shall upon the election and written consent of the parties to any such disputes, claims or grievances and written notice to the Association, be submitted to arbitration and the parties thereto shall accept the arbitrator's association as amended and In effect from time to time hereafter shall be applicable to any such arbitration.

The arbitrator may be either an attorney acceptable to both parties or a panel of three (3) individuals, at least one of who shall be an attorney. The panel shall be composed of one individual appointed by the co-owner and one individual appointed by the Board of Directors of the Association. These two (2) panels will then promptly agree on the third member of the panel. No co-owner may appoint himself or a member of this household to the panel, nor may a co-owner serve on behalf o the Board.

Cost of the arbitration shall be borne by the losing party to the arbitration. The arbitrator may require a reasonable deposit to insure payment costs. Such deposit shall be placed in escrow in the name of the arbitrator as Trustee or in the name of the matter at issue.

- 3.2 **Legal Remedy Not Foreclosed.** No co-owner or the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances.
- 3.3 **Effect of Election.** Election by co-owners or the Association to submit any such dispute, claim or grievance in the courts. Any appeal from an arbitration award shall be deemed a statutory appeal.

ARTICLE 4. INSURANCE

- 4.1 **Insurance Coverage.** The Association shall at a minimum carry fire and extended coverage on the common elements, vandalism and malicious mischief and liability insurance, and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the common elements of the condominium project and such insurance (other than title

Insurance) as the Association may deem to be reasonable and necessary. Insurance carried by the Association shall be carried and administered in accordance with the following provisions:

- A. The Association for the benefit of the Association shall purchase all such insurance, and the co-owners and their interests may appear, and provision shall be made for the insurance of certificates of mortgagee endorsements to the mortgagees of co-owners.

- B. IT SHALL BE EACH CO-OWNER'S RESPONSIBILITY TO OBTAIN INSURANCE AGAINST AND OTHER HAZARDS TO HIS UNIT, INCLUDING ANY LIMITED COMMON ELEMENT APPURTENANT TO HIS UNIT, AND ALL STRUCTURES AND OTHER IMPROVEMENTS LOCATED THEREON. IT SHALL ALSO BE EACH CO-OWNER'S RESPONSIBILITY TO OBTAIN INSURANCE COVERAGE FOR HIS PERSONAL PROPERTY LOCATED ON OR WITHIN SUCH OWNER'S UNIT OR ELSEWHERE ON OR WITHIN THE PROJECT; FOR HIS PERSONAL LIABILITY FOR OCCURRENCES ON OR WITHIN HIS UNIT, OR THE CONDOMINIUM LIMITED COMMON ELEMENTS APPURTENANT TO HIS UNIT, AND ALSO FOR ALTERNATE LIVING EXPENSE IN THE EVENT OF FIRE. THE ASSOCIATION SHALL HAVE ABSOLUTELY NO RESPONSIBILITY FOR OBTAINING SUCH COVERAGE.

All such Insurance will be carried by each co-owner in an amount equal to the maximum insurable replacement value excluding foundation excavation costs and evidenced to the Association in a manner acceptable to the association may obtain such insurance on behalf of such co-owner and the premiums therefore will constitute a lien against the co-owner's unit which may be collected from the co-owner in the same manner that the association assessments are collected In accordance with Article II.

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. Subject to the provisions of Article V, Sec. 4, the Association and each co-owner hereby waive, each as to the other, any right of recovery for losses recovered by insurance. The liability of carries Issuing insurance obtained by the

association shall not, unless otherwise required by law, be affected or diminished on account of any additional insurance carried by any co-owner and vice versa.

- C. The Association may carry fidelity bond insurance in such limits as the Board shall determine upon all officers and employees of the Association whose course of their duties may be reasonably be expected to handle funds of the Association or any co-owners.
- D. All common elements of the condominium project shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association.
- E. Public liability insurance shall be carried in such limits as the Board may from time to time determine appropriate, and shall cover the Association, each member, director, and officer thereof and any managing agent.
- F. All premiums upon insurance purchased by the Association pursuant to these Condominium By-Laws shall be Expenses of Administration.
- G. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the and distributed to the Association, and the co-owners and their mortgagees as their interest may appear; provide, however, whenever repair or reconstruction of the condominium shall be required as provided in Article V. the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such 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 and all co-owners, in the project have given their prior written approval.
- H. Insurance carried by the association shall, to the extent possible, provide for cross coverage of claims by one insured against another.

- 4.2 **Appointment of the 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 workmen's compensation insurance, if applicable, pertinent to the condominium project, his unit and the 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 theretofore, to collect proceeds and to distribute the same to the association, the co-owners and respective mortgagees, as their interests may appear (subject always to the condominium documents), to execute releases of liability and to execute all documents and to do all things on behalf of such co-owner and the condominium as shall be necessary or convenient to the accomplishment of the foregoing.

ARTICLE 5. RECONSTRUCTION OR REPAIR

- 5.1 Reconstruction and Repair. If any part of the condominium property shall be damaged. The determination or whether or not it shall be reconstructed or repaired shall be made in the following manner:
- A. If a common element, unit or a residence or improvement located within a unit or its adjoining frontage area is damaged, such property shall be rebuilt or repaired if a residence located upon any unit in the project is tenable, unless the members unanimously vote that the condominium shall be terminated, and each holder of a first mortgage lien on any condominium unit has given its prior written approval of such termination.
 - B. If the condominium is so damaged that no residence located upon any unit is tenable, and if each holder of a first mortgage lien on any unit in the condominium has given its prior written approval to the termination of the condominium, the damaged property shall not be rebuilt and the condominium shall be terminated, unless seventy-five (75%) percent or more of the members in value and in number agree to reconstruct

by vote or in writing within ninety (90) days after the destruction.

- 5.2 **Manner of Construction and Repair.** Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the plans and specifications for the condominium project, and for a residence or improvement within any unit substantially in accordance with the plans and specifications previously approved by the Association or the Developer for that unit, to a condition as comparable as possible to the condition existing prior to damage unless sixty-six and two-thirds (2/3%) percent of the co-owners in number and value and sixty-six and two-thirds (66-2/3%) percent of the first mortgages agreed otherwise by vote or in writing.
- 5.3 **Manner of Construction and Repair.** In the event of substantial damage or destruction of any unit or any part of the common elements of the project, the Association shall promptly notify each holder of a first mortgage lien of the units in the project.

In addition, in the event any mortgage in the condominium is held by the Federal Home Loan Mortgage Corporation (hereinafter referred to as "FHLMC") then the Association shall give FHLMC written notice at such address as it may, from time to time, direct of any loss to or taking of the common elements of the condominium if the loss or taking exceeds TEN THOUSAND AND NO /100 (\$10,000.00) DOLLARS in amount or damage to a condominium unit covered by a mortgage purchased in whole or in part by FHLMC exceeds ONE THOUSAND AND NO/00 (\$1,000.00) DOLLARS.

- 5.4 **Co-Owner Repair Responsibility.** Each co-owner shall be responsible for the prompt reconstruction, repair and maintenance of all improvements and structures on or within his unit except as provided in article V, Sec. 5. All such work shall be performed in accordance with current fire and building code standards and these condominium documents. Each co-owner shall be responsible for the reconstruction, repair or maintenance of the dwelling, other structures and improvements, landscaping, walks, driveways, parking areas and utilities (including, but not limited to, water, telephone, electric, and cable television) located within each co-owner's unit and the frontage area adjoining his unit. Any such work performed in these areas must be approved by the Association, if any other portion of a unit is covered by insurance held by the Association for the benefit of the co-owner shall be entitled to receive the proceeds of insurance relative thereto and if

there is a mortgage endorsement, the proceeds shall be payable to the co-owner and the mortgage jointly, without any Change to the obligations set forth in this Article V, Sec. 4.

- 5.5 **Association Repair Responsibility.** The Association shall be responsible for the reconstruction, repair and maintenance of the common elements and any incidental damage to a unit caused by such common elements or the reconstruction, repair or maintenance thereof. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before the damage.
- 5.6 **Insurance Proceeds.** Any insurance proceeds received, whether by the Association or co-owner these Condominium By-Laws shall for the construction or repairs require. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to paid the estimated or actual cost of repair. Such assessments shall be levied in the same manner as the regular monthly assessments as set forth In Article II, Sec. 3.
- 5.7 **Time For Repair.** If damage within the condominium impairs the appearance of the condominium, the Association or the co-owner responsible for the reconstruction or repair of the damage will proceed with the repair, reconstruction or replacement of the damaged item without delay, and will complete such repair, reconstruction or replacement of the damaged item without delay, and will complete such repair, reconstruction or replacement within six (6) months after the date of the occurrence which caused the damage.

ARTICLE 6. EMINENT DOMAIN

- 6.1 **Authority of Association to Negotiate.** The Association, acting through its Board of Directors, may negotiate on behalf of all co-owner for any taking of common elements.

Any negotiated settlement involving the taking of a project general common element shall be subject to approval by sixty-six and two-thirds (66 and 2/3%) percent or more of co-owner of the project in number and by value; and such approval shall then be binding upon all co-owners in the project.

6.2 Allocation of Award.

- A. Taking of Entire Unit. In the event of any taking of an entire unit by eminent domain, the award for such taking shall be paid to the owner of such unit and the mortgagee thereof, as their interests may appear. After acceptance of such award by the owner and his mortgagee, they shall be divested of all interest in the condominium project. The undivided interest in the common elements belonging to the co-owner whose unit has been taken shall hereinafter appertain to the remaining units including those restored or reconstructed under the provisions of this Article VI.
- B. Taking of Partial Unit. In the event of a partial taking of any unit, any condemnation award shall be paid by the condemning authority to the Association on behalf of the co-owner of the unit and his mortgagee, as their interest may appear. If part of the residence located within the unit is taken, the co-owner shall, if practical, in using the award, rebuild the same to the extent necessary to make it habitable or usable. If it is not practical to rebuild the residence within the boundaries of the unit, the entire undivided interest the common elements appertaining to that unit shall henceforth appertain to the remaining condominium unit, being allocated to them in proportion to their respective undivided interest in the common elements. The remaining portion of the condominium unit shall thenceforth be a common element.

6.3 Taking of Common Elements. If there is a taking of any portion of the condominium other than unit, the proceeds thereof shall be paid to the Association, and shall be used as follows:

- A. An affirmative vote of more than sixty-six and two-thirds (66-2/3%) percent of the co-owners in number and in value shall determine whether to rebuild, repair or

- replace that portion at the common elements so take or take such other action as they deem appropriate; or
- B. If no such affirmative vote is obtained, the condemnation proceeds shall be remitted to the co-owners and their mortgages, as their interests may appear, in proportion to their respective percentages of value as set forth in article V of the master Deed.

6.4 Continuation of Project. In the event the condominium project continues after taking by eminent domain, then the remaining portion of the condominium project shall be surveyed and the Master Deed amended accordingly, and, if any unit shall have been taken, then Article V the master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of the value of the remaining co-owner based upon the continuing value of the condominium of one hundred (100%) percent. 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 any co-owner, but only with the prior written approval of all holders of first mortgage liens on individual units in the project.

6.5 Notification of Mortgagees. In the event any unit in the condominium, or any portion thereof, or the common elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the units in the condominium.

In addition, in the event any mortgage in the condominium is held by the Federal Home loan Mortgage Corporation, hereinafter referred to as FHLMC, then the Association shall give FHLMC written notice at such addresses it may, from time to time, direct of any loss to or taking of the common elements of the condominium. If the loss or taking exceeds TEN THOUSAND AND NO/100 (\$10,000.00) DOLLARS In amount or damage to a condominium unit covered by a mortgage purchased in whole or in part by FHLMC exceeds ONE THOUSAND AND NO/00 (\$1,000.00) DOLLARS.

6.6 Reassignment of Common Elements. In taking of a portion of a condominium unit makes it impracticable to rebuild the partially taken unit to make it useable, the entire undivided interest in the

common elements appertaining to that condominium unit shall hence forth appertain to the remaining condominium units, being allocated to tem in a proportion of their undivided respective individual interest in the common elements. The remaining portion of the condominium unit shall thenceforth be a common element.

- 6.7 **Future Expenses of Administration.** Votes in the Association of co-owners and liability for future Expenses of Administration appertaining to a condominium unit taken or partially taken (as provided in article VI. Sec. 6) by imminent domain shall thenceforth appertain to the remaining condominium units being allocated to them in proportion to their relative voting strength In the association.

ARTICLE 7. PRIORITIES OF MORTGAGEES

Nothing contained in the condominium documents shall be construed to give a condominium unit owner, or any other party, priority over any rights of first mortgages of condominium units pursuant to their mortgages in the case of a distribution to condominium unit owners of insurance proceeds or condemnation awards for losses to or a taking of condominium units and/or common elements.

ARTICLE 8. RESTRICTIONS

- 8.1 **Establishment of Restriction.** In order to maintain, perpetuate and preserve for future generations the environmental and cultural resources of the project, it is the feeling of the Developer that it is necessary to promulgate appropriate restrictions, which reflect a philosophy directed at these goals. In so doing the Developer has established the within restrictions, as well as the Architectural Guidelines which are attached hereto and incorporated in the Master Deed.

Further, other restrictions have been established in order to provide for the congenial occupancy of the condominium, and for the protection of the value of the units, the use of the condominium property shall be subject to the limitations set forth below. Reasonable accommodations in the rules, policies and practices of the condominium will be made as required by the federal Fair Housing Act to accommodate handicapped persons.

- 8.2 **Persons Subject to Restrictions.** All present and future co-owners, tenants, and any other persons or occupants using the facilities of the Condominium shall be subject to compliance with Act, the Master Deed, these Condominium By - Laws, the Association Articles

of Incorporation, the Association By-Laws and the Rules and Regulation of the Association

8.3 **Enforcement.** A breach of any provision of the restrictions set forth In Paragraph 4 shall constitute a breach of the Condominium By-Laws and may be enforced pursuant to the terms of these By-laws.

8.4 **Declaration of Restrictions.**

A. General Restrictions of Unit. The following are general guidelines with regard to the use of units in the Condominium.

1. Except for units owned by the Developer and used for displaying model homes, all units shall be used for single family residential purposes: and the common elements shall be used for purposes consistent with the use for single family residences. For the purposes hereof, common elements shall be defined as required by applicable law or as approved by the Association board of Directors, with the provision that the Association may not be more restrictive than applicable law with regard to such definition.

2. Although all units are to be used only for single-family residential purposes, nonetheless home occupations will be considered part of a single-family residential use if, and only if, the home occupation is conducted entirely within the residence and participated in solely by members of the immediate family residing in the residence for dwelling purposes and does not change the character thereof. To qualify as a home occupation, there must be (I) no sign or display that indicates from the exterior that the residence is being utilized in whole or in part for any purpose other than that of a dwelling; (II) no commodities sold within the unit; (III) no person employed other than a member of the immediate family residing within the unit; and (iv) no mechanical or electrical equipment used, other than personal computer and other office type equipment.

3. The co-owner may lease his unit for the same purposes set forth Subparagraph (I); provided that written disclosure of such lease transaction is submitted to the board of Directors of the Association in the same manner as specified in article 10. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed

to incorporate, and be subject to all of the provision of the condominium documents. The Developer may lease any number of units in the condominium in its discretion.

4. No immoral, improper, unlawful or offensive activity shall be carried on in any unit or upon the common elements, limited or general, nor shall anything be done which may be or become an annoyance or a nuisance to the co-owners of the condominium, nor shall any unreasonably noisy activity be carried on in any unit or on the common elements. No co-owner shall do or permit anything to be done or keep or permit to be kept In this unit or non 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, if in fact such condition is approved by the Association.

5. Except for household dogs, cats, small cage birds, and fish, dept in reasonable numbers, an owner may not keep, raise, or breed animals, livestock or poultry of any kind on any unit. Such care and restraint shall be taken such that a co-owners pet shall not be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal may be permitted to be loose at any time upon the elements and any animal shall at all times be amended by some responsible person while on the common elements, limited or general. No savage or dangerous animal shall be kept and any co-owner who causes any animal to be bought or kept upon the premises of the condominium shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as the result of the presence of such animal on the premises, whether or not the Association has given its permission therefore. Savage and dangerous animals, including attack dogs. No animal shall be left unattended outside a structure as approved by the Developer or the Board of Directors. No animal shall be allowed on the common elements unless it is under leash and any waste products eliminated by a co-owners animal shall be promptly and efficiently cleaned up by the co-owner. The disposal of such waste products shall be in an appropriate sanitary facility. The association may charge all co-owners maintaining animals a reasonable additional assessment to

be collected in the manner provided in Article in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the condominium. The Association may, without liability to the owner thereof, remove or cause to be removed any animal from the condominium which it determines to be in violation of the restrictions imposed by this Section. The association shall have the right to require that any pets be registered with it and any adopt such additional reasonable rules and regulations with respect to animals, as it may deem proper. Any person who causes an animal to be brought or kept in the condominium shall indemnify and hold harmless the association for any damages, loss or liability which might accrue to the association as a result of the presence of such animal in the condominium, regardless of whether the animal's presence is permitted.

6. No trash, garbage or rubbish or any kind shall be kept within any unit, except in enclosed wildlife-proof trash bin. The location of such trash bin shall be subject to the removal of the Association architectural review Committee. All trash bins and sanitary containers shall be kept in a reasonably clean and sanitary condition. All sanitary containers shall be secured in a trash bin, except as necessary to allow for trash collection.

7. In general activities shall not be carried on, nor conditions maintained by a co-owner, either in his unit or upon the common elements, which spoil the appearance of the condominium premises or endanger the environmental or cultural resources of the condominium project.

8. No item of equipment, furniture or any other large movable item shall be kept within any unit outside a building, except lawn furniture or picnic tables, provided the same are kept in a neat and clean condition. All other items, such as lawn mowers, and snowmobiles, shall be stored in a garage or storage shed.

9. Walkways, yards, landscaped areas, driveways, roads, parking areas and porches shall not be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, or chains may be left

unattended on or about the common elements, except as provided by Association rules and regulations.

10. Use of any recreational facilities in the condominium may be limited to such times and in such manner as the association shall determine by duly adopted regulations.

11. Parking on the roads constituting general common elements except as provided by duly adopted rules and regulations of the Association are prohibited.

12. Not used.

13. No co-owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his family of any firearms, air rifles, pellet guns, BB guns, bows and arrows or other similar dangerous weapons, projectiles or devices anywhere on or about the condominium premises.

14. Not used.

15. No unsightly condition shall be maintained upon any balconies, porches, decks, and only furniture and equipment consistent with ordinary balcony, porch, or deck use shall be permitted to remain there during seasons when such areas are reasonably in use, and no further or equipment of any kind shall be stored in such areas during seasons when they are not reasonably in use.

16. No co-owner shall take any action on or with respect to his unit that violates any federal, state or local statute, regulation, rule or ordinance.

17. An owner is permitted (assigned boat slip) to permanently dock one motorized watercraft in its assigned berth. No such limitation is given to non-motorized watercraft such as canoes, kayaks, sailboats, etc. See executed consent degree in Exhibit E.

B. General Construction Restrictions. The following are the general construction restriction regarding units with the project.

1. Co-owners shall be allowed to erect or construct satellite dishes and television or radio antennas except,

however, the placement and configuration of the satellite dish, television antenna or radio antenna shall be subject to the approval of the Association architectural Review Committee.

2. No co-owner shall damage, modify or make attachments to common elements except common element utility lines. However, landscaping within the frontage area adjacent to a unit as described in article 4, paragraph 5, Subparagraph 7, of the Master Deed shall be allowed subject to the provisions of Subsection (3) below.

3. No co-owner shall perform any landscaping or plant any trees, shrubs, or flowers or place any ornamental materials upon the condominium unit or frontage area without the approval of the Developer prior to the initial meeting of the association and afterwards by the Architectural Review committee appointed by the Board of Directors. The developer and/or the Architectural Review Committee shall be supplied with a landscaping plan for approval prior to any landscaping. No co-owner shall remove any trees or existing landscaping from any unit or any part of the condominium project without the approval of the Developer prior to the initial meeting of the Association and afterwards by the Architectural Review Committee. However, a unit co-owner may, from time to time, change 'annual planting' within a flower belt or 'planting belt', which is part of a previously approved landscaping plan.

4. No building, structure or other improvements, including, without limitations, any dwelling, fence, storage shed, or other permanent or temporary building or structure, shall be constructed within the perimeters of a unit or elsewhere on the condominium project (primarily the frontage area), nor shall any exterior addition, modification or structural alteration, including, without limitation, painting the exterior lights, awnings, doors and shutters be made to any existing building, structure or improvement, unless plans and specifications therefore, containing such detail as the Association may reasonably require, have first been approved in writing by the Architectural Review Committee appointed by the Board. Construction shall have the right to refuse to approve any plans or specifications, color and/ or material applications, grading or landscaping plans, or

building location 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 construction, the proposed location within the unit, the location of structures within adjoining units and the degree of harmony thereof with the condominium as a whole.

The purpose of this section is to assure the continued maintenance of the condominium as a beautiful and harmonious residential development, and shall be binding upon both the Association and upon all co-owners. Prior to the sale of all the condominium units by the Developer, the Developer may construct dwellings or other improvements upon the condominium project without the necessity of prior consent from the association, the Architectural Review committee or any other person or entity, subject only to the express limitations contained in the condominium documents; provided, however, that all such dwellings and improvements shall, in the reasonable judgment of the Developer or its architect, be architecturally compatible with the structures and improvements constructed elsewhere on the condominium project.

5. Except as otherwise provided, all single-family residences constructed within the project shall be constructed in compliance with all applicable zoning and building codes in force at the time of construction of said single family residence, except for setbacks which are set forth in the Architectural Guidelines, Exhibit D hereto.
6. No more than one (1) single-family residence shall be placed on a unit as shown on the Condominium subdivision Plan.
7. Clothes lines and clothesline poles shall be allowed within the boundaries of a unit; however, the location of such pales and lines shall be subject to the review and approval of the architectural Review Committee.
8. Detached storage sheds shall be allowed within the boundaries of a unit; however, the location of such pales and

lines shall be subject to the review and approval of the Architectural Review Committee.

9. Construction of aboveground pools within the boundaries of a unit; however, the style, materials. And location of such detached storage sheds shall be subject to the review and approval of the Architectural review Committee.

10. No single-family residence, which is incomplete as to the exterior or basement, shall be used for a temporary or permanent residence.

C. Specific Construction Restrictions. The following are the specific construction restrictions on the type of improvements, which may be constructed within the units,

1. No one story residence shall be constructed with a fully enclosed first floor area of less than one thousand two hundred (1,200) square feet of living space above ground, exclusive of garage area. No one and one-half (1 ½) story, two (2) story, two and one half (2-1/2) story, bi-level, or tri-level residence shall be constructed with a fully enclosed floor area with less than one thousand eight hundred (1,500) square feet, exclusive of garage area.

2. No single-family residence shall be erected exceeding thirty (30) feet in height.

3. All single-family residence erected shall have attached garages. Each garage shall be capable of garaging at least two (2) automobiles.

4. Modular or prefabricated homes shall be allowed upon approval of the Project Architectural Committee.

5. Except for foundations, only natural wood or "natural look" siding, brick or fieldstone shall be used for exterior wall. Concrete block or poured walls are acceptable for foundations. Natural or "natural look" brick and fieldstone shall be acceptable for above-grade walls or porch piers. Aluminum or vinyl siding shall be acceptable. All materials shall have a "natural look" appearance and be subject to

the approval of the Developer or the Project Architectural Review Committee.

6. All utilities serving the improvements located with a unit shall be underground from the main lines to said improvements.

7. All driveways constructed within a unit shall be either asphalt, paving bricks, stone, or concrete. Similar materials shall be used for the driveways apron area between the street surface and the driveway; the portion of the driveway located in the right-of-way. Driveway construction shall commence at the curb depression area; however, the developer or Project Architectural Committee may approve a curb cut for another location when the unit owner (or contractor) replaces the original driveway depression with curbing at the owner's expense.

8. No changes will be made in the grading of any area to alter the surface runoff drainage pattern for the condominium project without the prior written consent of the developer, or after the transitional control date, the Association.

9. Each unit shall have installed and maintain a coach lamp adjacent to the driveway at no more than five feet from the right-of-way line. Each unit owner shall provide a light sensitive switch or timer switch to assure the automatic operation of the light from dusk till dawn.

10. Owners of units 25 and 111 shall have a fence installed and will continuously maintain the fence at the rear lot line of the unit's construction. The Watervliet Township Zoning Ordinance shall prescribe the location and specification.

E. Time Limitation Restrictions. The following restrictions shall apply with regard to time limitations of construction.

Once commenced construction of a single-family residence must be completed on the exterior within two hundred forty (240) days from the date construction is commenced, and within said period, the soil within such unit and the frontage area appurtenant to such unit must be completely stabilized by grading and seeding or sodding of a lawn or other ground

cover growth so as to prevent any soil blow-area or soil erosion; provided this provision shall neither prevent nor prohibit anyone from maintaining open areas for the planting of trees, shrubbery or flower garden, but any such open area shall be controlled so as to prevent blowing or erosion of soil there from.

- 8.5 **Promulgation of Rules and Regulations.** Reasonable regulations consistent with the Act, the Master Deed and these Condominium By-Laws 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 elected by the Developer prior to the First Annual Meeting of the entire Association, held as provided in Paragraph 1.9. Copies of all such regulations and amendments thereto shall be furnished to all co-owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each co-owners. Any such amendment may be revoked at anytime by the affirmative vote of sixty-six and two thirds (66-2/3%) percent or more of all co-owners in number and in value.
- 8.6 **Application of Restrictions to Development.** None of the restrictions contained in this article VIII shall apply to the commercial activities or signs or billboards, if any, of the Developer during the development and sales period as defined hereinafter or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation and By-Laws as the same may be amended from time to time. For the purposes of this Section, the development and sales period shall be deemed to continue so long as the Developer owns any unit, which he offers for sale. Until all units in the entire condominium project are sold by the Developer, the Developer shall have the right to maintain a sales office, a business office, a construction office, model units, storage areas, reasonable parking incident to the foregoing and such access to, from and over the project as may be reasonable to enable development and sale of the entire project by the Developer. The Developer shall restore the areas so utilized to habitable status upon termination of use.

ARTICLE 9. MAINTENANCE AND REPAIR

- 9.1 **Association Responsibilities.** The Association shall maintain and repair the general common elements and the limited common elements, except to the extent expressly provided to the contrary in

the Master Deed. The cost thereof shall be charged to all the co-owners as common expenses, unless necessitated by the negligence, misuse or neglect of a co-owner, in which case such expenses shall be charged to such owner. If it so chooses, the Association, may, but shall have no obligation to, maintain roads, driveways, utilities, water and sanitary sewer lines and facilities located within the units to the point of contact with a residence or improvement located within a unit. These costs shall be charged to the co-owner of such unit.

- 9.2 **Co-Owner Responsibility.** Each co-owner shall maintain his unit and any limited common elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each co-owners shall also use due care to avoid damaging any of the common elements including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other elements in any unit which are appurtenant to or which may affect any other unit. The association shall have the right, but not the obligation, to cause any maintenance and repair to be made with respect to the unit, after first giving the co-owners seven (7) days prior written notice, except in the case of an emergency, in which event no prior written notice shall be required. Any amounts so incurred by the Association shall constitute assessments, which shall be paid to the Association in the manner provided in Article II above, and the failure to any co-owner to pay such assessments shall permit the Association to exercise the rights and remedies provided for in Article II. Each co-owner shall be responsible for damages or cost 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 cost are covered by insurance carried by the Association in which case there shall be no such responsibility (unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible co-owner shall bear the expense to the extent of the deductible amount). If reimbursement to the Association is excluded by virtue of a deductible provision, the responsible co-owner shall bear the expense to the extent of the deductible amount, anything else in these Condominium By-Laws to the contrary notwithstanding. Any costs or damages to the Association specified herein or elsewhere in the condominium documents that are assigned to the individual co-owner will be assessed to and collected from the responsible co-owner in the manner provided for regular assignments in Article II.

Each co-owner shall be individually responsible for the maintenance, repair and replacement of all improvements and structures on or within his unit, including all walls, windows, window walls, sliding glass doors, screens, garage doors and front entry doors to each structure, regardless of the cause of such structure; provided, however, that no construction, replacement of any portion of any such structure; provided, however, the no construction, replacement, repair or decoration of any structure shall be undertaken by o-owner without the express written approval of the Association or of the Architectural Review Committee appointed by the board of Directors for such a purpose.

9.3 **Association Access.** Not used.

ARTICLE 10. RENTALS AND LEASES

- 10.1 **Right to Lease Unit.** A co-owner of a unit (s) in the condominium project may rent such unit(s) at any time. Neither a co-owner nor the developer shall lease less than an entire unit in the project.
- 10.2 **Notice to Association.** A co-owner including the Developer, desiring to rent or lease a condominium unit shall disclose that the fact in writing to the Association at least ten (10) days before presenting a lease form to a potential lessee, and at the time of such notice shall supply the Association with a copy of the exact lease form for its review of such lease's compliance with the condominium documents. The Board shall advise the member of any deficiency in the lease form and the member shall correct such deficiencies as directed by the Board before presenting a copy of the lease to the tenant, The Developer proposing to rent condominium units before the transitional control date shall notify either the Advisory Committee of the project or each co-owner in writing.
- 10.3 **Contents of Lease Agreements.** Tenants or non-owner or occupants shall comply with all of the conditions of the condominium documents of the condominium project and all leases and rental agreements shall so state.
- 10.4 **Remedies for Tenant's noncompliance.** If the Association determines that the tenant or non co-owner occupant has failed to comply with the conditions of the condominium documents, the Association shall take the following action:

- A. The Association shall notify the co-owner by certified mail advising of the alleged violation by tenant.
- B. The co-owner shall have fifteen (15) days after receipt of such notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.
- C. If after fifteen (15) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the co-owners) owners on behalf of the Association, If it is under the control of the Developer, an action for both eviction against the tenant or non-co-owner and simultaneously for money damages against the co-owner and tenant or non-co-owner occupant for breach of the condominium occupants. The relief set forth in this section may be by summary proceeding. The Association may hold both the tenant and the co-owner liable for any damages caused by the co-owner or tenant in connection with the condominium unit.

10.5 **Co-Owner Arrearage and Right of Setoff.** When a co-owner is in arrearage to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a co-owners condominium unit under a lease or rental agreement and the tenant, after receiving the notice shall deduct from rental payments due the co-owner the arrearage and future as they fall due and pay them to the Association. The deductions shall not be a breach of the rental agreement or lease by the tenant.

ARTICLE 11. TRANSFER OF UNIT

11.1 **Acceptance of Condominium Documents.** No co-owner may transfer or dispose of his unit or any interest therein any manner, except by mortgage, unless said co-owner shall deliver unto the Association a written statement executed by the transferee (with the transferee's signature notarized) evidencing the transferee's acknowledgement that they have received and reviewed the Condominium Documents and agreement to abide by the covenants and duties set forth therein.

ARTICLE 12 MORTGAGES

- 12.1 **Notice of Mortgage.** Any co-owner who mortgages his unit shall notify the Association of the name and address of his mortgagee, and shall file a conformed copy of the note and mortgage with the Association, which shall maintain the informational in a book entitled "Mortgages of Units. If the Association does not receive such notice, it shall be relieved of any duty to provide the mortgagee any notice required by the master Deed or these Condominium By-Laws.
- 12.1a **Notice of Mortgage.** The Association shall give to the holder of any first mortgagee 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 sixty (60) days, if such mortgagee has, in writing, requested the Association to record such defaults to it.
- 12.2 **Notice of Insurance.** The Association shall notify each mortgagee appearing in said book of the name of each company insuring the condominium against fire, perils covered by extended coverage and vandalism and malicious mischief and the amounts of such coverage.
- 12.3 **Notice 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 meetings.
- 12.4 **Acquisition of title by first Mortgagee.** As provided in Article II, Sec. 7. Any first mortgage that obtains title to a unit pursuant to the remedies provided in the mortgage or by deed in lieu of foreclosure shall not be liable for such unit's unpaid assessments, which accrue prior to the acquisition of title by such mortgagee.

ARTICLE 13. AMENDMENTS

- 13.1 **Proposal.** Amendments to the Condominium By-Laws may be proposed by the board of Directors of the Association acting upon the vote of the majority of the directors or by thirty three and one-third (33-1/3%) percent or more in number of the member or by instrument in writing signed by them.
- 13.2 **Meeting to be Held.** Upon any such attachment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provision of the Association By-Laws.

- 13.3 **Vote Required.** These condominium By-Laws may be amended by the Association at any regular annual meeting or a special meeting called for such purpose, by an affirmative vote of not less than sixty-six and two-thirds (66-2/3%) percent of the co-owners in number and value and sixty-six and two thirds (2/3%) percent of all mortgagees at a regular or special meeting called for such purpose, except that the method or formula used to determine the percentage of value of units in the condominium project and any provisions relating to the ability or terms under which a co-owner may rent a unit may not be modified or amended without the consent of each affected member and mortgagee. For the purpose of such voting each co-owner will get one (1) vote for each unit owned including as to the Developer all units created by the Master Deed but not yet conveyed. Each mortgagee shall get one (1) vote for each mortgage held.
- 13.4 **Amendment Prior to First Annual Meeting.** The Board of Directors may enact amendments to the Condominium By-Laws without the approval of any member or mortgagee, provided that such amendment shall not materially alter or change the rights of a member or mortgagee.
- 13.5 **Effective Date.** Any amendment to these Condominium By-Laws (but not the Association By-Laws) shall become effective upon the recording of such amendment in the Office of the Register of Deeds in the county where the condominium is located.
- 13.6 **Copies to be distributed.** A copy of each amendment to the Condominium By-Laws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these bylaws that is adopted in accordance with this Article Xiii shall be binding upon all persons who have an interest in the project irrespective of whether such person actually receive a copy of the amendment.
- 13.7 **Incorporation of Master Deed Provision.** This Article does hereby expressly incorporate the provision of Article Viii, Paragraphs A through G, of the project Master Deed.

ARTICLE 14. COMPLIANCE

The Association of co-owners and all present or future co-owners, tenants, or any other persons acquiring interest in or using the facilities of the

project in any manner are subject to and shall comply with the Act, as amended, the master Deed, these Condominium By-laws, articles of Incorporation of the Association. The mere acquisition, occupancy or rental or any unit or an interest therein or the utilization of or entry upon the condominium premises shall signify that the condominium documents are accepted and ratified in the event the condominium documents conflict with the provisions of the Act, the Act shall govern.

Failure to comply with any of the terms of the Master Deed, these Condominium By-Laws; of the Association, shall be grounds for relief, which may include, without limiting the same, an action to recover sums due for such damages, injunctive relief, and any other remedy which may be appropriate to the nature of the breach. Failure of the Association to enforce any right, provision, covenant or conditions which may be granted by the Master Deed, these Condominium By-laws; the Articles of Incorporation, By-Laws or duly adopted Rules and Regulations of the Association, shall not constitute a waiver of the right of the Association to force such right, provision, covenant or condition in the future.

ARTICLE 15. DEFINITIONS

16.1 **Limited Common Elements.** A limited common element of the project may be reassigned upon written application of the co-owners concerned to the president of the Association or to such other person or persons as may be designated by the Association Board of Directors. This application shall be reviewed to determine whether or not such reassignment of the limited common element will affect co-owners other than the co-owners making the application. To the extent such reassignment of a limited common element shall not effect the rights of co-owners other than the co-owners making said application, an Amendment to the Master Deed Of the project shall be prepared and executed reassigning the rights and obligations with respect to the common element involved. They or all reasonable cost for the preparation and recording of the Amendment to the master Deed shall deliver such Amendment to the co-owners of the condominium units concerned upon payment.

To the extent such application for reassignment of a limited common element does affect co-owners in a project other than the co-owners making the application, it shall be necessary to obtain the consent, in writing, of all affected co-owners prior to the reassignment or the limited common element. If such consent is secured, an Amendment to Master Deed shall be prepared and executed reassigning the rights and

obligations with respect to the common element involved. They or all reasonable cost for the preparation and recording of the Amendment to the Master Deed shall deliver the Amendment to the co-owners of the condominium units concerned upon payment.

16.2 General Common Elements assigned as limited Common Elements.

A general common element of the project shall not be assigned as limited common element except upon the consent of eighty (80%) percent or more of the co-owners in number and value.

ARTICLE 17. CO-OWNER DEFAULT

17.1 Relief Available. Any default by a co-owner shall entitle the Association or another co-owner to the following relief:

- A. Failure to comply with any of terms or provisions of the condominium documents or the Act shall be grounds for relief, which may include without intending to limit the same, an action recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination therefore, and such relief may be sought by the Association, or, if appropriate, by an aggrieved co-owner or owners.
- B. In any proceeding arising because or an alleged default by any co-owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees, (not limited to statutory fees) as may be determined by the Court, but in no event shall any co-owner be entitled to recover such attorneys' fees.
- C. The violation of any of the provisions of the condominium documents or the Act shall also give the Association or its duly authorized agents the right. In addition to the rights set forth above, to enter upon the common elements, limited or general, or 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 provision of the condominium documents or the Act.
- D. The violation of any of the provisions of the condominium documents or the Act 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. No fine may be assessed unless Rules and Regulations establishing such violations. No fine may be assessed unless Rules and Regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all co-owners in the same manner as prescribed in Article II, Sec-4, of the Association By-Laws. Thereafter, fines may be assessed only upon a finding by the Board that the violation has occurred after notice to the offending co-owner as prescribed in said Article II, Sec. 4, and an opportunity for such co-owner to appear before the Board no less than seven (7) days from the date of the notice and offer evidence in defense of the alleged violation. All fines duly assessed may be collected in the same manner as provided in Article II. No fine shall be levied for the first violation, and the fines for succeeding violations shall be in such amounts as determined by the Board of Directors in their duly adopted rules and Regulations.

- 17.2 **Failure to Enforce.** 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, provisions, covenant or condition in the future.
- 17.3 **Rights Cumulative.** 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.
- 17.4 **Hearing.** Prior to the imposition of any fine or other penalty hereunder, the offending unit owner shall be given a reasonable opportunity to appear before the Board of Directors and be heard. Following any such hearing the Board shall prepare a written decision and place it in the permanent records of the Association.

ARTICLE 18. SEVERABILITY

In the event that any of the terms, provision, or covenants of the Condominium By-Laws 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, provision or covenant of such documents or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

ARTICLE 19. CONFLICTING PROVISIONS

In the event of a conflict between the provision of the Act (or other laws of the State of Michigan) and any condominium document, the Act (or other laws of the State of Michigan) shall govern; in the event of any conflict between the provisions of any one or more condominium documents, the following order of priority shall prevail and the provisions of the condominium document having the highest priority shall govern:

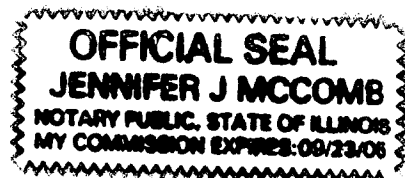
- A. The Master Deed, which includes the Condominium Subdivision Plan;
- B. The Condominium By-Laws.
- C. The Articles of Incorporation of the Association.
- D. The By-Laws of the Association
- E. The Rules and Regulations of the association.
- F. Recorded Consent Decree resolving concerns of the Paw Paw Lake Association with Nature's Cove.

Adopted this 29th day of November, 2004

"Developer"
TTM DEVELOPMENT GROUP LTD.

By: *Tim Mahler*
TIM MAHLER, PRESIDENT

Subscribed and sworn to before me
This 29th day of November 2004



Jennifer J. McComb
NOTARY PUBLIC
BERRIEN COUNTY, MICHIGAN
MY COMMISSION EXPIRES: 9/23/2005

Exhibit D

ARCHITECTURAL GUIDELINES NATURE'S COVE SITE CONDOMINIUM DEVELOPMENT

STATEMENT OF PURPOSE

The purpose of these Guidelines is to assist owners and their architects in the development of designs that incorporate the overall concept and quality of NATURE'S COVE. It is not the intent of these Guidelines to limit or diminish individual co-owner's desires or needs; but rather to provide a mechanism to ensure that this expression is in harmony with the other co-owners of NATURE'S COVE SITE CONDOMINIUM DEVELOPMENT.

ALL SINGLE-FAMILY RESIDENCES, APPURTENANT OUTBUILDINGS, DRIVEWAYS, PARKING AREAS, LANDSCAPING, RELATED STRUCTURES AND IMPROVEMENTS MUST BE APPROVED IN WRITING BY THE PROJECT ARCHITECTURAL REVIEW COMMITTEE. EXTERIOR REMODELING AND ALTERATIONS WILL ALSO REQUIRE COMMITTEE APPROVAL.

ARTICLE 1. MATERIALS SUBMITTED TO COMMITTEE

In order to assist the Architectural review committee in its review process, the following material are required to be submitted in duplicate by the co-owner:

- 1.1 Topographical survey indicating primary site characteristics, etc. Scale shall be no more than one (1) inch equals twenty (20) feet.
- 1.2 A proposed site plan clearly indicating all structures, decks, walks, drives, underground utilities, etc. Such site plan shall indicate the respective distances of the improvements from the property lines, and the existing and proposed grades, including elevation of top of foundation. All variances from foundation elevations described in the grading plan shall require approval of the Architectural Review committee. This grading plan will be prepared by an engineer or surveyor licensed in the State of Michigan.
- 1.3 Exterior elevation plan showing all elevations of the proposed structures and clearly indicating all material and finishes.
- 1.4 An erosion and sedimentation plan that illustrates the practices to minimize disturbance and erosion of the property during

construction. The establishment of permanent ground cover with landscaping is an essential part of this plan.

ARTICLE 2. CONTRACTORS

- 2.1 A general contractor who is licensed as a residential builder in the State of Michigan shall construct all single-family residences constructed in NATURE'S COVE on behalf of the co-owner.

ARTICLE 3. SETBACKS

- 3.1 All improvements located within a building site unit shall comply with the following setbacks:
- A. **Front.** Thirty Five (35') feet from the edge of the Project roadway;
 - B. **Rear.** Twenty Five (25') feet from the rear lot line;
 - C. **Side.** Ten (10') feet from the side lot lines.

ARTICLE 4. HEIGHT AND AREA

- 4.1 In compliance with the TOWNSHIP OF WATERVLIET'S Zoning Ordinance Regulations for Single-family development. (R1-B).

ARTICLE 5. DESIGNS

- 5.1 The Architectural Review Committee for appropriateness and acceptability will review all designs individually. Garages and storage buildings are to be consistent and compatible with the companion residential design.

ARTICLE 6. MATERIAL, ACCESSORY AND OTHER STRUCTURES

- 6.1 In Compliance with the TOWNSHIP OF WATERVLIET'S Building Code for single-family development.

ARTICLE 7, LANDSCAPING

- 7.1 Landscaping plans shall be subject to the approval of the Architectural Review committee. The establishment of permanent ground cover is an essential part of erosion control plan and must be accomplished as quickly as possible after construction is complete. The planting of such ground cover does not require review and approval of formal landscaping plans.

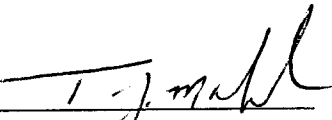
ARTICLE 8. RULES AND REGULATIONS

8.1 The Developer and/or the Association Architectural Review Committee shall have the right to promulgate reasonable rules and regulations to carry out the intent of these Architectural Guidelines and the construction restrictions set forth in the condominium By-Law.

These Guidelines were promulgated with the intent to maintain the quality of the Project habitat.

Issued: this 29th day of November, 2004

TTM DEVELOPMENT GROUP LTD.
An Illinois Corporation

BY: 
TIM MAHLER, PRESIDENT

Developer of NATURE'S COVE SITE CONDOMINIUM DEVELOPMENT

Exhibit E

**Consent Decree Recorded in Berrien County, November 2004 resolving
concerns of the Paw Paw Lake Association and its members regarding the
NATURE'S COVE SITE CONDOMINIUM DEVELOPMENT**

EXHIBIT E

STATE OF MICHIGAN
BERRIEN COUNTY TRIAL COURT

THE PAW PAW LAKE ASSOCIATION, a Michigan nonprofit corporation, and CHARLES L. PATER, THYS J. VAN HOUT and BARBARA J. VAN HOUT, husband and wife, FRANK R. DE ROOS and DOROTHY DE ROOS, husband and wife, STEVE BURT and EMILY BURT, husband and wife, DOUGLAS E. JONES and JENNY L. JONES, husband and wife, MURRAY R. SAVAGE, as trustee of the Murray R. Savage Trust, and ROBERT GILBERTSEN and CARMELA GILBERTSEN, husband and wife, as Trustees of the Robert and Carmela Gilbertsen Trust, individuals, JOAN CLARK and LESLIE PISCIA, individuals, and ROBERT A. BECKER and LENORE J. BECKER, as trustees of the Robert A. and Lenore J. Becker Trust,

Plaintiffs,

v

TTM DEVELOPMENT GROUP, LTD., an Illinois corporation, WATERVLIET TOWNSHIP, a general law township, the WATERVLIET TOWNSHIP BOARD and WATERVLIET TOWNSHIP PLANNING COMMISSION, and MERLE BUJACK, EVA BAUMEISTER, DAN HUTCHINS, DOLORES YUDELL, and JAMES JARVIS, individuals,

Defendants.

Hon. Lynda A. Tolen

Case No. 04-3717-CZ-T

CONSENT JUDGMENT

James L. Wernstrom (P23071)
Clifford H. Bloom (P35610)
LAW, WEATHERS & RICHARDSON, P.C.
Attorneys for Plaintiffs
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STIPULATION AND CONSENT

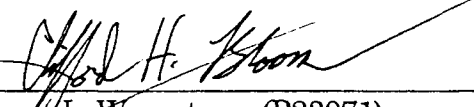
NOW COME the parties hereto, and hereby stipulate and consent to the entry of the
Consent Judgment below. Notice of entry is waived.

Respectfully submitted,

LAW, WEATHERS & RICHARDSON, P.C.

Dated: November 17, 2004

By


James L. Wernstrom (P23071)

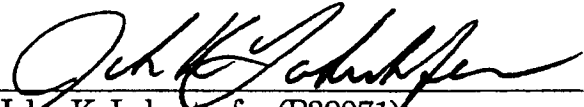
Clifford H. Bloom (P35610)

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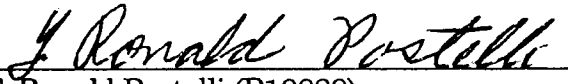
BAUCKHAM, SPARKS, ROLFE,
LOHRSTORFER & THALL, P.C.

Dated: November 17, 2004

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Dated: November 16, 2004

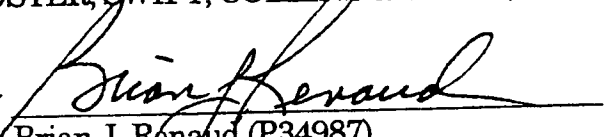
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FOSTER, SWIFT, COLLINS & SMITH, P.C.

Dated: November 17, 2004

By


Brian J. Renaud (P34987)

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32300 Northwestern Hwy., Ste. 230
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(248) 539-9900

JUDGMENT

At a session of said court at the County Courthouse held in
St. Joseph, Berrien County, Michigan, this November 19
2004

Present: Hon. Lynda A. Tolen
Trial Court Judge

Pursuant to the stipulation of the parties hereto,

IT IS ORDERED:

1. The property and lands covered by this Consent Judgment, which is located
in Watervliet Township, Berrien County, Michigan, is legally described as follows:

THAT PART OF THE SOUTHWEST QUARTER AND SOUTHEAST QUARTER OF SECTION 11,
TOWN 3 SOUTH, RANGE 17 WEST, WATERVLIET TOWNSHIP, BERRIEN COUNTY,
MICHIGAN, DESCRIBED AS: BEGINNING AT THE CENTER OF SAID SECTION 11; THENCE
NORTH 90°-00'-00" EAST, ON THE EAST AND WEST 1/4 LINE OF SAID SECTION, 400.00 FEET;
THENCE SOUTH 0°-22'-28" EAST, PARALLEL TO THE NORTH AND SOUTH 1/4 LINE, 899.39
FEET; THENCE NORTH 90°-00'-00" EAST, PARALLEL TO THE EAST AND WEST 1/4 LINE,
909.35 FEET, TO THE NORTH AND SOUTH 1/8 LINE OF THE SOUTHEAST QUARTER AND
THE CENTERLINE OF DOTY ROAD; THENCE SOUTH 0°-20'-03" EAST, ON SAID 1/8 LINE,
569.95 FEET; THENCE SOUTH 89°-20'-09" WEST, 301.39 FEET; THENCE NORTH 0°-20'-03"
WEST, PARALLEL TO SAID NORTH AND SOUTH 1/8 LINE, 54.96 FEET; THENCE NORTH
68°-47'-04" WEST, 117.19 FEET; THENCE SOUTH 0°-20'-03" EAST, 44.71 FEET; THENCE
SOUTH 89°-40'-15" WEST, 89.92 FEET; THENCE NORTH 88°-58'-19" WEST, 85.38 FEET;
THENCE SOUTH 89°-40'-15" WEST, 205.83 FEET, TO THE EXTENSION OF THE WEST LINE
OF DOTY'S LANDING, ACCORDING TO THE RECORDED PLAT THEREOF, AS RECORDED
IN LIBER 3 OF PLATS ON PAGE 65; THENCE SOUTH 0°-20'-03" EAST, ON SAID WEST LINE
AND THE EXTENSION OF SAID WEST LINE, 326.04 FEET, TO MEANDER POINT "A" ON
THE SHORE OF PAW PAW LAKE; THENCE ON AN INTERMEDIATE TRAVERSE LINE,

ALONG THE SHORE OF SAID LAKE, SOUTH 61°-19'-39" WEST, 549.98 FEET, TO MEANDER POINT "B" AND THE END OF SAID TRAVERSE LINE; THENCE NORTH 0°-22'-28" WEST, PARALLEL TO THE NORTH AND SOUTH 1/4 LINE OF SAID SECTION, 1110.88 FEET; THENCE NORTH 90°-00'-00" WEST, PARALLEL TO THE EAST AND WEST 1/4 LINE, 55.00 FEET; THENCE NORTH 0°-22'-28" WEST, PARALLEL TO SAID NORTH AND SOUTH 1/4 LINE, 899.39 FEET, TO THE EAST AND WEST 1/4 LINE; THENCE NORTH 90°-00'-00" EAST, ON SAID EAST AND WEST 1/4 LINE, 22.00 FEET, TO THE PLACE OF BEGINNING.

ALSO ALL THAT LAND LYING BETWEEN THE INTERMEDIATE TRAVERSE LINE AND THE SHORE OF PAW PAW LAKE, BOUNDED ON THE EAST END BY A LINE DESCRIBED AS BEGINNING AT THE ABOVE MENTIONED MEANDER POINT "A"; THENCE THE RIPARIAN BOUNDARY RUNS SOUTH 18°-13'-36" EAST, TO THE SHORE OF PAW PAW LAKE; AND BOUNDED ON THE WEST END BY A LINE DESCRIBED AS BEGINNING AT THE ABOVE MENTIONED MEANDER POINT "B"; THENCE THE RIPARIAN BOUNDARY RUNS SOUTH 32°-37'-02" EAST, TO THE SHORE OF PAW PAW LAKE.

SUBJECT TO THE RIGHTS OF THE PUBLIC, IN THAT PART OF THE ABOVE, LYING WITHIN THE RIGHT OF WAY OF DOTY ROAD AND BLATCHFORD ROAD.

SUBJECT TO ANY AND ALL EASEMENTS, CONDITIONS, RESTRICTIONS AND LIMITATIONS OF RECORD.

The word "Property" as used in this Consent Judgment shall mean not only the above-mentioned legal description, but also any and all portions thereof (and any lot, parcel or site condominium created thereon) and the lake bottomlands and shoreline associated therewith unless this Consent Judgment expressly provides otherwise in a particular situation.

Defendant TTM Development Group, Ltd. represents and warrants that the above-mentioned legal description for the Property is true and accurate to the best of its knowledge, information and belief.

2. There shall be no more than thirty-five (35) lots, parcels, and/or site condominium units in total created on, out of, or from the Property. There shall be no more than thirty-five (35) houses or dwelling units located, developed, or maintained on the Property, excluding the club house/pool cabana as shown on the approved site plan for the Property.

3. The Property shall not be utilized for any purpose or use other than single-family residential uses and normal lawful accessory uses associated therewith (which allowed uses include those shown on the site plan for the Property prepared by Michael J. Cap, Ltd. dated August 10, 2004 and approved by Watervliet Township on August 16, 2004).

4. Each house or dwelling unit shall be new and reviewed and approved in advance by the architectural review committee referenced in this Consent Judgment.

5. The terms, requirements, and conditions of this Consent Judgment shall apply regardless of future changes to the Watervliet Township Zoning Ordinance, as amended.

6. The Property shall not be utilized for commercial, industrial, or business uses, except for normal home offices or home occupation uses which fully comply with all local zoning regulations and other applicable laws.

7. The following shall apply to the shoreline, bottomlands, and other applicable portions of the Property:

(a) All boat slips, docks, piers, and marina(s) must have all applicable approval(s) and permit(s) from the Michigan Department of Environmental Quality ("MDEQ") if required by law.

(b) Each home site within the Property (i.e., each lot, parcel, or site condominium unit) shall have (or use) no more than one (1) boat slip (i.e., a boat mooring site for one boat or watercraft, whether moored at a dock or in a shorestation or boat cradle at a dock), up to a maximum of thirty-five (35) boat slips in total for the Property.

(c) There shall be no more than one (1) motorized boat or watercraft per home site (*i.e.*, per lot, parcel, or site condominium unit).

(d) No more than thirty-five (35) boats in total (whether a motorboat, speedboat, sailboat, or other motorized watercraft is involved) shall be allowed to be moored, anchored, or kept at or on the bottomlands or shoreline of the Property

(e) No motorized boat or watercraft shall be anchored, moored, or kept overnight at, on, or along the bottomlands or shoreline of the Property except as anchored, tethered, cradled or attached directly to a boat slip and dock as allowed under this Consent Judgment. No shorestation, boat cradle or similar item shall be installed, kept or utilized, except immediately adjacent to and touching upon an allowed dock or pier. Non-motorized boats can be anchored, moored or kept away from a boat slip for no more than 72 hours within any seven day period.

(f) Any and all temporary piers or docks, and shorestations or boat cradles at a dock or pier shall be fully removed from the bottomlands and the lake during the winter season as defined herein.

(g) Temporary shore stations or boat cradles may be utilized adjacent to any dock or pier permitted by this Consent Judgment, but no permanent boat house or similar structure with a rigid roof or rigid walls shall be permitted. Each shorestation and boat cradle shall be removed from the lake and bottomlands during the winter season as defined herein.

(h) The phrase "winter season" throughout this document refers to November 1 through March 15.

(i) No boat or watercraft launch, ramp, or similar structure, item, or improvement shall be installed, utilized, or permitted at the Property.

(j) No boat slip and associated dockage shall be installed or utilized for a particular home site (i.e., lot, site condominium unit, or parcel) on or from the Property until such home site has been sold. For purposes of this subparagraph, it is understood and agreed by the parties that boat slips and associated dockage are typically manufactured in units of two, such that TTM Development Group, Ltd. will not be deemed in violation of this Consent Judgment for installing such a unit in advance of the sale of the additional home site that would utilize the additional boat slip included in such unit.

(k) TTM Development Group, Ltd. will submit a pier application to the MDEQ showing every pier, dock, and boat slip (as well as any and all portions of such items) located on the outside (i.e., lakeside) of the pier or dock and away from the shoreline; provided, however if the total number of boat slips (35) cannot be achieved or permitted pursuant to this design, TTM Development Group, Ltd. has the right to resubmit to the MDEQ, for approval, a pier design for the 35 boat slips on and over bottom lands and/or shoreline owned by TTM Development Group, Ltd.

(l) Any lighting for the shoreline or any dock, pier, boat slip, and/or dock access (including any boardwalk or way through or over a wetland) shall be low voltage/low intensity ground lighting.

(m) Within sixty (60) days after the date on which a home site is sold to a third party (i.e., within sixty (60) days of the date of the closing on the lot, parcel, or site

condominium unit), TTM Development Group, Ltd. shall promptly submit to the Paw Paw Lake Association a document identifying the boat slip and the number that has been assigned to the home site.

(n) No de-icer, bubbler, or similar system used or designed to prevent ice from forming shall be installed or utilized during the winter or cold weather season at or for any pier, dock, boat mooring site, or any portion of the shoreline, bottomlands, or lake waters on, above, or adjacent to the Property

(o) There shall be no rental, leasing, or similar letting of any dock or pier. Notwithstanding the prohibitions contained in this subsection (o), the boat slip allocated to the owner of a particular home site may be utilized not only by the owner of the home site, but also by family members and guests.

(p) There shall be no boat or watercraft storage on the lake, on the shoreline, or within the wetlands at the Property during the winter season. All temporary piers, docks, shorestations, boat cradles, and similar items shall be stored upland (i.e., north) of both the shoreline and the wetlands during the time period when they are not in the water.

(q) No swim raft, water trampoline, ski platform, or similar structure or item shall be installed, or utilized on the Property or the shoreline, lakeshore or bottomlands thereof.

(r) TTM Development Group, Ltd. will submit a pier plan to the MDEQ showing the east starting point of the pier system sixty (60) feet to the west of the west property line of Lot 14 of the Doty's Landing Plat. However, if the 35 boat slips do not fit

within this dimension, TTM Development Group, Ltd. may resubmit to the MDEQ for approval a revised pier plan of the 35 boat slips.

(s) As it relates to when a boat slip can be installed and used based on a lot or site condominium unit being sold, any "Sale" or "Ownership" transfer requires that the transaction be at "fair market value" and not a "transfer" to a related TTM Development Group, Ltd. entity at less than "fair market value".

8. Any development and site plan for the development of the Property shall contain not more than thirty-five (35) home sites (i.e., lots, site condominium units, or parcels) in total, shall comply with this Consent Judgment, and shall also comply with all applicable zoning and other ordinance provisions of Watervliet Township, except as expressly otherwise provided by this Consent Judgment.

9. Any lake access, anti-funneling provision, dock regulation or similar ordinance or ordinance amendment adopted by Watervliet Township shall not apply to the Property so long as the Property is in substantial and material compliance with subsections 7 (b), (c) and (d) and section 19 of this Consent Judgment. Any configuration of 35 boat slips/mooring sites and piers, docks and similar structures approved by the MDEQ (or as otherwise provided by law) and as authorized and regulated by this Consent Judgment shall be deemed a lawful permitted and allowable use, whether as a lawful conforming use or a lawful nonconforming use or otherwise, for which vested rights have attached.

10. A buffer of green space shall be left and maintained around the perimeter of the Property as shown on the site plan prepared by Michael J. Cap, Ltd. dated August 10, 2004 and approved by Watervliet Township Board on August 16, 2004.

11. Any boardwalk, walkway, trail, path, or similar item or improvement which will be installed and/or utilized over, within, and/or near any wetlands and/or bottomlands on or within the Property must be approved by the MDEQ if required by law. The Plaintiffs acknowledge that they are not opposed in any way to, and will not publicly object to, the walkways and golf cart paths shown on the approved site plan prepared by Michael J. Cap, Ltd. dated August 10, 2004 and approved by Watervliet Township Board on August 16, 2004 and as modified by the application numbered "04-110130P", submitted to the MDEQ on or about September 27, 2004.

12. Any alteration, fill, or destruction of any wetlands on the Property or removal of plants or foliage within any wetlands that are indigenous to the wetlands shall occur consistent with MDEQ guidance, policy and procedures. There shall be no alteration of the wetlands that requires MDEQ approval without MDEQ approval.

13. TTM Development Group, Ltd. is aware of the program to reduce and eliminate the growth of "Purple Loosestrife" from wetlands and shoreline areas. TTM Development Group, Ltd. agrees to make a reasonable effort together with the Paw Paw Lake Foundation to control and/or eradicate the infestation of the wetlands and shoreline of the Property of Purple Loosestrife following MDEQ guidelines.

14. No development on or within the Property (or any home site, house, lot, site condominium unit, or parcel on or within the Property) shall utilize High Street to access

any portion of the Property, nor shall High Street west of the east line of Lot 14 of the Doty's Landing Plat be developed, paved, or improved to access any portion of the Property (or any development thereon). This paragraph shall be applicable only if TTM Development Group, Ltd. is able to obtain any and all applicable approvals from the MDEQ and other applicable governmental agencies for 35 boat slips and also for an asphalt path and sewer line as that asphalt path and sewer line are shown on the approved site plan prepared by Michael J. Cap, Ltd. dated August 10, 2004 and approved by Watervliet Township Board on August 16, 2004 and as modified by the application numbered "04-110130P", submitted to the MDEQ on or about September 27, 2004, so as to be able to connect the upland portions of the Property and its infrastructure to the shoreline area.

15. One (1) property owner or resident from High Street (i.e., east of the west boundary of Lot 14 of the Doty's Landing Plat) within the Doty's Landing Plat, elected by a majority of those property owners on High Street, shall be a full member of the architectural review committee (or the equivalent) for any and all development(s) which might be developed or occur on the Property. There shall be architectural guidelines required for any and all houses and structures built on or within the Property, and a standing architectural review committee (or the equivalent) shall review any and all house and structure plans and either approve, deny, or approve with conditions any house or structure proposal. Such architectural guidelines and the review powers of the architectural review committee (or the equivalent) shall be recorded by itself or in another relevant document with the Register of Deeds of Berrien County so as to be binding on all lots, site condominium units, and parcels created on or from the Property.

16. Plaintiffs shall not object, whether verbally or in writing, publicly or otherwise, to any site plan or development proposal submitted by TTM Development Group, Ltd. to Watervliet Township, or to any proposal submitted by TTM Development Group, Ltd. to the MDEQ, for piers, dockage, boat slips, wetlands and bottomland approvals, so long as such site plan, development or other referenced proposal complies with the terms of this Consent Judgment.

17. The zoning for the Property is designated AG-Agricultural. However, the terms, conditions, and requirements of this Consent Judgment shall remain in full force and effect and shall govern the Property regardless of any current or future zoning regulations or zoning designations regarding or affecting the Property.

18. This Consent Judgment, and the terms, conditions, and requirements contained herein, touches and concerns the Property, shall permanently run with the Property (as well as any and all portions thereof), and shall bind not only the parties hereto as provided herein, but also their successors, assigns, transferees, and creditors.

19. Except as otherwise expressly provided for in this Consent Judgment, the Property shall not be used, developed, or maintained to permit the owner or occupant of any dwelling, lot, site condominium unit, parcel, or lands not located on the Property to utilize or have access to Paw Paw Lake through the Property or through the shoreline of the Property.

20. A fully executed copy of this Consent Judgment may be recorded by any of the parties with the Berrien County Register of Deeds.

21. Except as otherwise provided for in this Consent Judgment, any development and uses of the Property (and the shoreline and bottomlands thereof) shall comply with all other existing Watervliet Township, Berrien County, State of Michigan, and federal regulations, ordinances and laws.

22. This Consent Judgment can be enforced pursuant to Michigan law. Should Court action be necessary for enforcement, the party or parties which prevail in whole or in part shall be entitled to an award of reasonable attorney fees and costs.

23. While this Consent Judgment (and the terms and provisions herein) touch and concern the Property and run with the land, wherever TTM Development Group, Ltd. has transferred title to a particular lot, condominium unit or parcel or to a common element or common area from, on or within the Property to an unrelated person or entity, that person or entity rather than TTM Development Group, Ltd. shall be responsible for any violation of this Consent Judgment which occurs on such transferred property or land where such violation occurs after the date of transfer, and TTM Development Group, Ltd. shall be released and discharged from liability for such violation.

24. No costs to any party. Each party shall pay its own attorney fees.

25. This is a settlement of all claims, defenses, causes of action and disputes arising out of this lawsuit and the specific subject matters thereof. No portion of this Consent Judgment shall be changed, modified or altered unless consented to in writing by all of the parties hereto or all of their respective successors and thereafter, the Court executes an order amending this Consent Judgment consistent with the parties' stipulations.

26. Wherever this Consent Judgment refers to the MDEQ, it shall also mean the MDEQ's successor agency or agencies, if any.

27. Should any section or provision of this Consent Judgment ever be declared invalid or unenforceable by the Court, such decision shall not affect the validity of the Consent Judgment as a whole or any part thereof, other than the section or provision declared to be invalid or unenforceable.

28. Each party hereto shall act in good faith in implementing the terms and provisions of this Consent Judgment as they are applicable to the respective party or parties.

29. This Consent Judgment resolves the last remaining claims and closes the case.

LYNDA A. TOLEN

Hon. Lynda A. Tolen
Trial Court Judge

11/19/04

STATE OF MICHIGAN
CIRCUIT COURT FOR COUNTY OF BERRIEN
I certify that I have compared this copy with the original on file in
this court & that it is a correct copy of the whole of such original

NOV 19 2004

M. LOUISE STINE